

## FRANCHISE DISCLOSURE DOCUMENT



**Squeeze Franchising LLC**  
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Nashville, TN 37203  
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[www.squeezemassage.com](http://www.squeezemassage.com)

The franchisee will operate a business under the name “Squeeze” that offers a modern massage experience using an app-based booking and payment platform, personalized and adjustable therapy room settings, convenient membership opportunities, and related retail products using state-of-the-art technology, design, and branding in a safe, clean, and positive environment (the "Squeeze Services"). Squeeze Services are offered a la carte or in connection with varying levels of memberships.

The total investment necessary to begin operation of a Squeeze Shop is between **\$534,250** and **\$1,284,500**. This includes **\$154,500-\$354,500** that must be paid to Franchisor or its affiliates. If you enter into a franchise agreement with us, you are also obligated to sign a development agreement pursuant to which you will agree to develop, open, and operate at least two (2) additional Squeeze Shops according to an agreed upon development schedule. You will pay the Initial Franchise Fee and associated technology fees, for each location included with your development agreement at the time that you sign the development agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Brittany Driscoll, 700 8th Avenue S, 2nd Floor, Nashville, TN 37203, [brittany@squeezemassage.com](mailto:brittany@squeezemassage.com).

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

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

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

Issuance Date: March 26, 2024

## How to Use This Franchise Disclosure Document

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

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

## What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This Franchise

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

1. **Out of State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with us by mediation, arbitration, and/or litigation only in Delaware. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with us in Delaware than in your home state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory and supplies necessary to operate your Squeeze Shop from us, our affiliates, or from third party suppliers that we designate at prices that we or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit if your franchised business.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchises who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.
5. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

**This Franchise.** Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES  
REQUIRED BY THE STATE OF MICHIGAN**

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

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from setting any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies and equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised Business are not subject to compensation. This paragraph applies only if: (a) the term of the franchise is less than 5 years and (b) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This paragraph does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This paragraph does not prevent a franchisor from exercising the right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This paragraph does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third-party willing and able to purchase those assets, nor does this paragraph prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in paragraph 3 above.

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

10. The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Consumer Protection Division of the Department of the Attorney General, whose address is 70 Law Building, Lansing, Michigan 48913, and whose telephone number is (517) 373-7117.

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### EXHIBITS

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- M. Receipt (2 copies)

## **ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

Squeeze Franchising LLC is the franchisor. For ease of reference, in this disclosure document, we refer to Squeeze Franchising LLC as “Squeeze Franchising,” “we,” “us,” “Franchisor” or “our.” “You” or “your” or “Franchisee” refers to the person, persons, corporation, limited liability company, partnership, or similar business entity (“Entity”), which is awarded a franchise.

Squeeze Franchising only does business under the names “Squeeze Franchising” and “SQUEEZE.” We are a Delaware Limited Liability Company formed on August 9, 2019. Our principal place of business is 700 8th Avenue S, 2nd Floor, Nashville, TN 37203. We began offering Squeeze Shop franchises in October 2019.

We are managed by our manager Squeeze Holdings LLC (“Squeeze Holdings”), who we consider our parent company. Squeeze Holdings was formed on September 11, 2017. Squeeze Holdings operates the original Squeeze Shop in Studio City, California. We have the right, pursuant to a license agreement dated October 2, 2019, with Squeeze Holdings (“License Agreement”) to utilize the Marks and the System in conjunction with the offering, development, and support of franchises throughout the United States.

Our affiliate Squeeze Gift Cards, LLC (“Squeeze Gift Cards”), a Virginia limited liability company, was formed on September 20, 2022. Its principal business address is 700 8th Avenue S, 2nd Floor, Nashville, TN 37203. Squeeze Gift Cards markets and issues Squeeze gift cards to consumers.

Neither we, Squeeze Holdings, nor any of our affiliates offer franchises in any other line of business.

Our agents for service of process are listed in Exhibit B of this disclosure document. We do not engage in any business not described in this Item 1.

### **Squeeze Shops**

We offer a modern massage experience using an app-based booking and payment platform, personalized and adjustable therapy room settings, and convenient membership opportunities, using state-of-the-art technology, design, and branding in a safe, clean, and positive environment. Squeeze Shops membership programs offer members, for a monthly fee, certain defined services, and additional services at reduced member rates.

Typically, Squeeze Shops will be located in retail shopping centers.

Our affiliate Squeeze Holdings developed (and continues to modify) a unique system for the operation of Squeeze Shops (the “System”). The distinguishing characteristics of the System include, without limitation, our interior and exterior design, state-of-the-art applications and technology, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality and quantity of equipment and inventory, procedures for operations, proprietary computer software, quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for management training and assistance, advertising and promotional programs, business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time.

We identify the System by means of the “Squeeze” name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols, and designs (collectively the “Marks”). Every detail of the System is important to you, us, and our other franchisees. You must develop, maintain, and operate your Squeeze Shop at the high and uniform standards of quality, operations and service established by us for the System (“System Standards”). Our System Standards are set forth in a confidential operations manual (“Manual”). We will make an electronic copy of the Manual available to you as long as you are a Squeeze franchisee.

## **Franchise Agreement**

You will sign a Franchise Agreement (the “Franchise Agreement”) which grants you the right to establish and operate a Squeeze Shop at an approved location that will be specified in the Franchise Agreement. You may be a corporation or a limited liability company, as approved by us, or you may sign the Franchise Agreement in your individual capacity. All products and services sold at your Squeeze Shop will be administered and transacted through our proprietary systems. On a weekly basis, we will pay to you, by EFT, ACH, direct deposit, or a similar means, the Net Sales generated by your Squeeze Shop minus all fees (See Item 6), financing costs (Item 10) plus any amounts you owe us or our affiliates for purchases of supplies, and any other monetary obligation that you have to us or our affiliates (our payment to you is referenced as the "Franchise Commission"). If there is a negative balance to your Franchise Commissions after all deductions, then your negative balance will be carried forward to the next week and be deducted from your next week’s Franchise Commissions. We are never required to remit any funds to you until we have collected those funds.

## **Development Agreement**

You will sign a development agreement (“Development Agreement”) (See Exhibit K), which grants you the right, subject to certain conditions, to establish open, and operate the number of additional Squeeze Shops specified in the Development Agreement according to an agreed upon development schedule (the “Development Schedule”). The Squeeze Shops included with a Development Agreement must be located within the geographic area agreed upon between us (the “Development Area”), the size of which will depend upon how many additional Squeeze Shops you will open. You are obligated to open the agreed upon number of Squeeze Shops pursuant to a Development Agreement. You may be obligated to execute a franchise agreement that differs from the franchise agreement included with this Franchise Disclosure Document in connection with your execution of franchise agreements pursuant to a Development Agreement.

## **Market and Competition**

We are part of the therapeutic massage industry offering membership based massage services and provide massage services to the general public. The market for massage services, as part of a membership program or ala carte program, is well developed and highly competitive. Our principal targeted customers are adults between the ages of 30 and 70. We compete with hotels, resorts, day spas, salons, massage studios, and other membership and non-membership based businesses offering massage services. Notwithstanding the competitiveness of the therapeutic massage industry, we believe that Squeeze Shops will appeal to customers because of our app-based booking and payment platform, personalized and adjustable therapy room settings, state-of-the-art technology, design, and branding.

## **Industry Specific Regulations**

There may be regulations specific to the operation of a Squeeze Shop in your state. Many states require massage therapists to be licensed and you must ensure that your Squeeze Shop and the therapists who work in your Squeeze Shop comply with these requirements. You must ensure that only licensed therapists perform any services for which a license or specialized training is required. You must be aware of and comply with all regulatory requirements to which a massage therapy Squeeze Shop in your state or municipality may be subject, in addition to our policies contained in the Manual, the purpose of which is the prevention and handling of inappropriate conduct during massage therapy sessions. Failure to strictly comply with these laws, regulations, or policies may put your customers at risk and/or increase your risk of litigation associated with inappropriate conduct during massage therapy sessions. It is also your responsibility to thoroughly investigate applicable zoning, state escheat, licensing rules, and regulations in your state and municipality before opening your Squeeze Shop. Some state or local laws may require that you file and post a bond if your Squeeze Shop is considered to be a health spa or health club. Health club laws may also regulate other aspects of your Squeeze Shop, including your agreements with your customers. We will

handle all credit card transactions on your behalf. That being said, you and we will be obligated to comply with all applicable laws including the Payment Card Industry ("PCI") Data Security Standard ("DSS"). You must also comply with laws that apply generally to all businesses in your state and municipality.

## **ITEM 2 BUSINESS EXPERIENCE**

Brittany Driscoll- Chief Executive Officer & Co-Founder. Ms. Driscoll is our CEO. She has held this position since our formation in August 2019. Ms. Driscoll is also a Co-Founder & CEO of Squeeze Holdings; positions she has held since September 2017.

Brian Boucher- Chief Operating Officer. Mr. Boucher has been our Chief Operating Officer since April 2024. From March 2019 through April 2024, Mr. Boucher was the Chief Operating Officer for Taymax Group, LP in Boston, Massachusetts.

David Werner- Chief Product Officer. David Werner has been the Chief Product Officer of Squeeze Holdings LLC since December 2017. Between June 2019 and April 2024, Mr. Werner was also Chief Operating Officer.

Jennifer Brock- Vice-President of Franchise Development. Jennifer has served as our Vice-President of Franchise Development since June of 2021. Prior to joining Squeeze, Jennifer worked on the franchise development team for Global Recruiters Network from 2015-2021.

Kathrina Reyes- Director-Real Estate and Development. Ms. Reyes has been our Director-Real Estate, Design and Development since February 2023. From September 2022 to February 2023, she was the Director- Real Estate, Design and Development for Hopscotch in Chicago, Illinois. From March 2021 to June 2022, she was the Director, Real Estate and Development for Cityblock Health in Brooklyn, New York. From April 2012 to March 2021, she was a Project Manager/Planner, Corporate Real Estate with CareMore Health in Cerritos, California.

Stacey Levine- Marketing Manager. Stacey Levine has served as our Marketing Manager since February 2020 in Nashville, TN. Prior to that, Stacey served as the Senior Brand Marketing Manager for Nekter Juice Bar from June 2019 through November 2019 in Santa Ana, CA and spent December 2015 through June 2019 at Drybar, most recently as the Brand Marketing Manager in Irvine, CA.

Megan Martin- Director of Operations & Training. Megan Martin has served as our Director of Operations & Training Manager since August 2021. Megan previously worked part-time on Operations & Training for Squeeze from March 2021 to August 2021. Prior to that she was the General Manager for Squeeze Studio City from November 2020 to March 2021. She was a consultant for Squeeze from October 2017 to November 2020, while running her own massage business and working as a massage therapist in San Ysidro Ranch from March 2016 to November 2020.

Allison Webb- Manager and Advisor. Ms. Webb has been a member of our Board of Managers since our formation in August 2019. Ms. Webb is also a co-Founder of Squeeze Holdings and has served as a member of the Board of Managers of Squeeze Holdings since September 2017.

Michael Landau- Manager and Advisor. Mr. Landau has been a member of our Board of Managers since our formation in August 2019. Mr. Landau is also a co-Founder of Squeeze Holdings and has served as a member of the Board of Managers of Squeeze Holdings since September 2017.

## **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

## ITEM 5 INITIAL FEES

### Initial Franchise Fee

The Initial Franchise Fee offsets the expenses Squeeze Franchising incurs to market, assist, research, award, and train franchisees. The Initial Franchise Fee is \$50,000 per Shop although you are required to purchase at least three (3) Shops in total between your Franchise Agreement and Development Agreement so you will pay us at least \$150,000. If you are a veteran of the armed forces of the United States and were honorably discharged from military service, you will receive a ten percent (10%) discount on each Initial Franchise Fee that you pay to us. The Initial Franchise Fee is paid in a lump sum at execution of the Franchise Agreement unless you and we agree otherwise.

The Initial Franchise Fee and all other fees are uniform for all similarly situated franchisees.

Unless otherwise specified, all fees imposed by us are non-refundable.

### Development Fee

If you execute a Franchise Agreement with us, you will be obligated to also execute a Development Agreement with us. You will pay us a Development Fee in connection with your execution of the Development Agreement (See Exhibit K). The Development Fee is paid to us in exchange for our agreement to grant you a mutually acceptable geographic area agreed (the “Development Area”) in which you will develop and open an agreed upon number of Squeeze Shops according to a Development Schedule. The minimum number of Squeeze Shops that you are obligated to open pursuant to a Development Agreement is two (2) additional Squeeze Shops. These two are in addition to the one Squeeze Shop you agree to open pursuant to the Franchise Agreement. The size of the Development Area will depend upon how many additional Squeeze Shops you will open.

The Development Fee you pay us will depend upon the number of Squeeze Shops that you agree to develop and open in the Development Area. The Development Fee will be 100% of the Initial Franchise Fee that you will pay for each Squeeze Shop, and you will be obligated to execute a Franchise Agreement in connection with each Squeeze Shop. The Development Fees for 2023 are:

- Right to open three (3) Squeeze Shops: \$50,000 each (\$150,000 total)
- Right to open four to five (4-6) Squeeze Shops: \$45,000 each (\$180,000 to \$270,000 total)
- Right to open six to nine (7-9) Squeeze Shops: \$40,000 each (\$280,000 to \$360,000)
- Right to open 10 or more Squeeze Shops: \$35,000 each (\$350,000+)

The Development Fees include the Initial Franchise Fee paid with respect to your first Shop, which you will execute and pay at the same time as you execute the Development Agreement.

### Technology Start Up Fee-\$1,500 per Shop

When you sign a franchise agreement or a development agreement, you will also pay us a one-time technology setup fee of \$1,500 per Shop including those Shops contemplated by a Development Agreement. The minimum Technology Start Up Fee that you will pay us is \$4,500 (\$1,500 per Shop for three (3) Shops).

Squeeze Franchising may, where Squeeze Franchising believes an adjustment is warranted, waive, reduce, or change the amount or the payment date for any fee or amount payable to us. There is no formula for such adjustments and each situation is evaluated on a case-by-case basis. Factors may include but are not limited to: larger or more experienced prospective franchisees; prospective franchisees with which Squeeze Franchising or our affiliates have

had previous experience; prospective franchisees departing other franchise/licensed systems; and prospective franchisees in other unique circumstances. Squeeze Franchising may elect not to negotiate with a prospective franchisee even if a franchisee possesses some or all of the same characteristics as another franchisee whose agreement was modified.

### Referral Fees

Currently, we pay a referral fee in the amount of \$5,000 to existing franchisees who provide us with prospective franchisee leads that result in the purchase of a new Squeeze franchise agreement. The referral fee will be paid as: (i) a credit of Royalties that the existing franchisee owes us; or (ii) as a credit towards an Initial Franchise Fee of an additional Squeeze Shop. We will not make a cash payment to you. This referral program is administered by us in our sole discretion and may be changed or discontinued by us at any time. The referral fee is subject to change at any time. Franchisees who are eligible to participate in this referral program and who may provide us with prospective franchisee leads are not acting as our agent, do not speak for us, and are not involved in the franchise sales process. As an existing franchisee, they are simply passing along to us the name of someone they know who might be interested in acquiring a new franchise.

### ITEM 6 OTHER FEES

| Type of Fee <sup>(1)</sup>                   | Amount   | Due Date  | Remarks   |
|--|--|---|---|
| <b>Royalties</b>                             | 6% of Net Sales <sup>(2) (3)</sup>                               | We will calculate and retain the Royalties prior to our weekly payment to you of the Franchise Commission.                  | Based on Net Sales during the previous week and is non-refundable.  |
| <b>Credit Card Processing Fee</b>            | 2.6% of Credit Card Sales <sup>(4)</sup> + \$.30 per transaction | We will calculate and retain the Credit Card Processing Fees prior to our weekly payment to you of the Franchise Commission | Based on Credit Card Sales  |
| <b>Brand Fund Contribution<sup>(5)</sup></b> | 2% of Net Sales  | We will calculate and retain the Brand Fund Contribution prior to our weekly payment to you of the Franchise Commission.    | Your contribution to the Brand Fund is in addition to your expenditures for Local Store Marketing and the Grand Opening Plan. We reserve the right to increase the Brand Fund Contribution at any time in our sole discretion upon 60 days prior notice to you. |
| <b>Local Store Marketing Fee</b>             | \$1,625 per month  | Monthly   | Payable to the designated vendor. Your Local Store Marketing Fee is in addition to your contribution to the Brand Fund, any Regional Co-op, and your expenditures for the Grand Opening Plan. You may expend additional amounts on Local Store Marketing. See   |

| Type of Fee <sup>(1)</sup>                     | Amount   | Due Date   | Remarks   |
|--|--|--|---|
|  |  |  | Item 11 for more details on Local Store Marketing.  |
| <b>Cooperative Marketing Fee<sup>(6)</sup></b> | Up to 2% of weekly Net Sales plus any fees that we may charge for administering, managing, and governing the Regional Co-op. | If a Cooperative Marketing Fund is established, we will calculate and retain prior to our weekly payment to you of the Franchise Commission.           | We may, in our sole discretion, establish a regional advertising cooperative in the future in your designated marketing area. You will be obligated to participate in your marketing cooperative if it is established. The Co-op Contribution will be credited against the amount you are required to spend on local marketing. If you fail to remit payment of your Co-op Contribution, you will be required to reimburse us for amounts we spend on your behalf to satisfy your Co-op Contribution, plus our related expenses.                        |
| <b>Guest Experience Fee<sup>(7)</sup></b>      | \$280 per week   | We will retain the Guest Experience Fee on a weekly basis from your Franchise Commissions payment.   | We have a centralized customer service team to support the online scheduling and payment system with phone, email, and SMS support. You are obligated to participate and contribute to the program. We may increase the Guest Experience Fee upon 30 days prior written notice to you.  |
| <b>Training Fee</b>                            | \$1,500 plus meals, lodging, incidental expenses, and travel expenses  | We will retain the Training Fee on a weekly basis prior to the last weekly payment to you of the Franchise Commission for a particular calendar month. | We reserve the right to charge our Training Fee in connection with (a) retraining or replacement training with regards to the portions of the initial training that are designed for the Operating Principal and/or General Manager, (b) any training we require you to complete to cure a default under your Franchise Agreement with us (“Remediation Training”), (c) additional training you request we provide (other than the kind of day-to-day assistance described below), or (d) training we provide on-site at your Squeeze Shop. We will not |

| Type of Fee <sup>(1)</sup>                 | Amount   | Due Date   | Remarks  |
|--|--|--|--|
|  |  |  | charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability. In addition to our then-current Training Fee, you will always be responsible for the costs and expenses that are incurred in connection with you and your personnel attending training.   |
| <b>Technology Fee<sup>(8)</sup></b>        | \$450 per week   | We will retain the Technology Fee on a weekly basis from your Franchise Commissions payment.               | You will pay us a Technology Fee for required application, software, maintenance and support, e-mail service, music and lobby signage streaming services, intranet, scheduling and CRM platforms, and other technology services that we determine, in our sole discretion, to provide to you.  |
| <b>Franchise Meeting Fee<sup>(9)</sup></b> | \$1,000 per person   | We will retain the Franchise Meeting Fee prior to our weekly payment to you of the Franchise Commission    | We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you attend such conference. If you do not attend the annual conference, we reserve the right to charge you a non-attendance fee amounting to the then-current registration fee. You will be responsible for the costs and expenses you incur in connection with any annual conference/ convention (lodging, travel, meals, etc.). This fee may be increased upon written notice to you. |
| <b>Transfer Fee<sup>(10)</sup></b>         | An amount equal to 25% of our then current Initial Franchise Fee provided that the Transfer Fee will not exceed \$12,500 | Payable when we receive notice that you have identified a potential buyer and signed a purchase agreement. | The Transfer Fee is not refundable. If the closing for the transfer does not occur, we will not refund the Transfer Fee; however, if during the 12-month period following your initial notice of the transfer, you identify another transferee, then we will apply the Transfer Fee to the Transfer Fee for that buyer. In addition to the Transfer Fee,   |

| Type of Fee <sup>(1)</sup>                             | Amount   | Due Date  | Remarks   |
|--|--|---|---|
|  |  |   | you are responsible for all fees or commissions payable to brokers, sales agents, or similar parties in connection with the transfer of your Squeeze Shop.  |
| <b>Renewal Fee<sup>(11)</sup></b>                      | \$10,000   | No more than 12 months and no less than 9 months prior to the date the Franchise Agreement will expire. |   |
| <b>Interest<sup>(12)</sup></b>                         | The lesser of 15% per year or the maximum lawful rate    | Upon demand. May be deducted directly from your Franchise Commissions.                                  | We will debit interest from your business checking account.   |
| <b>Audit Costs</b>                                     | Our actual audit fees, costs, and expenses               | Upon demand. May be deducted directly from your Franchise Commissions                                   | Payable only if the audit is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis or, if our examination reveals a Royalties and/or Brand Fund contribution understatement exceeding 2% of the amount that you actually reported to us for the period examined.  |
| <b>Costs and Attorneys' Fees</b>                       | Our actual costs and reasonable attorneys' fees incurred | As incurred. May be deducted directly from your Franchise Commissions                                   | If we prevail in litigation regarding enforcement of any terms of any agreement with us, you must pay our attorney fees and costs.  |
| <b>New Product and Supplier Testing<sup>(13)</sup></b> | Our actual expenses up to \$5,000.                       | As incurred. May be deducted directly from your Franchise Commissions                                   | If you propose to purchase any Goods or Materials (that you are not required to purchase from us, an affiliate of ours or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we |

| Type of Fee <sup>(1)</sup>                 | Amount   | Due Date   | Remarks   |
|--|--|--|---|
|  |  |  | reasonably designate be delivered to us.  |
| <b>Insurance Costs</b>                     | Our actual costs incurred in securing insurance on your behalf.  | Upon demand. May be deducted directly from your Franchise Commissions        | If you fail to obtain the insurance we specify, we may obtain such insurance for you and you must reimburse us for all premiums, costs, and expenses we incur, plus a reasonable fee for our time incurred in obtaining such insurance. |
| <b>Taxes</b>                               | Actual costs   | May be deducted directly from your Franchise Commissions                     | If we determine, in our sole discretion, to pay any taxes that are your obligation, or any taxing authority obligates us to pay taxes on your behalf.   |
| <b>Indemnification</b>                     | Actual costs.  | Upon demand. May be deducted directly from your Franchise Commissions        | Payable if we incur any losses due to your default of the Franchise Agreement or any other action or inaction by you or any other person relating to your Franchise.  |
| <b>Reimbursement of Costs and Expenses</b> | Actual costs and expenses  | Upon demand. May be deducted directly from your Franchise Commissions        | If you fail to perform certain obligations and we then have the right to perform the obligations, you will reimburse us for all costs and expenses.   |
| <b>Management Fee<sup>(14)</sup></b>       | The greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Shop, or (ii) 10% of the Shop's weekly Gross Sales plus expenses for travel, lodging, meals, and all other expenses. | Weekly if incurred. May be deducted directly from your Franchise Commissions | Payable during period that our appointed manager manages your Shop upon your death or disability. The Management Fee will be in addition to the Royalties and Brand Fund Contributions due to us.                                       |
| <b>Extension Fee<sup>(15)</sup></b>        | \$2,500 per month to extend the deadline to open your Squeeze Shop or to satisfy your Development Schedule under your Development Agreement  | Upon our agreement to extend the deadline to open your Squeeze Shop          | Payable if you wish to extend the deadline in the Franchise Agreement to open or the Development Deadlines in the Development Agreement.  |
| <b>Late Report Fee</b>                     | \$100 per week per late report   | As incurred. May be deducted directly from your Franchise Commission.        | We may charge this fee at our discretion. The amount of the Late Report Fee may be changed upon written notice to you.  |

| Type of Fee <sup>(1)</sup>           | Amount  | Due Date  | Remarks  |
|--------------------------------------|---|---|--|
| <b>Changed Requirements and Fees</b> | The amount actually incurred in complying with imposed changes to the system including applicable fees. | As incurred. May be deducted directly from your Franchise Commissions | We may revise our specifications, standards, and the Manual to implement new or different operating requirements and fees associated with your Squeeze Shop. |

**NOTES:**

1. General. Unless otherwise specified, all fees are imposed by us and are non-refundable. We will collect Net Sales and distribute the Franchise Commission, minus all applicable fees, expenses, and other amounts that you owe to us and our affiliates, to you, on a weekly basis. Generally, all fees are uniformly imposed on our franchisees, however, in certain unique circumstances; we may defer, reduce, or waive a fee for a particular franchisee for a limited period of time.
2. Gross Sales. "Gross Sales" means the aggregate amount of all revenues generated from the sale or delivery of products and services at or from the Shop, and all other income of every kind related to the Shop, whether for cash, credit (and regardless of collection in the case of credit), barter, exchange, or other form of consideration including but not limited to membership fees, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Premises in connection with the sale and delivery of Squeeze Services and Products.
3. Net Sales. "Net Sales" means Gross Sales minus: (i) the amount of any documented refunds, chargebacks provided to customers in good faith; (ii) any tips received by your employees; and (iii) Franchisor designated or approved discounts, promotions, or credits.
4. Credit Card Sales. "Credit Card Sales" means Gross Sales transacted from or during the operation of your Squeeze Shop utilizing credit card, debit card, gift card, loyalty program, or other similar credit or electronic transactions.
5. Brand Fund Contributions. Your contributions to the Brand Fund will not exceed two percent (2%) of Net Sales ("Brand Fund Contribution(s)"). Brand Fund Contributions will be retained by us prior to our payment of the Franchise Commission. The Brand Fund Contribution is currently two percent (2%) of Net Sales.
6. Cooperative Marketing Fees. We do not currently have any regional cooperative marketing groups (each a "Regional Co-op"). We may establish Regional Co-Ops in the future. We shall be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we will not have a vote unless we or our affiliates operate a Squeeze Shop in the area covered by the Regional Co-Op. Franchisor or affiliate Squeeze Shops that are members of a Regional Co-op will vote in the same manner and will have the same voting power as franchisee owned Squeeze Shops in the Regional Co-Op. Regional Co-op fees will be determined by its members. The minimum fee that a Regional Co-op may charge its members is zero percent (0%) of Net Sales. The maximum fee that a Regional Co-op may charge its members is two percent (2%) of Net Sales.
7. Guest Experience Fee. You will pay us the Guest Experience Fee on a weekly basis. We will retain the Guest Experience Fee from your Net Sales prior to our payment of the Franchise Commission to you. Currently, the Guest Experience Fee is \$280 per week. We may increase the Guest Experience Fee upon thirty (30) days written notice to you.

8. **Technology Fee.** You will pay us a weekly Technology Fee for required application, software, maintenance and support, e-mail service, music and lobby signage streaming services, intranet, scheduling and CRM platforms, and other technology services that we determine, in our sole discretion, to provide to you. A list of all services you will receive in connection with your Technology Fee is included with the Manual. Currently, the Technology Fee is \$450 per week. We may increase the Technology Fee upon thirty (30) days written notice to you.
9. **Franchise Meeting Fee.** We intend to hold annual franchise meetings ("Franchise Meeting") at some point in the future. When we do decide to hold such meeting(s), you will be required to attend and to pay a Franchise Meeting Fee. The Franchise Meeting Fee does not include your travel expenses including airfare, hotel and meals related to your attendance at such franchise meetings. You will be required to pay the Franchise Meeting Fee whether you attend the Franchise Meeting or not. The Franchise Meeting Fee may be increased upon written notice to you.
10. **Transfer Fee.** You must pay to us a transfer fee equal to the greater of: (i) 25% of our then current Initial Franchise Fee; and (ii) \$12,500 ("Transfer Fee") when we receive notice that you have identified a potential buyer and signed a purchase agreement to cover our costs to begin to review the Transfer documentation. We will waive the Transfer Fee if the transferee: (1) is an entity controlled by you, or (2) has obtained the location as a result of your death or disability. If the franchise candidate for the Transfer comes through the investigation process with a franchise sales broker, sales agent, or other third party, that we or you have retained, then, in addition to the Transfer Fee, you are responsible for all fees or commissions payable to such brokers, sales agents, or similar parties in connection with the transfer of your Squeeze Shop. If you acquire a Squeeze Shop in conjunction with a Transfer, you will be required to sign a new Franchise Agreement, but the term of that Franchise Agreement will be amended to reflect the remaining Term of the transferor's franchise agreement.
11. **Renewal Fee.** One condition of the extension of the term of your Franchise Agreement for a Successor Term is the payment of a Renewal Fee. The Renewal Fee must be paid no more than 12 months and no less than 9 months prior to the date the Franchise Agreement will expire. The Renewal Fee is not refundable. If, after your payment of the Renewal Fee, you decide to not renew the Franchise Agreement, we will not refund your Renewal Fee.
12. All amounts which you owe us for any reason will bear interest accruing as of their original due date at 15% per annum or the highest commercial contract interest rate the law allows, whichever is less. We may electronically debit your business checking account automatically for any past-due amounts and interest.
13. **Alternative Suppliers.** If you propose to purchase any goods or materials (that you are not required to purchase from us, an affiliate of ours, or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier do so. We may require, as a condition of our approval, that our representative be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval.
14. You will pay us a Management Fee if we are obligated, directly or indirectly, to manage your Shop. The Management Fee is in addition to and not in replacement of any other fees that you are obligated to pay us.
15. You are required to open your Squeeze Shop within 12 months of signing the Franchise Agreement. You may extend the deadline to open your Squeeze Shop, on a month to month basis, by paying us the Extension Fee. The Extension Fee currently being charged is \$2,500 per month and shall be paid on or before the 5<sup>th</sup> day of each month for which an extension is sought. We reserve the right to modify, increase, decrease or waive the Extension Fee in our sole and absolute discretion.

**ITEM 7 ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

| <b>Type of Expenditure</b>                              | <b>MIN</b>       | <b>MAX</b>         | <b>Method of Payment</b> | <b>When Due</b>                      | <b>To Whom Payment is Made</b>                         |
|---|------------------|--------------------|--------------------------|--------------------------------------|--|
| Initial Franchise Fee (2)                               | \$50,000         | \$50,000           | Lump sum                 | When Franchise Agreement is signed   | Us   |
| Development Fee (3)                                     | \$100,000        | \$300,000          | Lump sum                 | When Development Agreement is signed | Us   |
| Site Survey (4)   | \$3,000          | \$3,000            | Lump sum                 | As incurred                          | Third Party Suppliers                                  |
| Architectural Fees (5)                                  | \$17,000         | \$23,000           | Lump sum                 | As incurred                          | Third Party Suppliers                                  |
| Licenses & Permits (6)                                  | \$1,500          | \$10,000           | Lump sum                 | As incurred                          | Third Party Suppliers                                  |
| Construction and Leasehold Improvements (7)             | \$131,250        | \$423,150          | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Furniture, Fixtures and Equipment (8)                   | \$50,700         | \$71,500           | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Brand Finish Kit and Installation Cost (9)              | \$38,500         | \$54,000           | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Exterior Signage (10)                                   | \$20,000         | \$40,000           | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Grand Opening Marketing Plan (11)                       | \$20,000         | \$38,000           | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Travel and Living Expenses while Training (12)          | \$200            | \$2,950            | As arranged              | As incurred                          | Airlines, Hotels, and Related Travel Service Providers |
| Legal and Professional Fees (13)                        | \$5,000          | \$10,000           | As arranged              | As incurred                          | Your Third Party Professionals                         |
| Prepaid Rent and Deposits (14)                          | \$1,000          | \$15,000           | As arranged              | As incurred                          | Landlord   |
| Insurance Deposits (15)                                 | \$1,000          | \$3,500            | As arranged              | As incurred                          | Approved Third Party Supplier of Insurance Services    |
| Technology Start-Up Fee (16)                            | \$4,500          | \$4,500            | Lump sum                 | As incurred                          | Us   |
| Opening Inventory and Supplies not Otherwise Noted (17) | \$18,500         | \$18,900           | As arranged              | As incurred                          | Third Party Suppliers                                  |
| Additional Funds - Three Months (18)                    | \$72,000         | \$217,000          | As arranged              | As incurred                          | Us, employees, suppliers, utility suppliers            |
| <b>TOTAL</b>  | <b>\$534,150</b> | <b>\$1,284,500</b> |                          |                                      |  |

## NOTES

(1) General. Fees paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the vendor as well as customer practice in the area where your Squeeze Shop is located. All amounts payable to us or our affiliates may be deducted directly from your Franchise Commissions.

(2) Initial Franchise Fee. The Initial Franchise Fee is not refundable under any circumstances.

(3) Development Fee. The Development Fee is non-refundable under any circumstances. The Development Fee is described in greater detail in Item 5 of this Disclosure Document. The range of estimated Development Fee reflects your purchase of between two (2) and ten (10) additional franchise agreements in the Development Area.

(4) In order to get a better understanding of construction costs, a site survey is required on all units when a lease is signed, though you can elect to have a survey also done on a site before the lease is signed. We require you to utilize our Designated Supplier of site survey services for all site surveys.

(5) Architectural Fees. This estimate is for costs associated with development of architectural drawings for your shop. You will be required to use our Designated Supplier to coordinate the development and delivery of plans that meet our standards and specifications and comply with applicable laws, rules and regulations for the development and operation of your Shop. These fees can vary based on requirements by your local jurisdiction, the extent of the drawings required, and the level of detail required by applicable building departments.

(6) Licenses and Permits. You must apply for, obtain and maintain all required permits and licenses necessary to operate a Shop. The licenses will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and when practical and are due prior to opening the Franchised Business. Should fees be associated with building permits, our designated supplier will pay for them on your behalf and pass through the costs to you for reimbursement.

(7) Leasehold Improvements. The Leasehold Improvements estimate includes estimated expenditures for interior construction, HVAC, electrical, plumbing, walls and floor coverings. This estimate is based upon a single story 1,675-2,800 square foot second-generation space with sufficient HVAC and electrical, and a poured concrete slab that includes between 6 and 10 treatment rooms. If your Squeeze Shop is larger than this, includes more treatment rooms, is irregularly shaped, is an end cap with excessive glass line, or otherwise significantly deviates from our prototypical space configuration, your leasehold improvements may be higher. This estimate also includes a tenant improvement allowance paid by the Landlords (“Tenant Allowance”) that we expect will be paid by Landlords of Squeeze Shops to assist in the build-out of Squeeze Shops throughout the United States. There is no guarantee that your Landlord will contribute any Tenant Allowance to your site and building improvements. The cost of these improvements varies significantly depending upon the size and existing condition of the Premises as well as the geographic area in which your Squeeze Shop is located. Costs will likely be significantly higher in California as well as certain metropolitan areas including but not limited to New York City (including boroughs), Washington D.C. (including surrounding areas in Virginia and Maryland), Miami (including surrounding areas) and Chicago, as well as Hawaii and Alaska.

(8) Furniture, Fixtures and Equipment. You will be required to purchase certain types of furniture, fixtures and equipment for your Shop. Among other things, you will be required to purchase tables, furnishings, and specific AV elements from our Approved Suppliers and/or Designated Suppliers subject to our specifications. Significant factors that will influence and will increase the cost of furniture, fixtures and equipment will depend on the size of your Shop.

(9) Brand Finish Kit and Installation Cost - You are required to purchase and install the Squeeze Massage brand kit. This kit includes but is not limited to; counters, wall treatments, interior signage, restroom signs, dimensional wall art, and tables and chairs. This price will vary based primarily on the size of your Shop.

(10) Exterior Signage. You are required to purchase, subject to our design and construction specifications and approval, exterior signs and displays that we designate. This estimate is for the cost to produce wall signage to be mounted to the outside of the building.

(11) Grand Opening Plan. You must advertise and promote the Squeeze Shop during the 4-month period prior to opening (“Grand Opening Plan”). Your Grand Opening Plan expenditures must equal or exceed \$20,000 although we recommend that you spend more than the minimum amount (See Items 6 and 11 for more detailed information). We may require you to pay the Grand Opening Plan expenditures directly to us to fund your Grand Opening Plan, to pay the Grand Opening expenditures to designated vendors, or to pay such amounts to approved third party vendors. You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of the Squeeze Shop (“Marketing Plan”). This expenditure is in addition to your Brand Fund contribution and the amount you must spend on Local Store Marketing.

(12) Training Expenses. You must pay all travel and living expenses incurred by you and your employees while attending training courses and programs. The amount of these expenses will depend on the distance you must travel, mode of transportation, type of accommodations, number of your employees attending training, and employees’ wages.

(13) Legal and Professional Fees – This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advisories consistent with the start-up of a Shop. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, the Franchise Agreement and, if applicable, the Multi-Unit Development Agreement. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of your Shop.

(14) Prepaid Rent, Security and Other Deposits. We expect that you will lease the location for the Squeeze Shop, which will range in size from 1,675-2,800 square feet and be located in a retail shopping center, strip center, or lifestyle center. The Lease that you sign for your Squeeze Shop must be for a term of no less than ten (10) years within a geographic area that we identify in the Franchise Agreement (“Site Selection Area”). The Lease payments that you will make to third party Landlords will vary considerably depending upon the property size, type of transaction and location. Lease agreements may include the following expenses: taxes, insurance, maintenance, fixed rent (with escalations), percentage rent, principal and interest on tenant improvement loans, and other charges related to the operation of the Squeeze Shop. Landlords may require you to pay the first and last months’ rent and a security deposit equal to at least one to three months’ rent. Utility companies also may require a deposit for all new commercial accounts. The amount of the utility deposit will vary depending upon your utility company and its standard credit practices.

(15) Insurance. This is an estimated down payment against your annual premiums to acquire the insurance required under the Franchise Agreement. The estimate is only for commercial general liability, property, professional liability, business interruption, and workers’ comp insurance. We may, periodically, specify and change the types and amounts of coverage required, including an additional liability insurance umbrella policy. You must provide us with a copy of each insurance policy upon issuance and after each and every renewal. Each insurance policy must name us, our affiliates and our and their respective officers and owners as additional named insured and must require 30 days prior written notice to us before being modified, cancelled, or terminated and 30 days prior written notice to us before the policy expires.

(16) Technology Start-Up Fee. We charge you a Technology Start-Up Fee to cover our costs in establishing your required technology accounts. This amount is paid to us at the same time as you pay your Initial Franchise Fee.

(17) Opening Inventory and Supplies. Includes supplies associated with providing the Squeeze Services at your Squeeze Shop.

(18) Additional Funds. This is an estimate of the funds needed to cover business (not personal or living) expenses during the initial period (which we consider to be the first 3 to 6 months) of operation of the Squeeze Shop. To the extent that operational revenues do not cover these expenses, you will need additional funds to support the operational costs of your business, including other expenses as rent, leases, payroll, utilities, insurance, taxes, loan payments, advertising, supplies, inventory, Grand Opening Plan expenses and other expenses.

(19) Estimates. We have relied upon our experience, the experience of operating franchisees, the experience of our affiliate Squeeze Holdings, the operator of the original Squeeze Shop, and the experience of our project management vendor, in compiling these estimates. We do not offer financing to you for any part of the initial investment.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **System Standards**

To ensure that the highest degree of quality and service is maintained at all Squeeze Shops, you must operate your Squeeze Shop in accordance with the System including the System Standards. We have developed the System Standards based upon our experience and the experience of our affiliates. We disclose the System Standards to you in the Manual, via the intranet, and/or otherwise in writing. We may amend, modify, increase, or decrease the System Standards upon our updating of the Manual.

### **Approved Products, Distributors and Suppliers**

We may develop certain proprietary or branded services, including technology applications, payment systems, proprietary therapeutic massage and body services, and related services (“Proprietary Services”) and/or branded and/or proprietary products that you will offer in your Squeeze Shop (collectively “Proprietary Products”). We reserve the right to require you to purchase Proprietary Products from us or our affiliates at any time. We also reserve the right to amend, add, modify, delete, or change the list of Proprietary Products or Proprietary Services that you must offer at your Squeeze Shop. We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services or the packaging and delivery of products and services authorized for sale at Squeeze Shops.

For your Squeeze Shop, you must purchase Proprietary Products only from us or a third party designated and licensed by us to prepare and sell such products (“Designated Suppliers”) and purchase from manufacturers, distributors, vendors and suppliers approved by us (“Approved Suppliers”) all other goods, products, materials and supplies (collectively, “Goods”), as well as advertising materials, furniture, fixtures, equipment, menus, forms, paper and plastic products, packaging or other materials (collectively, “Materials”) that meet the standards and specifications promulgated by us from time to time. We may require you to use only certain brands (collectively, “Approved Brands”) and prohibit you from using other brands. From time to time, we may modify the list of Approved Brands and you may not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand. Neither Franchisor nor its affiliate are currently an Approved Supplier or a Designated Supplier for any Goods or Materials although we reserve the right to appoint Franchisor or an affiliate as an Approved Supplier or Designated Supplier of one or more Goods of Materials.

Currently, we require you to have one (1) computer at your Squeeze Shop. You must also have hardware and software to provide high speed internet access to your employees and clients at all times. Given the nature of our business, we recommend that you provide high speed internet access with speeds at 200mb per second, or if such speeds are not available in your area, at the highest available speeds. We will provide you with detailed specifications and policies for all hardware, software, accessories, and components of the computer systems, including, but not limited to, specifications for virus protection, data backup, hardware warranties, and installation requirements.

The estimated cost to purchase required hardware and software for operation of your Squeeze Shop is \$40,000-\$45,000 and is included in the estimated cost of "Leasehold Improvements" item in Item 7. This estimate includes low-voltage wiring, network equipment, integrated touchscreens in each massage suite, music streaming players, security cameras, and other AV/IT related equipment.

There are two (2) indirect owners of Franchisor that also have an interest in Designated Suppliers. Cameron Webb is an owner of Franchisor and also owns Cam Webb Agency-our Designated Supplier of creative services. Josh Heitler is an owner of Franchisor and also owns Heitler Architects, our Designated Supplier of architectural services. Other than the two individuals identified above, no owner or officer of Franchisor currently owns any interest in an Approved Supplier or Designated Supplier.

From time to time, we also may modify the list of Designated Suppliers and/or Approved Suppliers, and you may not, after receipt of such modification in writing, order any Proprietary Products from a supplier who is no longer a Designated Supplier or order any Goods or Materials from a supplier who is no longer an Approved Supplier. We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. Approval of a supplier or vendor may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by us. These criteria and standards are included in the Manual.

We and our affiliates, from time to time, may receive payments from suppliers or vendors (including Designated Suppliers and/or Approved Suppliers) on account of such suppliers' dealings with you and other Squeeze Shop franchisees, and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Squeeze Shops or any other group of businesses franchised or operated by us or our affiliates.

If you propose to purchase any Goods or Materials (that you are not required to purchase from us, an affiliate of ours, a Designated Supplier, or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to exceed \$5,000 reflecting the reasonable costs that we incur, including travel related expenses, video conferencing, product purchases, retention of third party examination companies, and professional time, inspecting the proposed alternative Goods or Materials and the actual cost of testing the proposed Goods and Materials, must be paid by you. We will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to re-inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the suppliers' failure to continue to meet any of the foregoing criteria.

We negotiate purchasing arrangements with Approved Suppliers so that, whenever possible, you can take advantage of the economies of scale offered by being a part of the System. Currently, there are no purchasing or distribution cooperatives. We may receive discounts that are not available to franchisees on the purchase of certain products. We may also receive rebates on products, supplies, and equipment that you purchase from some of our Approved Suppliers.

In the calendar year ended December 31, 2023, rebates received totaled 0% of our total revenue of \$805,033 for the same time period (see Item 11).

We estimate that your purchases or leases from Designated Suppliers and/or Approved Suppliers will represent approximately 90% of your total purchases in the establishment of your Squeeze Shop and 90% of your total purchases in your continuing operation of your Squeeze Shop.

In the calendar year ending December 31, 2023, and as of the effective date of this disclosure document, 0% of our revenue (or \$0 of \$805,033 ) was derived from the sale of Proprietary Products, marketing materials, inventory, and supplies. There was no material consideration based on required purchases or leases reflected in the most recent audited financials.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Squeeze Shops) based upon whether you purchase Proprietary Products from Designated Suppliers or Goods and Materials from Approved Suppliers; however, if you purchase Proprietary Products, Goods or Materials from unapproved suppliers or if you purchase unapproved Goods or Materials, we will have the right to terminate the Franchise Agreement.

## **Insurance**

Before you commence activities under the Franchise Agreement, and before the Squeeze Shop opens, you must obtain, and continue to maintain at all times, in full force and effect at your sole expense that insurance which you (or your risk management advisors) determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Squeeze Shop, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by the Manual.

The current minimum requirements for insurance policies and coverage are listed below although more specific details regarding the required insurance are provided in our Manual:

- Commercial General Liability insurance written on an occurrence form, including but not limited to the following coverage levels:
  - \$1,000,000 Each Occurrence
  - \$1,000,000 Personal & Advertising Injury
  - \$2,000,000 General Aggregate
  - \$1,000,000 Products/Completed Operations Aggregate
- Professional Liability
  - \$1,000,000 Each Claim
  - \$2,000,000 Aggregate
- Sexual Abuse / Misconduct / Molestation
  - \$1,000,000 Each Claim
  - \$1,000,000 Aggregate
- Employment related practices liability insurance, including third party coverage
  - \$1,000,000 per occurrence
  - \$1,000,000 aggregate
  - Such insurance must include a deductible of no more than \$10,000 unless we approve a higher deductible in writing.
- Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage
  - \$1,000,000 per accident

- Such insurance shall include coverage for hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of Franchisor;
- Commercial umbrella or excess liability that, at a minimum, sits over the Commercial General Liability, Commercial automobile insurance, and Employers liability policies
  - \$2,000,000 per occurrence
  - \$2,000,000 aggregate
- Property insurance coverage
  - coverage for replacement costs of all Franchisee-owned contents and tenant improvements, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than twelve months.
  - All property related coverage shall be written on special causes of loss forms with deductibles not to be greater than \$5,000 per occurrence;
- Workers' compensation
  - (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability
  - (Coverage B) with limits not less than \$1,000,000 per accident, \$1,000,000 disease policy limit, and \$1,000,000 disease per employee.
  - Such insurance shall include a waiver of subrogation endorsement in favor of Franchisor.
- Such other insurance as may be required by us from time to time or by the Landlord of the Squeeze Shop, and by the state or locality in, which the Squeeze Shop is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

The insurance policies described above must: (i) be written on a primary and non-contributory basis; (ii) have a deductible equal to or less than stated above; (iii) grant a Waiver of Subrogation in favor of Franchisor; and (iv) grant Additional Insured status to Franchisor.

The types and amount of insurance listed above represent the minimum coverage you are required to secure prior to opening your Squeeze Shop. You may secure additional insurance. Additionally, local law and/or your Lease may require additional types of insurance and/or greater amounts of coverage. To the extent that your Lease requires additional policies and/or amounts of coverage, your Lease shall control although you are obligated to have each type of insurance identified above.

All insurance policies must be purchased through an agent or broker on our Approved Supplier list and be written by an insurance company that meets our approval. We may from time to time increase the minimum required coverage and/or require different or additional insurance coverage (including an additional umbrella liability insurance policy) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. We will provide you with written notice of such modifications and you must take prompt action to secure the additional coverage or higher policy limits.

All insurance policies must name us and any affiliates we designate as additional insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration.

At least 10 days prior to commencing construction of the Squeeze Shop or 3 days before taking ownership of an existing open Squeeze Shop and annually thereafter, you must submit to us a copy of your Certificates of Insurance or other evidence that you are maintaining this insurance coverage and paying premiums. If you fail or refuse to

obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain such insurance for you and the Squeeze Shop, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

### **Business Telephone Numbers**

You will not maintain a Shop specific, unique telephone number with respect to your Squeeze Shop. We will maintain a single toll-free phone line to which all requests for information, services, customer service, media, or other inquiries will be directed. You may have access to a Voice Over Internet Protocol ("VOIP") line from which you will be able to communicate with customers. All business telephone numbers, directory listings and customer information will be retained by us upon expiration and termination of the Franchise Agreement.

### **Music**

You must utilize our Approved Supplier of music at your Squeeze Shop. Your payment of the Technology Fee includes the fees associated with your use of our approved music provider.

We may operate and change the System in any manner that is not expressly or specifically prohibited by the Franchise Agreement. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, as we consider to be best, to vary System Standards for any franchisee or any franchised Squeeze Shop based upon the peculiarities of any condition that we consider important to that franchisee's or that Squeeze Shop's operation. From time to time, we may modify System Standards, and these modifications may obligate you to invest additional capital in the Premises and/or incur higher operating costs. You must implement any changes in the System Standards within a time period we request, whether they involve refurbishing or remodeling the Premises or any aspect of the Squeeze Shop, buying new operating assets, adding new products or services, or otherwise modifying the nature of your operations.

## **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

| <b>Obligation</b>   | <b>Section in Franchise Agreement (FA)</b> | <b>Disclosure Document Item</b> |
|---|--|---------------------------------|
| a. Site selection and acquisition/lease                         | 5  | Items 11 and 12                 |
| b. Pre-opening purchases/leases                                 | 6(C)                                       | Items 6, 7, 8 and 11            |
| c. Site development and other pre-opening requirements          | 5, 6                                       | Items 6 and 7                   |
| d. Initial and ongoing training                                 | 11   | Items 5, 6, 7 and 11            |
| e. Opening  | 6(E)                                       | Item 11                         |
| f. Fees   | 7  | Items 5, 6 and 7                |
| g. Compliance with System Standards, Policies, Operating Manual | 12   | Items 8, 9, 13, and 16          |
| h. Trademarks and proprietary information                       | 13   | Items 8, 13 and 14              |
| i. Restrictions on products/services offered                    | 12(B)                                      | Items 8 and 16                  |

| Obligation  | Section in Franchise Agreement (FA) | Disclosure Document Item |
|---|-------------------------------------|--------------------------|
| j. Warranty and customer service requirements           | 12(F)                               | Item 8                   |
| k. Territorial development and sales quotas             | Not Applicable                      | Item 12                  |
| l. Ongoing product/service purchases                    | 12(B)                               | Item 8                   |
| m. Maintenance, appearance, and remodeling requirements | 12(E)                               | Item 8                   |
| n. Insurance  | 12(I)                               | Items 6, 7, and 8        |
| o. Advertising  | 9                                   | Items 6 and 11           |
| p. Indemnification                                      | 23                                  | None                     |
| q. Owner's participation/ management/staffing           | 12(H)                               | Items 11 and 15          |
| r. Records/reports                                      | 8                                   | Item 6                   |
| s. Inspections/audits                                   | 8(D), 12(K)                         | Item 6                   |
| t. Transfer   | 16                                  | Items 6 and 17           |
| u. Renewal  | 4(B)                                | Items 6 and 17           |
| v. Post-termination obligations                         | 20                                  | Item 17                  |
| w. Non-competition covenants                            | 18(B)                               | Item 17                  |
| x. Dispute resolution                                   | 27                                  | Item 17                  |
| y. Personal Guaranty                                    | 14(C)                               | Item 15                  |

## ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, Lease, or obligations.

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

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

### **Our Obligations Prior to Opening:**

Before you open your Squeeze Shop, we will:

(1) Provide, either directly or through our Designated Suppliers of real estate selection and development services, our site selection guidelines, and criteria, and identify sources to obtain demographic information on proposed sites. Currently, our criteria for site selection include population density, demographics, psychographics, average household income, and massage behavior (Franchise Agreement, Section 5(A)).

(2) Approve or disapprove proposed sites within 30 days after our receipt of your completed site evaluation package (if we do not conduct an on-site evaluation of the proposed site) or within 30 days after our on-site evaluation of a proposed site, if applicable. If we do not approve a proposed site in writing during this time period, we will be deemed to have rejected the site. (Franchise Agreement, Section 5(A)(6)). If you and we are unable to agree on a site for your Squeeze Shop within the time frame identified in the Franchise Agreement, we may terminate your Franchise Agreement and we will not refund your Initial Franchise Fee.

- (3) Provide to you mandatory and suggested specifications and layouts for a Squeeze Shop, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement, Section 6(B)(1)).
- (4) Review your construction plans and specifications or other plans before you begin constructing the Squeeze Shop solely to confirm that your plans and specifications meet our System Standards. (Franchise Agreement, Section 6(A))
- (5) Supply (or have an Approved Supplier provide) a list of products, supplies, and materials that you must purchase prior to opening your Squeeze Shop (Franchise Agreement, Section 6(C)(6) and 6(C)(7))
- (6) Authorize you to open the Squeeze Shop. (Franchise Agreement, Section 6(F)(1))
- (7) Provide marketing and promotional (brand) guidelines for the Grand Opening Plan and approve marketing materials you will use. (Franchise Agreement, Section 9(D))
- (8) We will provide you with online access to our confidential and proprietary Manual. You must operate your Squeeze Shop in accordance with the Manual and all applicable laws and regulations. The Manual may be amended or modified by us to reflect changes in the System. You must keep the Manual confidential and current, and you may not copy any part of the Manual. We reserve the right to disclose updates to the Manual in writing in any manner, including electronic means such as e-mail, our website, and any intranet platform that we establish in connection with the System. We will update the Manual electronically. Please note that certain portions of the Manual may be provided via update or communications from be set forth on a website or web portal that is controlled and/or registered to us, and you will be solely responsible for ensuring compliance with these “online” portions of the Manual as well. Upon request, you may view the Manual before you sign your Franchise Agreement if you sign our then-current Confidentiality Agreement (Exhibit D).
- (9) Conduct our Initial Training Program for you (or your Operating Principal) and your general manager (the person who is managing the day to day operations) of the Squeeze Shop (“General Manager”). Our Initial Training Program is comprised of: (i) “Classroom Training” that you and your management must complete online via webinar or other learning management system we designate to (a) monitor/track participation and progress, and/or (b) test competency levels, if and as we determine appropriate; (ii) additional “Classroom Training” and "On the Job" training that we will provide to you and your initial management at our headquarters or another location that we designate; and (iii) onsite training, assistance and support that you, your management, and other personnel that will be involved in the initial operations of the Squeeze Shop must participate and complete to our satisfaction before you open your Squeeze Shop (Franchise Agreement, Section 11(C)).
- (10) Franchisor does not generally own and lease the Premises for your Squeeze Shop to you.

### **Our Obligations after Opening**

After you open your Squeeze Shop, we will:

- (1) Collect, administer, and spend for advertising and promotional purposes monies paid by franchised and company-owned Squeeze Shops into the Brand Fund, while the Brand Fund is in existence. (Franchise Agreement, Section 9(C)).
- (2) Provide marketing and promotional (brand) guidelines for local store marketing, and provide samples of advertising, marketing, and promotional formats, and materials. (Franchise Agreement, Section 9(D)).

- (3) We may change or modify the System, including modifications to the Manual, the System, and the System Standards. Changes to the System and/or System Standards may be communicated to you in conjunction with amendments to the Manual or through regular, routine, or specific communications delivered by us. (Franchise Agreement, Sections 10(A), 12(A)(1), 12(A)(2)).
- (4) Provide additional training for you (or your Operating Principal), your managerial personnel, training personnel or other previously trained and experienced staff members. (Franchise Agreement, Section 11(D)).
- (5) Provide ongoing advice and consultation to you regarding the operation of the Squeeze Shop through the Manual, bulletins or other written materials, electronic media, meetings, seminars, conferences, and telephone or in person conversations at our office or the Squeeze Shop. (Franchise Agreement, Sections 11(D) and 11(E)).
- (6) Provide you with a list of Approved Brands, Approved Suppliers, and/or Designated Suppliers. (Franchise Agreement, Section 12(B)).
- (7) Conduct inspections of the Squeeze Shop as we deem appropriate and necessary. (Franchise Agreement, Section 12(K)).
- (8) To the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that your Shop offers, including, without limitation, prices for promotions in which all or certain Squeeze Shops participate.

We do not assist you with any activities related to hiring your employees (other than our assistance in training your staff as described in this Item 11) or with your administrative or accounting functions (except to the extent that the Shop Systems provides such services or functions.) We will train you on Squeeze Shop protocols and procedures, however processes related to specific employment practices at your Squeeze Shop must be done by you.

### **Site Inspections**

We intend to conduct regular visits to your Squeeze Shop to review and discuss the operations, marketing, safety, finance, maintenance, and possible repairs of the Squeeze Shop. The visits will be conducted by us, or a third party retained by us and will be completed at least one time a year. The timing of the visits will be determined by us in our sole discretion. During each visit, our representative will complete a report that provides a recap of the visit as well as a final score associated with whether or not you meet the required standards of running a Squeeze Shop. A copy of this report will be given to you and filed at our corporate office.

### **Advertising**

#### **Grand Opening Plan**

You must advertise and promote the Squeeze Shop during the 4-month period prior to the opening of the Squeeze Shop (“Grand Opening Plan”). Your Grand Opening Plan expenditures must equal or exceed \$20,000 although we recommend that you spend more than the minimum amount (See Items 6 and 11 for more detailed information). You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of the Squeeze Shop (“Marketing Plan”). This expenditure is in addition to your Brand Fund contribution and the amount you must spend on Local Store Marketing.

#### **The Brand Fund**

Squeeze Shops have a distinct culture, and the image of the System and Squeeze Shops is an important element of the System. We have established an advertising and marketing fund (“Brand Fund”) for the enhancement and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs, and materials as we deem appropriate.

You must contribute 2% of the Net Sales of your Squeeze Shop on a weekly basis to the Brand Fund. From time to time, we or our suppliers may deposit into the Brand Fund any rebates or similar allowances paid to us by our suppliers although we have no obligation to do so. Squeeze Shops operated by us, and our affiliates also will contribute to the Brand Fund on the same basis as comparable franchisees.

In 2023, we collected \$17,562 in Brand Fund Fees and spent \$326,000 on Brand Fund activities.

In 2023, \$0 or 0% of the advertising funds were used to solicit new franchise sales.

We have sole discretion to use the Brand Fund, and the monies in the Brand Fund, for any purpose that we believe will enhance and protect the System and Marks and will improve and increase public recognition and perception of the System and Marks. We will direct (or hire a third party to direct) all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement, allocation, and coverage (which may be national, regional, or local). Our in-house marketing department may prepare or work with advertising agencies to prepare the advertising materials for the Brand Fund.

You must participate in all advertising, marketing, social media, promotions, research and public relations programs, and national marketing programs (charitable or otherwise) events instituted by the Franchisor or the Brand Fund. Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: (a) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, and other advertising and promotional materials; (b) creative development, preparation, production and placement of video, audio, and written materials and electronic media; (c) media placement and buying, including all associated expenses and fees; (d) administering regional and multi-regional marketing and advertising programs; (e) market research and customer satisfaction surveys, including the use of secret shoppers; (f) the development and production of premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; (g) creative development of new program offerings for Squeeze Shops; (h) creative development of signage, posters, and individual Squeeze Shop décor items including wall graphics; (i) recognition and awards events and programs; (j) system recognition events, including periodic national and regional conventions and meetings; (k) website and/or intranet development and maintenance; (l) development, implementation, and maintenance of an electronic commerce Website and reservation system and/or related strategies; (m) retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and (n) social media platform development and management; and (o) public relations and community involvement activities and programs. All advertising and promotional materials developed by the Brand Fund will be made available to you through us or an Approved Supplier. We will not use the Brand Fund for the direct solicitation of franchisees; however, advertising, and promotional materials may state that information regarding owning a Squeeze Shop is available through our website or telephone number.

We will account for the Brand Fund separately from our other funds; however, we will not be required to segregate any Brand Fund monies from our other monies. We will not use the Brand Fund monies for any of our general operating expenses. We and our affiliates may be reimbursed by the Brand Fund for administrative expenses directly related to the Brand Fund’s marketing programs, including without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Brand Fund. We may use the Brand Fund to pay the administrative costs of the Brand Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Fund, and we may use the Brand Fund to pay the reasonable salaries and benefits of personnel (including our personnel and our affiliates’ personnel) who manage and administer the Brand Fund. We may use the Brand Fund to pay for other

administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

The Brand Fund will not be our asset. Although the Brand Fund is not a trust, we will hold all Brand Fund contributions for the benefit of the System and use contributions only for the purposes described in the Franchise Agreement. We will not have any fiduciary obligation to you for administering the Brand Fund or for any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay for the administrative costs of the Brand Fund before using the Brand Fund's other assets.

We will, upon your request, prepare an annual, unaudited statement of Brand Fund's collections and expenses within 120 days after our fiscal year end, which will be available for your review if requested. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate.

We intend to use the Brand Fund to maximize and enhance public, franchisee, and employee recognition of the System and the Marks. Although we may use the Brand Fund, or portions of the monies in the Brand Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Squeeze Shops, we cannot and do not ensure that Brand Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Brand Fund contributions by Squeeze Shops operating in that geographic area. We do not guarantee or assure that you, your Squeeze Shop, or any Squeeze Shop will benefit directly or in proportion to your Brand Fund contribution from the brand enhancement activities of the Brand Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

We may use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise claims by or against the Brand Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to the Brand Fund.

We may at any time defer or reduce contributions of a Squeeze Shop franchisee to the Brand Fund and, upon 30 days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, subsequently reinstate) the Brand Fund. If we terminate the Brand Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Brand Fund contributions during the preceding 12-month period.

We do not currently have a franchisee council. We may, in the future, establish a council of franchisees. Once established, any franchisee council will serve only in an advisory capacity and will have no operational or management authority. We may dissolve or change the makeup of a later formed council at any time.

### **Local Advertising and Promotion**

You will develop, on a quarterly basis, a Local Store Marketing plan for the Squeeze Shop (the "Local Store Marketing Plan"). The Local Store Marketing Plan will include materials that we will provide to you that outline the key activations, promotional materials, outreach templates, and marketing initiatives to assist you in maximizing local awareness and traffic to your Shop ("Local Marketing Playbook"). You must comply with all requirements of the Local Marketing Playbook and the Local Store Marketing plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, participation in and use of approved online and social media networks and tools, and compliance with all promotional

recommendations and guidelines. After opening your Squeeze Shop, in addition to your Brand Fund contribution, you must spend at least \$1,625 per month on local store marketing through a Designated Supplier of digital marketing services throughout the initial term of your Franchise Agreement (which amount may be modified by us from time to time in accordance with Section 9(D) of the Franchise Agreement). You may spend additional amounts on local store marketing provided that such expenditures otherwise comply with the Local Store Marketing Plan and Local Marketing Playbook. You will also be required to execute additional local marketing programs outlined in the Local Marketing Playbook. If there are other Squeeze Shops in your market area, we may require that you spend additional local store marketing expenditures cooperatively with us and/or other franchisees in your market area.

We may audit your Squeeze Shop if we believe, in our sole discretion, that you have not executed your quarterly Local Store Marketing plan. If our audit reveals that you are not executing your quarterly Local Store Marketing plan, you must repay us the costs and expenses incurred in auditing your Squeeze Shop and must increase your Local Store Marketing plan expenditures in the subsequent quarter(s) to account for the under expenditure.

Your local advertising and promotion materials must follow our guidelines, which may include, among other things, requirements for the use of the Marks and notices of our website's domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local advertising and promotional materials, and you will be required to pay those third parties for their services without any offset to your required Local Store Marketing expenditures. We may require you to participate in company marketing initiatives including utilization of certain social media platforms (See Social Media below). Your use (as well as the use of your employees in conjunction with their employment or involving the marks or facilities) of any social media platforms must be consistent with our guidelines for use of social media that we will provide you and amend from time to time. You may not develop, maintain, or authorize any website or other online presence that mentions or describes us, you or the Squeeze Shop or displays any of the Marks without our prior written consent. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

All media requests, whether local, regional, or national in scope, made to you or your employees, must be directed to Franchisor. Detailed information regarding the referral of media process is included in the Manual.

You may purchase local advertising and promotion materials from us, or any source approved by us. Periodically, we will provide you samples of advertising, marketing, and promotional formats, and materials at no cost. If you purchase these materials from us, in addition to paying the invoice cost of the materials, you must pay any related shipping, handling, and storage charges. If purchased from a source other than us or our affiliates, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotion promulgated from time to time by us and must be submitted to us or our designee at least 30 days prior to first use for approval which we may grant or withhold in our sole discretion. If we do not approve your submission within 30 days after the day we received the materials, we will be deemed to have not approved the materials.

### **Promotional, Loyalty and Discount Programs**

You must participate in and honor the terms of any discount, loyalty, or promotional program (including gift card, loyalty, and discount programs that are applicable to the Squeeze Shop System as a whole or to portions of the Squeeze Shop System) that we offer to the public on your behalf and shall be responsible for the fees payable in conjunction with the operation of these programs. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment, or services) to participate in any discount or promotional programs.

You must participate in all giveaways, promotions, contests, public relation events, and charitable or nonprofit events that we require of franchisees. These promotions may require, among other things, you to make donations of money, time, and people to required promotional or charitable events and partners. These donations will be made at the time and in the manner we require, which will be provided in the Manual.

### **Social Media**

Franchisor will control all national, brand specific social media accounts and each Franchisee will have access to their own local accounts. Required local social media accounts include a Facebook locations specific account, yelp location specific account and Google Places location specific account to assist in the promotion of your Squeeze Shop. Squeeze will help setup and optimize each of these accounts and share login credentials with Franchisees who will then be responsible for ongoing management. You must use only approved content and materials in connection with these accounts. We reserve the right to add additional social media platforms in the future.

As part of our marketing strategy Squeeze Franchisees are permitted to create and manage their own local Instagram accounts to engage with their local community. Any Franchisee who decides to do this, must adhere to our local Instagram guidelines and procedures. Upon creation of their local Instagram accounts, franchisees are required to submit their login credentials to the national marketing team. This allows the national marketing team to supplement pages with national branded content and ensure consistency with the overall brand image. All content posted on local Instagram accounts must adhere to the brand guidelines set forth by Squeeze. Franchisees are responsible for maintaining the integrity of the brand and ensuring that their posts reflect the values and standards of the franchise. Squeeze reserves the right to audit the content posted on local Instagram accounts to ensure compliance with brand guidelines and quality standards. Franchisees may be required to adjust their posts or remove content that does not meet the specified criteria.

You must identify us as a primary administrator and provide us with primary administration rights for any social media or digital marketing accounts that you use in conjunction with your Squeeze Shop. You must get our written consent to use any social media platform other than the pre-approved social media platforms set up for you prior to the opening of your Squeeze Shop. You must also ensure that your employees are aware of our social media policies and comply with such policies. We may, at any time, upon written notice to you, require you to retain a Designated Supplier of social media, public relations, and digital marketing services ("Social Media Services"). There may be a fee payable to such Designated Supplier in connection with Social Media Services. You will be required to retain and utilize such Designated Supplier(s) upon written notice from us.

By creating and managing local social media pages, franchisees acknowledge and agree to abide by the guidelines and procedures provided. Failure to comply with these requirements may result in corrective action.

We organize and schedule national promotions that we identify on our Squeeze Shop National Marketing Calendar ("National Promotions"). National Promotions may include, but are not limited to, charity events, price promotion (limited time deals and offers) and business segment drivers (events, open houses, charity promotion). You must participate in all National Promotions. Participation will require you, at a minimum, to display/utilize related marketing materials at your Squeeze Shop, advertising the National Promotions promoting all National Promotions on local website(s) and through approved social media platforms.

### **Regional Co-ops**

We may, in our sole discretion, establish Regional Co-ops in any Designated Market Area ("DMA"). We may also change, dissolve, or merge Regional Co-ops. The Regional Co-op shall be organized and governed in a form and manner and shall commence operations on a date approved in advance by us in writing. We may, if we so elect,

prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate. As of the date of this disclosure document, we do not have any Regional Co-ops. Once a Regional Co-op is established in a DMA in which the Squeeze Shop is located, you shall become a member of such Regional Co-op upon commencement of operation of the Squeeze Shop if the Regional Co-op is in existence at that time, or no later than 30 days after the date on which the Regional Co-op commences operation. In no event shall you be required to be a member of more than one Regional Co-op with respect to the Squeeze Shop. If a Regional Co-op has been established in your DMA, you shall contribute the amount established, from time to time, by the Regional Co-op for its members ("Co-op Contribution"). You shall submit your Co-op Contribution to the Regional Co-op on a weekly basis, together with such statements or reports as may be required by us (or by the Regional Co-op with our prior written consent). The Regional Co-Op shall be required to deliver annual statements to each of its members and the Franchisor highlighting the collection and use of Regional Co-ops. Monies in the Regional Co-op may be spent for the purposes determined by a majority vote of the Regional Co-op. We shall be a member of any Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we shall not have a vote unless we or our affiliates operate a Squeeze Shop in the area covered by the Regional Co-op. Any company owned Squeeze Shops in a DMA will contribute to the Regional Co-op in the same manner as franchised Squeeze Shops.

We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund, any Regional Co-op, and the amount you spend for Local Store Marketing.

### **Computers, Point of Sale, and Telephone Systems**

You must purchase, install, and use our required hardware, software, networks, routers, accessories, and components ("Shop Systems"). We will provide you with detailed specifications and policies for the required Shop Systems that you must install at your Squeeze Shop. The estimated cost to purchase required hardware and software for operation of your Squeeze Shop is \$40,000-\$45,000 and is included in the estimated cost of "Leasehold Improvements" item in Item 7.

The Shop Systems will generate Shop, member, accounting, and point of sale information, all of which will be retained on our systems and owned by the Franchisor. As long as you remain a Franchisee, you will have the right to access this data. You must obtain the Shop Systems, software licenses, maintenance and support services, and other services related to the Shop System from the suppliers we specify (which may be limited to us or our affiliates). We may periodically modify and/or develop technical specifications and/or components of the Shop Systems. These modifications and/or developments may require you to purchase, lease, license, and/or support new or modified hardware and/or software. The Franchise Agreement does not limit the frequency and/or cost of these changes, upgrades, or updates. We have no obligation to reimburse you for any failure, upgrade, or shipping costs related to your purchase and maintenance of the Shop Systems. Within 60 days after you receive notice from us, you must obtain the upgraded hardware or software that we designate and ensure that the Shop Systems, as modified, is functioning properly. Any upgrades, updates, maintenance, or support during the initial years after you purchase your Shop Systems should be covered by the standard manufacturers' warranty. Except as otherwise disclosed in this Section, including the support contract described below, we are unaware of any required or optional maintenance, updating, upgrading or support contracts.

You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and various updates for the Shop Systems; (2) the manner in which your Shop Systems interface with our computer system and those of other third parties; (3) the installation, maintenance and support of the Shop Systems, although we may from time to time require or recommend third parties to provide these functions; and (4) any and all consequences that may arise if the Shop Systems are not properly operated, maintained, and upgraded including but not limited to virus and spyware issues.

You must pay us a weekly Technology Fee. The Technology Fee provides you access to the required application, software, maintenance and support, e-mail service, music and lobby signage streaming services, intranet, scheduling

and CRM platforms, and other technology services that we determine, in our sole discretion, to provide to you.. Currently, the Technology Fee is \$450 per week. We may increase the Technology Fee upon thirty (30) days written notice to you.

### **Local Network, Internet Communication, and Wireless Internet**

You must maintain high speed internet access and Wi-Fi service at your Squeeze Shop that meets our System Standards. You must purchase and maintain equipment capable of providing adequate bandwidth and firewall; install and maintain network wiring and faceplates to all necessary areas of your building; regularly test equipment to ensure compliance with our System Standards and applicable law. All wireless internet systems must comply with our System Standards and PCI standards to provide safe, clean internet browsing.

### **Site Selection**

We do not select the site for your Squeeze Shops. You, with the assistance of Approved Suppliers and Designated Suppliers of real estate site selection and development services, will select the site for your Squeeze Shop (subject to our approval). If no site has been designated at the time you sign the Franchise Agreement, we will identify your Site Selection Area in the Franchise Agreement. During the Site Approval Period (which is the 90-day period following the date that we sign the Franchise Agreement), you must obtain our approval of the site for the Squeeze Shops and execute a Lease or purchase agreement for the approved site or, we, at our option, may terminate the Franchise Agreement. The Site Approval Period may be extended for an additional 90 days if you, in our sole discretion, make commercially reasonable efforts to identify and secure a Premises for your Squeeze Shop during the Site Approval Period but are unsuccessful in securing a suitable location. We have the right to move or modify the Site Selection Area during the Site Approval Period. You should not acquire any interest in a site for your Squeeze Shop until you have been approved as a franchisee and we have approved the site in writing.

As part of the site development process, a completed site evaluation package containing a scalable “As-Built” floor plan copy of the existing site plan, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the site must be generated prior to site approval. Any associated architectural/survey costs shall be at your sole cost and expense as outlined in Item 7.

Within 30 days after completion of the detailed site evaluation package, we may, in our sole discretion, conduct an on-site evaluation of the proposed site. You must reimburse us for all travel, living, and other expenses we incur in conducting any on-site evaluations of your proposed site. We will not charge a fee for the first on-site evaluation that we conduct for a particular Squeeze Shop; however, if we require, or if you request, any additional on-site evaluations with respect to the same Squeeze Shop, you will pay to us, in addition to our travel expenses, our then-current site evaluation fee.

We will use reasonable efforts to approve or disapprove the proposed site within 30 days after our on-site evaluation. If we do not approve the proposed site in writing in this time period, we will be deemed to have rejected the site. Our approval or rejection of a site may be subject to reasonable conditions as we determine in our sole discretion. Our rejection of a site is final, and the rejected site may not be used for a Squeeze Shop.

You will be required to provide us with site plans, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the sites associated with the Shops to be developed pursuant to the Development Agreement prior to our approval of those additional sites. The criteria we use to evaluate the proposed sites for the Shops

contemplated by the Development Agreement will be our then current site selection criteria, which will be set forth in the disclosure document and franchise agreements provided to you at that time.

The Lease for your Squeeze Shops must be for a term of no less than ten (10) years. If you present a lease to us and the term of that Lease is less than ten (10) years, we may reject the site and/or the Lease. If we reject a Lease because the term is less than ten (10) years, you agree that our refusal is reasonable. Your Lease must also include a collateral right of assignment that grants us or our affiliates the right, if you default under the terms of your Franchise Agreement or the Lease Agreement, to take over the Lease Agreement and assume operations of your Squeeze Shop.

### **Time between Agreement Signing and Opening**

The typical time from signing the Franchise Agreement to opening the Squeeze Shop is approximately 12 months. Factors affecting the length of time needed to open the Squeeze Shop usually include weather conditions, the ability to obtain a Lease, financing or building permits, and zoning and local ordinances. We estimate that it will take approximately 5 months to complete construction and build-out of the site after you obtain possession of the Premises for the Squeeze Shop and obtain all required construction permits, approvals, and liens.

The Development Agreement includes a development schedule pursuant to which you are obligated to open the Squeeze Shops contemplated by the Development Agreement. We estimate that you will open one Squeeze Shop per 12 month period pursuant to a Development Agreement. The factors affecting the length of time needed to open the Squeeze Shops contemplated by your Development Agreement will include the number of Squeeze Shops that you are obligated to open, weather conditions, the ability to obtain Leases for your additional Squeeze Shops, financing, building permits, and zoning and local ordinances.

### **Training**

#### **Initial Training Program**

Before you open the Squeeze Shop, you (or an owner of Franchisee if Franchisee is an entity) and your General Manager (the person who is managing the day to day operations) of the Squeeze Shop must attend and complete, to our satisfaction, our Initial Training Program, at our flagship location in Studio City, California. The Initial Franchise Fee includes the fees associated with the Initial Training Program for two (2) people. If we have space available in a regularly scheduled program, you also may bring additional employees to the training program at a cost of \$1,000 per person. We offer the Initial Training Program approximately every month at our flagship location in Studio City, California. The Initial Training Program must be completed prior to the opening of your Squeeze Shop by, at minimum, the principal business owner(s), and a General Manager that you designate (if different than the principal owner). You must pay all travel, living and other expenses incurred by you and your employees while attending the training.

If you obtain an operating Squeeze Shop by transfer from another Squeeze franchisee, you must complete this Initial Training Program before you begin operating that business as a Squeeze Shop.

If any individual who is required to receive our certification fails to successfully complete the Initial Training Program and receive our certification, then that individual may repeat the program, or you may send a substitute to complete the next available program. We may charge you a tuition fee for substitute, de-certified or additional employees who attend the Initial Training Program. We also may require that any replacement managerial and training personnel satisfactorily complete our training programs within 90 days of being designated as managerial or training personnel. Replacement managerial and training personnel may: **(1)** attend the next training program offered by us; or **(2)** be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing the Squeeze Shop or training your staff. In addition, subsequent to

the opening of the Squeeze Shop, if you hire additional managerial or training personnel, that individual must receive our certification prior to managing the Squeeze Shop or training your staff. We may decertify any previously certified individual if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification.

Our training will be directed by Brian Boucher, David Werner, and Megan Martin. Mr. Werner is our Chief Operating Officer and Ms. Martin is our Director of Operations & Training. Training will be conducted by qualified members of our staff, or third party trainers designated by us. The minimum training that any instructor will have is 100 hours as well as 1+ year of massage and/or operating experience.

Mr. Boucher has 15 years of relevant franchise operations and management experience. David Werner has more than 15 years of operational experience and has been with Squeeze since 2017. He has been responsible for developing Squeeze's technology platform and operational processes and policies. He has overseen the flagship location in Studio City, CA since its opening in March 2019 and alongside Ms. Martin has developed the full training and onboarding programming for Squeeze franchisees. Megan Martin has been in the massage industry for more than a decade and engaged with Squeeze since 2018. During that time, she has served in each of the functional roles of the business - Massage Therapist, Lead Therapist, Maître D', and General Manager - as well as has developed our full training and onboarding programming.

The full Initial Training Program is mandatory for all franchisees. We will not authorize your Squeeze Shop to open (or, for transfers, begin operating) until you and an adequate number of your employees, as determined by us in our sole discretion, have attended and successfully completed our Initial Training Program. If you already operate a Squeeze Shop and you have attended our Initial Training Program during the past 12 months, we may not require you to attend the Initial Training Program.

### **TRAINING PROGRAM**

The following chart summarizes the subjects taught during the Initial Training Program in the operation of a Squeeze Shop.

| <b>Subject</b>     | <b>Classroom Training (Hours)</b> | <b>On-the-Job Training (Hours)</b> | <b>Location</b>                         |
|--------------------|-----------------------------------|------------------------------------|---|
| Meet Squeeze       | 1                                 | 0                                  | Webinar/Online                          |
| NSO Marketing      | 1                                 | 0                                  | Webinar/Online                          |
| Recruiting & HR    | 4                                 | 0                                  | Webinar/Online                          |
| Leading Your Squad | 2                                 | 0                                  | Webinar/Online                          |
| Shop Operations    | 10                                | 0                                  | Webinar/Online                          |
| Shop Operations    | 0                                 | 16                                 | Studio City, CA / Franchisee's Location |
| <b>TOTAL</b>       | <b>18</b>                         | <b>16</b>                          |   |

## NOTES:

1. The primary instructional materials are the Manual and materials provided by third party suppliers, vendors, and affiliates. Our Manual is currently ~550 pages long. The Table of Contents of the Manual is attached as Exhibit J to this Disclosure Document.
2. Portions of our Training Program will take place at our flagship Shop in Studio City, California. Portions of the Classroom Training may be provided to you via webinar or other online/electronic method that allows us to administer, provide, track report, and deliver e-learning education courses and training via a software application (and, if applicable, confirm that you have passed any corresponding test in connection with such training).
3. In addition to the online/electronic instruction and classes and the portion of our Initial Training Program that is provided at our training facility as described in the training chart above, we will send a representative to your Squeeze Shop to assist with the grand opening of your Squeeze Shop (“Opening Training”). This Opening Training will typically take place at or close to the time you are authorized to open your Squeeze Shop. The Opening Training will include no less than 3 days of on-site training for your staff members. We will determine the hours of training for your staff members. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable charges, including fees for our personnel and their travel and living expenses. Please note, however, that (a) certain of the “On-the-Job” training described in the training chart above may be provided or covered during the training we provide at our designated training facility or corporate offices, and (b) certain portions of on-site assistance may be provided instead by remote instruction.
4. Approved and Designated Suppliers may provide additional training to you with respect to the products that they distribute to you for sale at your Squeeze Shop.

### **Ongoing Training**

We may require you (or your Operating Principal), your General Manager, training personnel, and/or other previously trained and experienced staff members to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate. We may also require you to complete additional training if we believe, in our reasonable discretion, that you require additional training to operate your Squeeze Shop to our standards. Training courses include periodic conventions, regional meetings, and conferences that we specify. Even if you fail to attend the training, we can charge reasonable registration or similar fees for these courses. You must pay all travel and living expenses incurred by you and your employees during all training courses and programs. We may also require you and your staff members to utilize on-line training programs that we make available to you and your staff members including various on-line manuals and portals.

We require that your replacement training personnel satisfactorily complete our training programs within 90 days of being designated as training personnel. Replacement training personnel must complete our training program (which may be web based for replacement personnel) or may: (1) attend the next training program offered by us; or (2) be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing the Squeeze Shop or training your staff.

## **ITEM 12 TERRITORY**

### **Franchise Agreement Protected Area/Site Selection Area**

If no site has been designated at the time you sign the Franchise Agreement, you will select the site from within your Site Selection Area that we identify in Exhibit 1 to your Franchise Agreement (the “Premises”). During the Site Approval Period you must obtain our approval of the site for the Squeeze Shop and execute a Lease or purchase agreement for the approved site or, we, at our option, may terminate the Franchise Agreement. We have the right

to move or modify the Site Selection Area during the Site Approval Period. The Site Selection Area will be determined on a case-by-case basis considering economic, demographic, and geographic information (such as population density) as well as existing site selection areas and/or Protected Areas given to other franchisees. Provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate, or license others to operate, Squeeze Shops in the Site Selection Area during the Site Approval Period.

Once we have approved the Premises, you will have the right to operate a Squeeze Shop at the Premises. If you comply with the Franchise Agreement, we will not, during the term of the Franchise Agreement, operate, or license others to operate, a Squeeze Shop within an area equal to an approximately eight-minute travel time from the front door of your Squeeze Shop (the "Protected Area"). We may use additional criteria to describe your Protected area, including total population, physical or psychological boundaries and any other criteria appropriate to define the Protected Area. The Protected Area will be identified by a map in Exhibit 1 to the Franchise Agreement. In certain areas of the country, the Protected Area may be stated as metes and bounds, zip codes, or other applicable methods of identifying the Protected Territory. Notwithstanding the Protected Area defined above, in certain high-density population areas ("High-Density Areas"), the Protected Area may be materially less. Once established, the Protected Area will not be changed.

You will have no right of first refusal or other rights to acquire additional franchises except in conjunction with your execution of a separate franchise agreement. Once established, as long as you are in compliance with the terms of your Franchise Agreement, we will not open or allow others to open a Squeeze Shop in your Protected Area. You may not use the Marks on any Internet domain name, e-mail address or in the operation of any Internet website without our prior written consent. You may not distribute products or services using other channels of distribution except as approved by the Franchisor in writing. You may solicit and accept orders from customer located outside your Protected Area provided that the services are provided at your Squeeze Shop in your Protected Area.

Notwithstanding the grant of a Protected Area, we reserve the right to: (1) operate (and license others to operate) any type of business other than a Squeeze Shop at any location inside or outside the Protected Area; (2) operate (and license others to operate) Squeeze Shops located anywhere outside the Protected Area regardless of proximity to the Squeeze Shop; (3) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from Squeeze Shops, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, department stores, Internet, or similar electronic media) both inside and outside the Protected Area; (4) acquire the assets and/or ownership interests of one or more businesses offering one or more of the Squeeze Services ("Competing Businesses") and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises, and/or licenses Competing Businesses in the Protected Area; and (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area. Your rights in the Protected Area do not limit the operation of Squeeze Shops that are under construction or in operation in the Protected Area. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area. We do not impose any restrictions on you or other franchisees to provide goods or services to customers that reside outside of your Protected Area.

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

You may not operate your Squeeze Shop at any location other than the Premises and you may not relocate your Squeeze Shop without our prior written consent. Our consent may be conditioned upon, among other things: your

payment of our reasonable expenses actually incurred in connection with consideration of the relocation request; your payment of agreed minimum Royalties during the period when the Squeeze Shop is not in operation; and your relocation of the Squeeze Shop within 6 months after we approve your relocation request.

There are no minimum sales quotas or other conditions that must be met in order to maintain your rights in the Protected Area. We may not modify or terminate your rights in the Protected Area unless you are in default under the Franchise Agreement.

We and our affiliates may merchandise and distribute goods and services identified by the Marks through methods or channels of distribution other than outlets similar to your Squeeze Shop. We have no obligation to compensate you for any such sales in the Protected Area. We do not currently intend to operate or franchise businesses to sell goods or services that are the same or similar to those that you will sell although we reserve the right to do so in the future. We reserve all rights to use and license the System other than those we expressly grant you under the Franchise Agreement.

### **Development Agreement Development Area**

You will have no right of first refusal or other rights to acquire additional franchises except in conjunction with your execution of a separate development agreement or franchise agreement. Once established, as long as you are in compliance with the terms of your Development Agreement, we will not open or allow others to open a Squeeze Shop in your Development Area. You may not use the Marks on any Internet domain name, e-mail address or in the operation of any Internet website without our prior written consent. You may not distribute products or services using other channels of distribution except as approved by the Franchisor in writing.

Notwithstanding the grant of a Development Area, we reserve the right to: (1) operate (and license others to operate) any type of business other than a Squeeze Shop at any location inside or outside the Development Area; (2) operate (and license others to operate) Squeeze Shops located anywhere outside the Development Area regardless of proximity to the Squeeze Shop; (3) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from Squeeze Shops, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, department stores, Internet, or similar electronic media) both inside and outside the Protected Area; (4) acquire the assets and/or ownership interests of one or more businesses offering one or more of the Squeeze Services (“Competing Businesses”) and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises, and/or licenses Competing Businesses in the Development Area; and (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area. We reserve all rights in the Development Area that we reserve with respect to the Site Selection Area and Protected Area. We do not impose any restrictions on you or other franchisees to provide goods or services to customers that reside outside of your Development Area.

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

You may not relocate your Development Area without our prior written consent. Our consent may be conditioned on the existence of other Squeeze Shops and/or Development Area in or around the area to which you want to relocate your Development Area, our future development plans, and/or existing franchise relationships.

You must satisfy the Development Schedule to maintain your rights in the Development Area. We may modify or terminate your rights in the Development Area if you do not satisfy the Development Schedule.

We and our affiliates may merchandise and distribute goods and services identified by the Marks through methods or channels of distribution other than outlets similar to your Squeeze Shop. We have no obligation to compensate you for any such sales in the Protected Area. We do not currently intend to operate or franchise businesses to sell goods or services that are the same or similar to those that you will sell although we reserve the right to do so in the future. We reserve all rights to use and license the System other than those we expressly grant you under the Franchise Agreement.

You are required to provide us with site plans, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the sites associated with the Shops to be developed pursuant to the Development Agreement prior to our approval of those additional sites. The criteria we use to evaluate the proposed sites for the Shops contemplated by the Development Agreement will be our then current site selection criteria, which will be set forth in the disclosure document and franchise agreements provided to you at that time.

### ITEM 13 TRADEMARKS

In the Franchise Agreement, we grant you the right to operate the Squeeze Shop under the name “Squeeze” and to use our other current or future Marks that we designate in the operation of your Squeeze Shop. Under the License Agreement with Squeeze Holdings, we have the exclusive right to use and permit our franchisees to use the name and mark “Squeeze” in addition to certain related trademarks, service marks and other commercial symbols in the development and support of franchises throughout the United States. The term of the License Agreement is perpetual in duration; however, Squeeze Holdings has the right to terminate the License Agreement if we commit a default of the License Agreement by not policing the standards under which the Marks are used by our franchisees. A termination of the license agreement by Squeeze Holdings may impact your rights to use the Marks.

Squeeze Holdings has registered the following principal Marks with the United States Patent and Trademark Office (“PTO”) on the Principal Register:

| Mark  | Registration No. | Registration Date | Renewal Date     |
|---|------------------|-------------------|------------------|
| SQUEEZE (words only)  | 5898210          | October 29, 2019  | October 29, 2024 |
| <b>SQUEEZE</b>  | 5904296          | November 5, 2019  | November 5, 2024 |
|  | 6046247          | May 5, 2020       | May 5, 2025      |

For all principal federal registrations, all necessary affidavits and/or renewal applications have been filed within the times required by law and have been accepted for all marks.

Except for the registrations identified above, there are no other effective determinations of the PTO, of the Trademark Trial and Appeal Board, or of the trademark administrator of any state or court. Neither are there any

pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks that are relevant to their use. Other than as described above, there are no agreements currently in effect that significantly limit our rights within the United States, to use, or license the use, of the above mentioned Marks in any manner material to the Franchise.

Except for the License Agreement, there are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials, Trade Dress, Manual or Confidential Information. We do not have any copyright licenses that are material to the Franchise. We do not actually know of any infringing uses that could materially affect your use of these materials in any state. We need not protect or defend copyrights, although we intend to do so when this action is in the best interest of the System.

You will follow our rules when you use the Marks. You may not use any Mark as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you). You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. In the event of an infringement, challenge, or claim, you may not communicate with any person other than our attorneys, your attorneys, and us. We may take the action we deem appropriate and control exclusively any litigation, PTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You will sign any documents and take any action that, in the opinion of our attorneys, protects and maintains our interests in any litigation or PTO or other proceeding.

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we will reimburse you for all damages you suffer in any trademark infringement proceeding from your authorized use of any Mark, and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named a party. We may, at our option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing trademarked items. However, we need not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

You may not use the Marks on any Internet domain name, e-mail address, or in the operation of any Internet website without our prior written consent. We may grant or withhold our consent in our sole discretion and may condition our consent on such requirements as we deem appropriate, including, among other things, that you obtain our prior written consent of: (1) any and all Internet domain names and home page addresses related to the Squeeze Shop; (2) the proposed form and content (including any visible and non-visible content such as, cookies or metatags) of any website related to the Squeeze Shop; (3) your use of any hyperlinks or other links; (4) your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and (5) any proposed modification of your website. We may designate the form and content of your website and/or require that any such website be hosted by us, or a third party designated by us, using one or more websites that we own and/or control. In addition, we may require you to establish hyperlinks to our website or another website designated by us. We may charge you a fee for developing, reviewing, and approving your website and/or for hosting the website.

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

## **ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We do not own any patents that are material to your Squeeze Shop or the System. We claim trade secret and copyright protection for our Manual, trade dress, and certain business forms, architectural, engineering and construction plans, advertising materials, product specifications, computer programs, newsletters, training materials and operations and accounting materials. We have not registered those materials with the United States Registrar of Copyrights. You may use these items only in the way we specify and only while operating your Squeeze Shop.

The Manual and these other materials contain the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Squeeze Shop and information on your other obligations under the Franchise Agreement. Our Manual and other materials also contain Confidential Information (as defined below) including the instructions, methods, and techniques used in the key management areas of Squeeze Shops including marketing and promotion, daily operations, personnel, and financial management. We may modify the Manual periodically to reflect changes in System Standards. The contents of the Manual are confidential, and you may not disclose the Manual to any person other than employees of the Squeeze Shop who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

We possess certain confidential information, some of which constitutes trade secrets under applicable law ("Confidential Information"), relating to the development and operation of Squeeze Shops. Confidential Information includes, among other things: site selection criteria; service techniques, beauty product formulas, marketing techniques, management and operation systems and other products, systems, services; training and operations materials and manuals; and marketing and advertising programs. You do not acquire any interest in the Confidential Information, other than the right to use the Confidential Information as we specify in operating the Squeeze Shop during the term of the Franchise Agreement. The Confidential Information is proprietary to us. You cannot use the Confidential Information in any unauthorized manner or disclose it to any third person, except as we permit. If we permit you to disclose any Confidential Information to a third party we can require that the third party sign a confidentiality and nondisclosure agreement, in the form we specify.

You will not be entitled to compensation under the franchise agreement if we require you to modify or discontinue using the subject matter covered by any patent or copyright utilized in the operation of your Squeeze Shop.

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

If you are an entity, you will appoint one of your owners (the "Operating Principal") to be our principal point of contact. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person that we will recognize as having authority to communicate for and on your behalf. We recommend that you (or the Operating Principal if you are an entity) hire a General Manager that satisfies our requirements. We require you (or the Operating Principal if you are an entity) to personally participate and assist in managing the day-to-day operations alongside your General Manager. We expect the Operating Principal to supervise the General Manager and to oversee the Shop. You may not change the Operating Principal without our prior written consent. You (or the Operating Principal if you are an entity) and your General Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities).

We will not unreasonably withhold our approval of any General Manager you propose, provided the General Manager has completed our Initial Training Program and otherwise demonstrates an understanding of our System standards and specifications for daily operations of a Shop.

If the franchisee is a business entity, we do not require the General Manager to own an interest in the entity, but the General Manager must sign our prescribed form of Confidentiality Agreement. Your Shop must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Shop, you must have a properly trained General Manager at each Shop you own and operate. You must keep us informed at all times of the identity of any personnel acting as General Manager and obtain our approval before substituting a new General Manager at any of your locations.

Regardless of whether you have a General Manager, you must appoint and engage a massage therapist that has participated in and completed that Therapist Training portion of the Initial Training Program as your “Lead Therapist” that will be responsible for, among other things, ensuring that all other massage therapists are properly trained with the System materials and information provided.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring, or firing any personnel. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between you and/or your personnel, on one hand, and us, on the other.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the “Guaranty”). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the “Owners”), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

Under the Development Agreement, you must designate and retain an individual throughout the term of the Development Agreement to act on behalf of you in all transactions concerning your obligations under the Development Agreement (the “Representative”). If you are an individual, you must perform all obligations of the Representative. The Representative must use reasonable efforts to do the following, during the entire period he serves in that capacity: (1) maintain a direct or indirect ownership interest in the Franchised Business; (2) devote substantial time and reasonable efforts to the supervision and conduct of the Franchised Business and execute the Development Agreement as one of the Principals; and (3) meet our standards and criteria for a Representative as set forth in the Manuals or otherwise in writing by us. If the Representative or any designee is not able to continue to serve in the capacity of Representative or no longer qualifies, you must promptly notify us and designate a replacement.

#### **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must use the Squeeze Shop solely for the operation of a Squeeze Shop and must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Squeeze Shop at its maximum capacity and efficiency for the minimum number of days and hours as we specify in the Manual or otherwise in writing. Currently, we require all Squeeze Shops to be open at least 7 days and 84 hours per week.

You must offer and sell all of the products and services that we periodically require and only in the manner we have prescribed. You may not offer any products or perform any services that we have not authorized. You will discontinue selling and offering for sale any service or product that we disapprove in writing. All products will be offered and sold only at retail (not wholesale) and from the Premises. Our System Standards may regulate required or authorized products, services and service categories and supplies. There are no limits on our right to periodically change required and/or authorized products, services, and service categories, and we may do so at our discretion.

We do not limit the customers to whom you can offer services.

See Item 8 for more specific information on restrictions regarding what you may sell.

**ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

| <b>PROVISION</b>                           | <b>SECTION IN FRANCHISE AGREEMENT</b>  | <b>SUMMARY</b>   |
|--|--|--|
| a. Length of the franchise term            | 4(A);<br>Exhibit K<br>(Dev. Agreement) | Ten (10) years from the date your Squeeze Shop opens for business.   |
| b. Renewal or extension of the term        | 4(B);<br>Exhibit K<br>(Dev. Agreement) | When the Initial Term and the first Successor Term expires, you will have the option to request the right to remain a franchisee at the Premises for successor term of five (5) years each (each a "Successor Term")   |
| c. Requirements for you to renew or extend | 4(B)                                   | <p>(1) You must give us written notice of your election to remain a franchisee at the Squeeze Shop not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term;</p> <p>(2) You must pay us a Successor Franchise Fee equal to \$10,000 (the "Successor Franchise Fee");</p> <p>(3) You may be asked to sign an agreement with materially different terms and conditions from the original franchise agreement.</p> <p>(4) Neither you nor any of your affiliates are in default under the Franchise Agreement or any other agreements with us or our affiliates;</p> <p>(5) You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term;</p> <p>(6) You must renovate and update your Squeeze Shop to reflect the then-current image of Squeeze Shops;</p> <p>(7) You must correct any existing deficiencies of your Squeeze Shop or in your operation of your Squeeze Shop and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your General Manager, and training personnel and/or your staff (which may involve the payment of training fees);</p> <p>(8) You must sign, and your owners and all guarantors of your obligations under the Franchise Agreement must personally guarantee, our standard form of Franchise Agreement that we are then</p> |

| PROVISION                                      | SECTION IN FRANCHISE AGREEMENT                     | SUMMARY  |
|--|--|--|
|  |  | <p>offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees); and</p> <p>(9) You, and your owners and guarantors of your obligations under this Agreement must sign a general release (substantially similar to the form attached hereto as Exhibit E to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents, and employees.</p>  |
| d. Termination by you                          | 19(A)  | Franchisee may terminate the Franchise Agreement upon the material default by Franchisor of one or more provisions of this Franchise Agreement provided that the Franchisee provides written notice of the default to Franchisor along with no less than sixty (60) days to cure the default. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 20 and all other obligations that survive the expiration or termination of this Agreement subject to state law.   |
| e. Termination by us without cause             | Not Applicable                                     |  |
| f. Termination by us with cause                | 19(B), 19(C); Exhibit K (Dev. Agreement) Section 6 | The grounds for termination of the Franchise Agreement are set forth in these sections. Section 19(B) identifies the defaults that are not curable, Section 19(C) identifies curable defaults.   |
| g. "Cause" defined – curable defaults          | 19(B), 19(C); Exhibit K (Dev. Agreement)           | Except for those items listed in Sections 19(B), and 19(C)(2), you will have 30 days after written receipt of notice of default from us within which to remedy any default and provide evidence of that remedy to us.  |
| h. "Cause" defined – non-curable defaults      | 19(B); Exhibit K (Dev. Agreement)                  | Sections 19(B) identifies each non-curable default.  |
| i. Your obligations on termination/non-renewal | 20   | <p>(1) The rights granted to you in the Protected Area will terminate, and we will have the right to operate, or license others to operate, Squeeze Shops anywhere in the Protected Area;</p> <p>(2) You and your owners must continue to abide by the covenants in Section 18 of the Franchise Agreement;</p> <p>(3) Within 15 days, or on any later date that we determine the amounts due to us, you must pay to us, and our affiliates all sums due and owing to us and our affiliates;</p> <p>(4) You must immediately discontinue all use of the Marks and of any and all items bearing the Marks; remove the Marks from your Squeeze Shop and from clothing, signs, materials, motor vehicles and other</p> |

| PROVISION                       | SECTION IN FRANCHISE AGREEMENT | SUMMARY  |
|---------------------------------|--------------------------------|--|
|                                 |                                | <p>items owned or used by you in the operation of your Squeeze Shop; cancel all advertising for your Squeeze Shop that contains the Marks; and take such action as may be necessary to cancel any filings or registrations for your Squeeze Shop that contain any Marks;</p> <p>(5) You must immediately cease using any of our Confidential Information (including the Shop Systems or similar technology and digital passwords and identifications that we have licensed or loaned to you or that otherwise are proprietary to us or the System) in any business or otherwise;</p> <p>(6) Within 30 days, you must deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark, or otherwise identifying or relating to a Squeeze Shop that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from Squeeze Shop;</p> <p>(7) You agree to promptly notify all domain name registries, social media platforms, and internet service providers of the termination or expiration of your right to use any telephone numbers, facsimile numbers, URLs and domain names, or other listings associated with any Mark; to authorize the transfer of these numbers, names and directory listings to us or to a third party, at our direction; and/or to instruct the domain name registries and internet service providers to forward all calls, e-mails and electronic communications to names, numbers or addresses we specify; and</p> <p>(8) If we do not have or do not exercise an option to purchase the Assets of Squeeze Shop under Section 21, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish your Squeeze Shop clearly from its former appearance and from other Squeeze Shops</p> |
| j. Assignment of contract by us | 15                             | We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this  |

| PROVISION                                    | SECTION IN FRANCHISE AGREEMENT                         | SUMMARY  |
|--|--|--|
|  |  | Agreement, we no longer will have any performance or other obligations under this Agreement.   |
| k. "Transfer" by you - defined               | 16(A); Exhibit K, (Dev. Agreement) 11 (a), (b) and (c) | The sale, assignment, transfer, conveyance, pledge, mortgage, or encumbrance of any interest in Franchise, the Franchise Agreement, the Squeeze Shop, the Assets, the Premises, the Lease, or any other assets pertaining to Franchisee's operations under the Franchise Agreement   |
| l. Approval of transfer by us                | 16(A); Exhibit K, (Dev. Agreement) 11 (a), (b) and (c) | You may not complete a "Transfer" without our prior written consent.   |
| m. Conditions for approval of transfer by us | 16(B)  | <p>(1) You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer.</p> <p>(2) you must pay us a transfer fee equal to twenty-five percent of our then current initial franchisee fee provided that the transfer fee shall not exceed \$12,500.</p> <p>(3) The proposed transferee must meet our then-current standards for new franchisees and have sufficient business experience, aptitude, and financial resources to operate your Squeeze Shop;</p> <p>(4) Franchisee must have paid all amounts owed to us, our affiliates, and third party vendors and suppliers, have submitted all required reports and statements, and are not in violation of the Franchise Agreement;</p> <p>(5) Neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)(1) of the Franchise Agreement);</p> <p>(6) The proposed transferee must satisfactorily complete our Initial Training Program (and any other required training programs we require) and pays any then-current training fees;</p> <p>(7) The proposed transferee has demonstrated an ability to obtain possessory rights in the Premises;</p> <p>(8) Franchisee have corrected any existing deficiencies of the Squeeze Shop of which we have notified you, and/or the proposed transferee agrees to upgrade, remodel, and refurbish your Squeeze Shop in accordance with our then current requirements and specifications for Squeeze Shops within the time</p> |

| PROVISION  | SECTION IN FRANCHISE AGREEMENT | SUMMARY  |
|--|--------------------------------|--|
|  |                                | <p>period we specify following the effective date of the Transfer (we will advise the proposed transferee before the effective date of the Transfer of the specific actions that are required and the time period within which such actions must be taken);</p> <p>(9) All of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Squeeze Shop are subordinate to the transferee's obligation to pay Royalties, Brand Fund contributions, and other amounts due to us, our affiliates, and third party suppliers and vendors and otherwise to comply with this Agreement;</p> <p>(10) Franchisee (and its owners) must sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees, and agents.</p> <p>(11) Franchisee modifies and/or upgrades the Shop Systems to our then current standards prior to the closing of the proposed transfer.</p> <p>(12) The proposed transferee must sign our then-current license agreements or service agreements related to the Shop Systems; and</p> <p>(13) Following the effective date of the Transfer: (a) Franchisee and the transferring owners agree not to engage in any of the activities proscribed Section 18(B).of the Franchise Agreement for the Restricted Period in the Restricted Area; and (b) Franchisee and its transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Squeeze Shops you own and operate) identify yourself or themselves or any business as a current or former Squeeze Shop</p> |
| n. Our right of first refusal to acquire your business | 16(G)                          | We have the right, exercisable within 10 days after receipt of the notice specified in Section 16(B)(1) to send written notice to you that we intend to purchase the interest proposed to be transferred.  |
| o. Our option to purchase your business                | 21                             | Upon the expiration or termination of this Agreement for any reason, we will provide written notice to you, within 30 days after the effective date of termination or expiration, if we intend to exercise our option to purchase from you some or all of the Assets.  |
| p. Your death or disability                            | 16(D)                          | If the Transfer is a transfer of ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of one of your owners, that person's executor, administrator, or other personal representative must apply to us in writing  |

| PROVISION   | SECTION IN FRANCHISE AGREEMENT    | SUMMARY   |
|---|-----------------------------------|---|
|   |                                   | within 90 days after death or declaration of disability for consent to Transfer this person's interest to a third party that we have approved. We do not charge a Transfer Fee under this Section 16(D). That Transfer must be completed within a reasonable time, not to exceed 6 months from the date of death or disability and is subject to all of the terms and conditions in this Section 16.  |
| q. Non-competition covenants during the term of the franchise             | 18(B)                             | During the term of this Agreement, there is no geographical limitation on the restrictions contained in Section 18(B) of the Franchise Agreement  |
| r. Non-competition covenants after the franchise is terminated or expires | 18(B)                             | <p>During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other Squeeze Shop in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement; or (ii) the date on which all persons restricted by Section 18(B) begin to comply with Section 18(B). (the "Restricted Area").</p> <p>The "Restricted Period" is two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.</p> |
| s. Modification of Agreement  | 26; Exhibit K (Dev. Agreement) 12 | Except as expressly set forth in the Franchise Agreement, no amendment, change or variance will be binding on either party unless mutually agreed to by you and us and executed in writing.   |
| t. Integration/merger clause  | 26; Exhibit K (Dev. Agreement)    | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.   |
| u. Dispute resolution by arbitration or mediation                         | 27; Exhibit K (Dev. Agreement) 16 | Before you or we may bring an action in court against the other, you and we must first meet to mediate the dispute, except as otherwise provided in the Franchise Agreement (See Section 27(H)). This section is subject to applicable state law.   |

| PROVISION          | SECTION IN FRANCHISE AGREEMENT       | SUMMARY   |
|--------------------|--------------------------------------|---|
| v. Choice of forum | 27(C); Exhibit K (Dev. Agreement) 16 | We may (subject to applicable state law) file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your Squeeze Shop is or was located, or where the claim arose. |
| w. Choice of law   | 27(B); Exhibit K (Dev. Agreement) 16 | Delaware law applies except to the extent governed by the Lanham Act or other federal law (subject to applicable state law).  |

### ITEM 18 PUBLIC FIGURES

We do not use any public figures to sell Squeeze franchises, although we reserve the right to do so in the future.

### ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

#### UNAUDITED NET SALES AT ONE (1) AFFILIATE OWNED AND TWO (2) FRANCHISE OWNED SQUEEZE SHOPS FROM 2019-2023 AND FOR JANUARY 1, 2024 THROUGH MAY 31, 2024

| NET SALES                             | 2019        | 2020      | 2021        | 2022        | 2023        | 2024 (YTD)  |
|---------------------------------------|-------------|-----------|-------------|-------------|-------------|-------------|
| Studio City, CA                       | \$1,213,859 | \$489,590 | \$1,105,145 | \$1,780,110 | \$2,149,535 | \$1,062,147 |
| Brentwood, TN                         | N/A         | N/A       | N/A         | N/A         | \$654,961   | \$378,901   |
| Scottsdale, AZ                        | N/A         | N/A       | N/A         | N/A         | \$724,665   | \$539,757   |
| Average Net Sales                     |             |           |             |             | \$1,176,387 | \$660,268   |
| Median Net Sales                      |             |           |             |             | \$724,665   | \$539,757   |
| Studios at or Above Average Net Sales |             |           |             |             | 1/3 (33%)   | 1/3 (33%)   |
| Studios at or Above Median Net Sales  |             |           |             |             | 2/3 (67%)   | 2/3 (67%)   |

#### TOTAL ACTIVE MEMBERS AT THE END OF EACH CALENDAR YEAR FROM 2019-2023 AND FOR JANUARY 1, 2024 THROUGH MAY 31, 2024 AT ONE (1) AFFILIATE AND TWO (2) FRANCHISED OWNED SQUEEZE SHOPS

| ACTIVE MEMBERS (YEAR-END) | 2019 | 2020 | 2021 | 2022 | 2023  | 2024 (YTD) |
|---------------------------|------|------|------|------|-------|------------|
| Studio City, CA           | 874  | N/A  | 720  | 901  | 1,041 | 1,100      |
| Brentwood, TN             | N/A  | N/A  | N/A  | N/A  | 313   | 341        |
| Scottsdale, AZ            | N/A  | N/A  | N/A  | N/A  | 299   | 361        |
| Average Active Members    |      |      |      |      | 551   | 601        |

| <b>ACTIVE MEMBERS (YEAR-END)</b>           | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024 (YTD)</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------------|
| Median Active Members                      |             |             |             |             | 313         | 361               |
| Studios at or Above Average Active Members |             |             |             |             | 1/3 (33%)   | 1/3 (33%)         |
| Studios at or Above Median Active Members  |             |             |             |             | 2/3 (67%)   | 2/3 (67%)         |

**SHOP UTILIZATION RATES AT THE END OF EACH  
CALENDAR YEAR FROM 2019-2023 AND FOR JANUARY 1, 2024 THROUGH MAY 31, 2024 AT ONE  
(1) AFFILIATE AND TWO (2) FRANCHISED OWNED SQUEEZE SHOPS**

| <b>SHOP UTILIZATION</b>                           | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024 (YTD)</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------------|
| Studio City, CA                                   | 32%         | 35%         | 26%         | 33%         | 38%         | 42%               |
| Brentwood, TN                                     | N/A         | N/A         | N/A         | N/A         | 16%         | 24%               |
| Scottsdale, AZ                                    | N/A         | N/A         | N/A         | N/A         | 13%         | 23%               |
| Average Shop Utilization Rate                     |             |             |             |             | 22%         | 29%               |
| Median Shop Utilization Rate                      |             |             |             |             | 16%         | 24%               |
| Studios at or Above Average Shop Utilization Rate |             |             |             |             | 1/3 (33%)   | 1/3 (33%)         |
| Studios at or Above Median Shop Utilization Rate  |             |             |             |             | 2/3 (67%)   | 2/3 (67%)         |

(1) Net Sales. “Net Sales” means Gross Sales minus: (i) the amount of any documented refunds, chargebacks provided to customers in good faith; (ii) any tips received by your employees; and (iii) Franchisor designated or approved discounts, promotions, or credits.

(2) Total Active Members means the total number of active membership agreements for the Squeeze Shop as of the last day of the reflected time period. The total Active Members is "Not Applicable" for 2020 because all active memberships were paused during this time period due to the shop's closure.

(3) The results for “2024 (YTD)” reflect results from January 1, 2024 through May 31, 2024.

(4) This financial performance representation is based upon financial reports maintained by our affiliate and information submitted by franchisees. We have not audited the information.

(5) All figures used in preparing this financial performance representation are on file and in our records. Written substantiation of the financial performance representation included in this Item 19 is available upon reasonable request.

(6) Shop Utilization is calculated by dividing the total service hours in a given time period by operating hours per day multiplied by the number of operating days in the given time period multiplied by the number of suites at the Squeeze Shop.

(7) The Squeeze Shops included in this financial performance representation are the only Squeeze Shops in operation for at least 12 months at the time that this financial performance representation is made. It does not include five (5) Squeeze Shops that opened for business in 2023.

**(8) These Squeeze Shops have generated the above results. Your individual results may differ. There is no assurance that you'll sell as much.**

Other than the preceding financial performance representations, Squeeze does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either

orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brittany Driscoll, Chief Executive Officer, Squeeze Franchising LLC, 700 8th Avenue S, 2nd Floor, Nashville, TN 37203, 855.858.6263 (main), the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Squeeze Shop Summary  
For Years 2021 to 2023**

| Business Type                      | Year | Businesses at Start of the Year | Businesses at End of the Year | Net Change |
|------------------------------------|------|---------------------------------|-------------------------------|------------|
| <b>Franchised Squeeze Shops</b>    | 2021 | 0                               | 0                             | 0          |
|                                    | 2022 | 0                               | 2                             | +2         |
|                                    | 2023 | 2                               | 7                             | +5         |
| <b>Company Owned Squeeze Shops</b> | 2021 | 1                               | 1                             | 0          |
|                                    | 2022 | 1                               | 1                             | 0          |
|                                    | 2023 | 1                               | 1                             | 0          |
| <b>Total Outlets</b>               | 2021 | 1                               | 1                             | 0          |
|                                    | 2022 | 1                               | 3                             | +2         |
|                                    | 2023 | 3                               | 8                             | +5         |

**Table No. 2  
Transfers of Squeeze Shops from Franchisees to New Owners**

| State        | Year | Number of Transfers |
|--------------|------|---------------------|
| <b>Total</b> | 2021 | 0                   |
|              | 2022 | 0                   |
|              | 2023 | 0                   |

**Table No. 3  
Status of Franchised Squeeze Shops  
For years 2021 to 2023**

| State           | Year | Businesses at Start of Year(3) | Businesses Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reason | Businesses at End of Year(4) |
|-----------------|------|--------------------------------|-------------------|--------------|--------------|--------------------------|----------------------------------|------------------------------|
| <b>Arkansas</b> | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|                 | 2022 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|                 | 2023 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
| <b>Arizona</b>  | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|                 | 2022 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|                 | 2023 | 1                              | 0                 | 0            | 0            | 0                        | 0                                | 1                            |
| <b>Colorado</b> | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |

| State     | Year | Businesses at Start of Year(3) | Businesses Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reason | Businesses at End of Year(4) |
|-----------|------|--------------------------------|-------------------|--------------|--------------|--------------------------|----------------------------------|------------------------------|
|           | 2022 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|           | 2023 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
| Georgia   | 2022 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|           | 2023 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
| Illinois  | 2022 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|           | 2023 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
| Tennessee | 2022 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2023 | 1                              | 0                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
| Texas     | 2022 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
|           | 2023 | 0                              | 1                 | 0            | 0            | 0                        | 0                                | 1                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |
| Total     | 2022 | 0                              | 2                 | 0            | 0            | 0                        | 0                                | 2                            |
|           | 2023 | 2                              | 5                 | 0            | 0            | 0                        | 0                                | 7                            |
|           | 2021 | 0                              | 0                 | 0            | 0            | 0                        | 0                                | 0                            |

**Table No. 4**  
**Status of Company-Owned Squeeze Shops**  
**For years 2021 to 2023**

| State      | Year | Businesses at Start of Year | Businesses Opened | Businesses Reacquired from Franchisees | Businesses Closed | Businesses Sold to Franchisees | Businesses at End of Year |
|------------|------|-----------------------------|-------------------|--|-------------------|--------------------------------|---------------------------|
| California | 2021 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |
|            | 2022 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |
|            | 2023 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |
| Total      | 2021 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |
|            | 2022 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |
|            | 2023 | 1                           | 0                 | 0                                      | 0                 | 0                              | 1                         |

**Table No. 5**  
**Projected Openings**  
**as of December 30, 2023**

| State   | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchise Outlet In The Next Fiscal Year | Projected New Company Outlets In The Current Fiscal Year |
|---------|---|--|--|
| Alabama | 0   | 1  | 0  |
| Arizona | 2   | 1  | 0  |

| State          | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchise Outlet In The Next Fiscal Year | Projected New Company Outlets In The Current Fiscal Year |
|----------------|---|--|--|
| California     | 5   | 3  | 0  |
| Connecticut    | 2   | 1  | 0  |
| Florida        | 2   | 2  | 0  |
| Georgia        | 1   | 0  | 0  |
| Massachusetts  | 3   | 2  | 0  |
| North Carolina | 2   | 1  | 0  |
| Rhode Island   | 0   | 1  | 0  |
| Texas          | 3   | 3  | 0  |
| Washington     | 2   | 1  | 0  |
| Total          | 22  | 16   | 0  |

#### NOTES FOR TABLE NOS. 1 - 5:

The numbers for 2021 to 2023 are as of December 31 of each year.

One company owned Squeeze Shop opened in Studio City, California in March 2019.

Exhibit H includes a list of all franchisees who have signed a Franchise Agreement, but who have not yet opened a Squeeze Shop.

Exhibit H includes a list of the name, address and telephone number of the franchisees who had a Franchise Agreement terminated, canceled, or not renewed or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement (including any transfer) during our last fiscal year or who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

Exhibit H identifies the name of our franchisees, if any, their locations, and telephone numbers as of the issuance date of this disclosure document. If you buy a Squeeze Shop franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Squeeze Franchising. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

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

There are no current trademark specific franchisee organizations associated with the franchise system.

#### ITEM 21 FINANCIAL STATEMENTS

Exhibit F includes audited financial statements for Squeeze Franchising LLC for (i) January 1, 2023, through December 31, 2023; (ii) January 1, 2022 through December 31, 2022; and (iii) from January 1, 2021 through December 31, 2021. Our fiscal year end is December 31.

#### ITEM 22 CONTRACTS

The following contracts are exhibits within this disclosure document:

|           |   |
|-----------|---|
| Exhibit C | Franchise Agreement (and Exhibits thereto) <ul style="list-style-type: none"><li>● Exhibit 1-Franchise Information</li><li>● Exhibit 2-Collateral Assignment of Lease</li><li>● Exhibit 4-Listing of Ownership Interests</li><li>● Exhibit 5-Guaranty and Assumption of Obligations</li></ul> |
| Exhibit D | Confidentiality Agreement   |
| Exhibit E | General Release   |
| Exhibit G | Addenda Required by Certain States  |

### **ITEM 23 RECEIPTS**

The final two pages of this disclosure document are detachable documents acknowledging your receipt of the disclosure document. If those pages, or any other pages or exhibits are missing from your disclosure document, please notify us immediately.

**Exhibit A to Franchise Disclosure Document  
Directory of State Agencies and Administrators**

**DIRECTORY OF FRANCHISE REGULATORS, STATE ADMINISTRATORS,  
AND AGENTS FOR SERVICE OF PROCESS**

Federal Franchise Regulators:  
Federal Trade Commission  
Division of Marketing Practices  
Seventh and Pennsylvania Avenues, N.W., Room 238  
Washington, DC 20580  
202-326-2970

**List of State Administrators**

**CALIFORNIA:**  
Department of Financial Protection  
and Innovation  
1-866-275-2677

**Los Angeles**  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

**Sacramento**  
2101 Arena Blvd.  
Sacramento, CA 95834  
(916) 445-7205

**San Diego**  
1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

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

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

**ILLINOIS:**  
Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

**INDIANA:**  
Securities Commissioner  
Securities Division, Room E-111  
302 West Washington Street

Indianapolis, IN 46204  
(317) 232-6681

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

**MICHIGAN:**  
Kathryn Barron  
Franchise Administrator Antitrust  
and Franchise Unit, Consumer  
Protection Division, Department  
of Attorney General, 670 Law  
Building, 525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

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

**NEW YORK:**  
NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Fl  
New York, NY 10005  
212-416-8222

**NORTH DAKOTA:**  
North Dakota Securities Department  
State Capitol, 5th Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505-0510  
(701) 328-2910

**OREGON:**  
Div. of Finance & Corp. Securities

(608) 266-8557  
Department of Consumer & Business  
Services, Room 410  
350 Winter Street, NE  
Salem, OR 97301-3881  
(503) 378-4140

**RHODE ISLAND:**  
Department of Business Regulation  
Securities Division, Bldg. 69, First  
Floor, John O. Pasture Center  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9585

**SOUTH DAKOTA:**  
Franchise Administrator  
Division of Insurance, Securities  
Regulation 124 South Euclid, Suite  
104, Pierre, SD 57501  
(605) 773-3563

**VIRGINIA:**  
State Corporation Commission  
Division of Securities & Retail  
Franchising, 1300 East Main Street,  
9th Floor, Richmond, VA 23219  
(804) 371-9051

**WASHINGTON:**  
Securities Division  
Department of Financial Institutions  
150 Israel Road, SW  
Tumwater, WA 98501  
(360) 902-8760

**WISCONSIN:**  
Division of Securities  
Bureau of Regulation &  
Enforcement, Department of  
Financial Institutions, 4<sup>th</sup> Floor  
345 W. Washington Avenue  
Madison, WI 53703

## **Exhibit B**

### **List of Agents for Service of Process**

#### **CALIFORNIA**

Commissioner of Department of Financial Protection  
and Innovation  
2101 Arena Blvd.  
Sacramento 95834  
www.dfpi.ca.gov and email, Ask.DFPI@dfpi.ca.gov.

#### **DELAWARE**

Corporation Service Company  
251 Little Falls Drive  
Wilmington, Delaware 19808

#### **HAWAII**

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

#### **ILLINOIS**

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

#### **INDIANA**

Securities Commissioner  
Indiana Secretary of State  
201 State House  
Indianapolis, IN 46204

#### **MARYLAND**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020  
410.576.6360

#### **MICHIGAN**

Michigan Department of Commerce  
Corporations and Securities Bureau  
6546 Mercantile Way  
Lansing, MI 48910

#### **MINNESOTA**

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

#### **NEW YORK**

Secretary of State  
99 Washington Avenue  
Albany, NY 12231-0001

#### **NORTH DAKOTA**

Securities Commissioner of North Dakota  
State Capitol, 5th Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505

#### **OREGON**

Director of the Department of Consumer and  
Business Services  
350 Winter Street NE, Room 410  
Salem, OR 97301-3881

#### **RHODE ISLAND**

Director of Department of Business Regulation  
Securities Division  
John O. Pastore Center, Bldg. 69, 1<sup>st</sup> Floor  
1511 Pontiac Avenue  
Cranston, RI 02920  
(401) 462-9585

#### **SOUTH DAKOTA**

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

#### **VIRGINIA**

Clerk, Virginia State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, VA 23219  
(804) 371.9733

#### **WASHINGTON**

Director, Securities Division  
Department of Financial Institutions  
150 Israel Road, SW  
Tumwater, WA 98501

#### **WISCONSIN**

Wisconsin Commissioner of Securities  
Department of Financial Institutions, 4th Floor  
345 W. Washington Avenue  
Madison, WI 53703

**Squeeze Franchising LLC  
FRANCHISE AGREEMENT**

\_\_\_\_\_  
**FRANCHISEE**

\_\_\_\_\_  
**DATE OF AGREEMENT**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**BUSINESS ADDRESS**

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**EXHIBITS TO FRANCHISE AGREEMENT**

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- EXHIBIT 2- FORM OF COLLATERAL ASSIGNMENT OF LEASE
- EXHIBIT 3- AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
- EXHIBIT 4- LISTING OF OWNERSHIP INTERESTS
- EXHIBIT 5- AGREEMENT TO BE BOUND AND TO GUARANTEE

## Squeeze Franchise Agreement

THIS **FRANCHISE AGREEMENT** (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between **Squeeze Franchising LLC**, a Delaware limited liability company (“Squeeze Franchising,” “Franchisor” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ (“you” or “your” or “Franchisee”).

### 1. PREAMBLES.

(A) We and our affiliates have invested considerable time, effort, and money to develop a unique system (“System”) for the operation of a business under the name “Squeeze” that offers a modern massage experience using an app-based booking and payment platform, personalized and adjustable therapy room settings, convenient membership opportunities, and related retail products using state-of-the-art technology, design and branding in a safe, clean and friendly environment (each a “Squeeze Shop” or a “Shop” or a “Franchised Business”).

(B) The distinguishing characteristics of the System include, without limitation, our interior and exterior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality of equipment and inventory; procedures for operations; proprietary computer software; proprietary skincare products, quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for management training and assistance, advertising and promotional programs, and business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time.

(C) We identify the System by the “Squeeze” name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols, and designs (collectively, “Marks”), which we have designated, or may in the future designate, for use with the System. The Marks are owned by our affiliate, Squeeze Holdings LLC (“Squeeze Holdings”) and licensed to us for use by Squeeze Shops pursuant to this Agreement and other franchise agreements.

(D) You would like to obtain a license to use the System and the Marks and to operate a franchised Squeeze Shop at the location specified in Exhibit 1 (“Premises”), subject to the terms and conditions of this Agreement and in strict compliance with the high and uniform standards of quality, operations and service established by us for the System (“System Standards”).

(E) You acknowledge the importance of the System Standards and the necessity of developing and operating your Squeeze Shop in strict conformity with this Agreement, the System Standards, and the Squeeze confidential operations manual (“Manual”).

(F) We are willing to grant to you the opportunity to develop and operate a Squeeze Shop at the Premises subject to the terms and conditions of this Agreement.

### 2. GRANT OF FRANCHISE.

(A) Grant. Subject to the terms of this Agreement, we grant you a license (“Franchise”) to operate a Squeeze Shop at the Premises and to use the System and Marks in the operation of a Squeeze Shop. If you have not identified and received our approval of the Premises before you sign this Agreement, the Premises will be identified and included on Exhibit 1 as described in Section 5.

(B) Relocation. You may not operate your Squeeze Shop at any site other than the Premises and you may not relocate your Squeeze Shop without our prior written consent, which may be withheld by us in our sole discretion. We have the right to charge you for all reasonable expenses that we incur in considering your request to relocate your Squeeze Shop.

(C) Forms of Agreement. Over time, we have entered and will continue to enter into agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

(D) Best Efforts. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently, to use your best reasonable efforts to promote your Squeeze Shop and the System, and to operate your Squeeze Shop in accordance with our System Standards.

### 3. FRANCHISE RIGHTS.

(A) Your Protected Area. Except as limited by Section 3(D) below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate, or license others to operate Squeeze Shops in the geographic area identified and describe in Exhibit 1 as your Protected Area during the term of this Agreement. If no site has been designated at the time you sign the Franchise Agreement, you will, with the assistance of our Designated Supplier of real estate site selection services, select the site from within the Site Selection Area that we identify in Exhibit 1 to your Franchise Agreement (the "Premises"). During the Site Approval Period (as defined in Section 5(A)(2)), you must obtain our approval of a site for your Squeeze Shop and execute a Lease or purchase agreement for the approved site or, at our option, may terminate this Agreement. We have the right to move or modify the Site Selection Area during the Site Approval Period. The Site Selection Area will be determined on a case-by-case basis considering economic, demographic, and geographic information (such as population density) as well as existing site selection areas and/or Protected Areas given to other franchisees. Provided that you are in full compliance with the Franchise Agreement, we and our affiliates will not operate, or license others to operate, Squeeze Shops in the Site Selection Area during the Site Approval Period.

(B) Once we have approved the Premises, you will have the right to operate a Squeeze Shop at the Premises. If you comply with the Franchise Agreement, we will not, during the term of the Franchise Agreement, operate, or license others to operate, a Squeeze Shop within an area equal to an approximately eight-minute travel time from the front door of your Squeeze Shop (the "Protected Area"). We may use additional criteria to describe your Protected area, including total population, physical or psychological boundaries and any other criteria appropriate to define the Protected Area. Notwithstanding the Protected Area defined above, in certain high-density population areas ("High-Density Areas"), the Protected Area may be materially less. Once established, the Protected Area will not be changed.

(C) The restrictions contained in this Section 3 do not apply to Squeeze Shops under construction or in operation in the Site Selection Area (as defined by Section 5(A)) or Protected Area as of the date of this Agreement. If the Premises have not been approved in writing by us as of the Effective Date, your Protected Area will be determined by us after you execute a Lease for your Squeeze Shop (the "Lease"), or otherwise secure the Premises in a manner approved by us, and at such time, the Protected Area will be attached to and incorporated into Exhibit 1.

(D) Rights We Reserve. Except as expressly granted to you in Section 3, we and our affiliates retain all rights with respect to Squeeze Shops, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but

not limited to the right to: (1) operate (and license others to operate) any type of business other than a Squeeze Shop branded business at any location inside or outside the Protected Area; (2) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from Squeeze Shops, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the Internet or similar electronic media) both inside and outside the Protected Area; (3) operate (and license others to operate) Squeeze Shops located anywhere outside the Protected Area regardless of proximity to your Squeeze Shop; (4) acquire the assets and/or ownership interests of one or more competing businesses (“Competing Businesses”) and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises and/or licenses Competing Businesses in the Protected Area; and (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area. The rights granted to you in the Protected Area do not limit the operation of Squeeze Shops that are under construction or in operation in the Protected Area. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area.

#### 4. TERM.

(A) Initial Term. The initial term of this Agreement (“Initial Term”) and the Franchise granted by this Agreement will begin on the Effective Date and expire at midnight on the day preceding the 10th anniversary of the date your Squeeze Shop first opens for business unless this Agreement is terminated at an earlier date pursuant to Section 19. We will complete and forward to you a notice to memorialize the date your Squeeze Shop first opened for business.

(B) Successor Terms. When this Agreement (and the first Successor Term) expires, you will have the option to request the right to remain a franchisee at the Premises for successor terms of five (5) years each (each a "Successor Term"). The qualifications and conditions for the Successor Term are described below:

(1) You must give us written notice of your election to remain a franchisee at the Squeeze Shop not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term;

(2) You must pay us a Successor Franchise Fee equal to \$10,000 (the "Successor Franchise Fee");

(3) Neither you nor any of your affiliates are in default under this Agreement or any other agreements with us or our affiliates;

(4) You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term;

(5) You must renovate and update your Squeeze Shop to reflect the then-current image of Squeeze Shops;

(6) You must correct any existing deficiencies of your Squeeze Shop or in your operation of your Squeeze Shop and satisfy our then-current System Standards including adding any new

products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your General Manager, managerial and training personnel, and/or your staff (which may involve the payment of training fees);

(7) You must sign, and your owners and all guarantors of your obligations under this Agreement must personally guarantee, our standard form of Franchise Agreement that we are then offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees); and

(8) You, and your owners and guarantors of your obligations under this Agreement must sign a general release (substantially similar to the form attached hereto as Exhibit E to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents, and employees.

## 5. DEVELOPMENT PROCEDURES.

### (A) Site Selection.

(1) This Section 5 will not be applicable if the Premises have been approved in writing by us as of the Effective Date.

(2) If the Premises have not been designated as of the Effective Date, you will select a location from within an area that we identify in Exhibit 1 (“Site Selection Area”). Within 90 days after the Effective Date (“Site Approval Period”), you must obtain our written consent of a location in the Site Selection Area and execute a Lease for (or otherwise secure) that approved location for your Squeeze Shop. We, in our sole discretion, reserve the right to move or modify the Site Selection Area. Provided that you are in full compliance with this Agreement, we and our affiliates will not operate, or license others to operate, Squeeze Shops in the Site Selection Area during the Site Approval Period. We reserve all rights in the Site Selection Area that we reserve in the Protected Area, as described in Section 3(D). The restrictions on our development or operation of Squeeze Shops in the Site Selection Area contained in this Section 5(A) shall not apply to Squeeze Shops under construction or in operation in the Site Selection Area as of the Effective Date of this Agreement.

(3) You will retain our Designated Supplier of real estate site selection services to assist you in identifying a location for your Squeeze Shop in the Site Selection Area. Generally, the property owner of the selected location will pay all fees due and payable to the Designated Supplier of real estate site selection services.

(4) You assume all cost, liability, and expense for locating, securing, and developing a Premises for your Squeeze Shop and constructing and equipping your Squeeze Shop in accordance with our System Standards at an approved location. We will assist you in your site selection by providing you with access to our Designated Supplier of real estate services who is familiar with our site selection guidelines and criteria and who will assist in locating a Premises for your Squeeze Shop. You must obtain our written consent of the location before you make any binding commitments related to the site. If you have not presented to us an approvable site during the Site Approval Period, we may, in our sole discretion, terminate this Agreement pursuant to Section 19.

(5) Once you have identified a potential site, you must submit to us, in the form that we specify, a completed site evaluation package which must include an “As-Built” AutoCAD floor plan copy of the existing site plan, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent,

or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the site.

(6) Within 30 days after we receive the detailed site evaluation package, we, in our sole discretion, may conduct an on-site evaluation of the proposed site. You must reimburse us for all travel, living and other expenses we incur in conducting any on-site evaluations of your proposed site. We do not charge a site evaluation fee for the first on-site evaluation that we conduct with respect to your Squeeze Shop, however, if we require, or if you request, any additional on-site evaluations, you will pay to us, in addition to our travel expenses, our then-current site evaluation fee.

(7) We will use reasonable efforts to approve or disapprove the proposed site within 30 days after our receipt of your detailed site evaluation package if we do not conduct an on-site evaluation or, if we conduct an on-site evaluation, within 30 days after the on-site evaluation. If we do not approve the proposed site in writing in this time period, we will be deemed to have rejected the site. Our approval or rejection of a site may be subject to reasonable conditions as we determine in our sole discretion. Upon our approval of a site, and after you secure the site, we will insert its address into Exhibit 1, and it will be the Premises.

(8) You are responsible for selecting the site for your Squeeze Shop. You acknowledge and agree that, our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the site's suitability for a Squeeze Shop or any other purpose. Our approval indicates only that we believe that the site meets our then-current site selection criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we approve fails to meet your expectations. You acknowledge and agree that: (a) your submission of a proposed site for our acceptance is based on your own independent investigation of the site's suitability for your Squeeze Shop; and (b) our site-selection assistance is primarily for our benefit to assure us that we will have a minimally acceptable site upon the expiration or termination of this Agreement.

(9) Once you select a Premises for your Squeeze Shop, your rights with respect to the Site Selection Area shall terminate and your rights shall be limited to the Protected Area.

(B) Lease of Premises.

(1) If you propose to lease or sublease the Premises for your Squeeze Shop, you must provide us with a copy of the Lease for the Premises (for a term, including renewal terms, for at least the Initial Term) no less than 10 days before you intend to execute the Lease for the site of your Squeeze Shop. The Lease must not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. Unless waived in writing by us, any Lease must contain provisions that satisfy the following requirements during the entire term of the Lease, including any renewal terms:

(a) The initial term of the Lease must be no less than ten (10) years.

(b) The property owner ("Landlord") consents to your use of the proprietary signs and the Marks prescribed by us, and upon the expiration or earlier termination of the Lease, consents

to permit you, at your expense, to remove all such items, so long as you make repairs to the Premises caused by such removal.

(c) The Landlord agrees to provide us (at the same time sent to you) a copy of all amendments, assignments, and notices of default pertaining to the Lease and the Premises.

(d) We will have the right to enter the Premises to make any modifications or alterations necessary to protect the System and the Marks, to cure, within the time periods provided by the Lease, any default under the Lease, all without being guilty of trespass or other tort, and to charge you for any related costs.

(e) The Landlord agrees that you will be solely responsible for all obligations, debts, and payments under the Lease.

(f) The Landlord agrees that, following the expiration or earlier termination of this Agreement, you will have the right to make those alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from a Squeeze Shop and also make those specific additional changes as we reasonably may request for that purpose. The Landlord also agrees that, if you fail to make these alterations and modifications within 10 days after the expiration or earlier termination of this Agreement, we will have the right to do so without being guilty of trespass or other tort so long as we make repairs to the Premises caused by such removal.

(g) The Landlord agrees not to amend or otherwise modify the Lease in any manner that would affect any of the foregoing requirements without our prior written consent, which consent will not be unreasonably withheld.

(h) You may assign the Lease to us or our designee with the Landlord's consent (which consent will not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rentals payable to the Landlord.

(i) The Landlord agrees to consent to your collaterally assigning the Lease to us or our designee, granting us the option, but not the obligation, to assume the Lease from the date we take possession of the Premises, without payment of any assignment fee or similar charge or increase in any rentals payable to the Landlord. Our current form of Collateral Assignment of Lease is attached to this Agreement as Exhibit 2.

(2) You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Squeeze Shop operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

## 6. CONSTRUCTION OF YOUR SQUEEZE SHOP.

(A) Project Management. You will retain our Designated Supplier of project management services to assist you in the development and construction of your Squeeze Shop. You shall timely pay all fees that are due and owing to such party as agreed to in writing between you and the Designated Supplier of project management services.

### (B) Construction Plans.

(1) You are responsible for developing and constructing your Squeeze Shop. We will provide you with mandatory and suggested specifications and layouts for a Squeeze Shop, including

requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We may also provide you with suggested architectural drawings. You acknowledge that the layouts and drawings are proprietary to us. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (“ADA”) or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

(2) You must retain our designated architect to develop construction drawings of your Squeeze Shop (you may opt to retain our approved design architect to continue with the full set of construction drawings). Required stamped drawings include architectural, mechanical, plumbing, and electrical plans. In addition, you must obtain structural and fire protection and any other plans as may be required by your state and local agencies.

(3) You agree to send to us, upon our request, construction plans and specifications or other plans for our review before you begin constructing your Squeeze Shop and all revised or “as built” plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor to design and construct your Squeeze Shop. We may inspect the Premises while you are developing your Squeeze Shop.

(C) Development of your Squeeze Shop. You agree to do the following, at your own expense, to develop your Squeeze Shop at the Premises:

- (1) secure all financing required to develop and operate your Squeeze Shop;
- (2) procure insurance coverage for your activities under this Agreement as required by Section 12(I) of this Agreement and the Manual;
- (3) obtain all required building, utility, sign, health, sanitation, occupancy, business, and other permits and licenses;
- (4) construct all required improvements to the Premises and furnish and decorate your Squeeze Shop according to our approved plans and specifications;
- (5) obtain all customary contractors’ sworn statements and partial and final waivers of liens for construction, remodeling, decorating, and installation services;
- (6) purchase or lease from Designated Suppliers and Approved Suppliers, and install, all required fixtures, furniture, equipment, and interior and exterior signs; and
- (7) purchase from Designated Suppliers and Approved Suppliers an opening inventory of authorized and approved products, materials, and supplies necessary to commence operations at your Squeeze Shop.
- (8) If you build any portion of your Squeeze Shop outside of our specifications without receiving our prior written consent, we will have the right to delay the opening of your Squeeze Shop until you, at your sole expense, bring the development of your Squeeze Shop within full compliance with of our specifications.

(D) Shop Systems. Prior to opening your Squeeze Shop, you must purchase and install our required computer, router, network, hardware, and associated software including required appointment and accounting software (the “Shop Systems”). You must also pay us a Technology Start Up Fee. The Technology Start Up Fee may be changed by us or the provider upon written notice to you.

(E) Opening your Squeeze Shop. You agree to open your Squeeze Shop no later than 12 months after the Effective Date of this Agreement.

(F) We will not authorize the opening of your Squeeze Shop unless all of the following conditions have been met:

(1) We are satisfied that your Squeeze Shop was constructed and/or renovated and equipped substantially in accordance with our standards and specifications;

(2) You have hired and trained a staff as required by Section 11(B);

(3) You have received a Certificate of Occupancy and all required state and local government certifications, permits, and licenses necessary for the operation of a Squeeze Shop, including licenses and certifications for your staff and other personnel;

(4) You (or your Operating Principal as defined in Section 14(D)), your General Manager, and your training personnel (if any) have satisfactorily completed and become certified in our Initial Training Program;

(5) You have paid the Initial Franchise Fee (as defined in Section 7(A)) and any other amounts then due to us;

(6) You have signed all agreements required prior to opening, including, but not limited to, the Lease, the electronic funds transfer documents described in Section 7(R), and any software license agreement(s);

(7) You have complied with our requirements for the Grand Opening Plan as described in Section 9(A);

(8) Neither you nor any of your affiliates are in default under or in violation of any agreements with us, any of our affiliates or any suppliers; and

(9) You have provided us with copies of certificates for all insurance policies required by Section 12(I) or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

7. FEES. All fees payable pursuant to this Section 7 shall be retained by the Franchisor prior to its delivery of the Franchise Commission to Franchisee pursuant to Section 7(R).

(A) Initial Franchise Fee. At the same time that you sign this Agreement, you must pay to us an initial franchise fee of \$50,000 (“Initial Franchise Fee”). If you are a veteran of the armed forces of the United States and were honorably discharged from military service, you will receive a ten percent (10%) discount on each Initial Franchise Fee that you pay to us. This fee is due, and fully earned by us, when you sign this Agreement. The Initial Franchise Fee is not refundable.

(B) Ongoing Royalties. You agree to pay to us, in the manner provided below (or as the Manual otherwise prescribes), a nonrefundable and continuing Royalties (“Royalties”) in the amount of six percent (6%) of the Net Sales of your Squeeze Shop for the right to use the System and the Marks. We will retain the Royalties from the Net Sales that we collect on your behalf prior to our weekly payment of your Franchise Commission to you.

(C) Technology Fee. You agree to pay us, in the manner provided below (or as the Manual otherwise prescribes), a nonrefundable and continuing Technology Fee ("Technology Fee"). The Technology Fee provides you with access, maintenance, and support for required software, applications, e-mail service, music, integrations, collaboration, intranet, and other technology services that we determine, in our sole discretion, to provide to you. A list of all services you will receive in connection with your Technology Fee is included with the Manual. Currently, the Technology Fee is \$450 per week. We may increase the Technology Fee upon thirty (30) days written notice to you.

(D) Credit Card Processing Fee. On a weekly basis, we will calculate and retain two point six percent (2.6%) of the Credit Card Sales plus \$.30 per credit card transaction (credit and debit) as the Credit Card Processing Fee. The Credit Card Processing Fee is intended to cover our expenses in completing all credit card transactions at your Squeeze Shop through our Designated Supplier of such services. If our costs for credit card processing services increase, we may, upon written notice to you, increase the Credit Card Processing Fee to reflect such increase in expenses associated with credit card processing services. We will not credit any portion of the Credit Card Processing Fee you paid to us if you refund some or all of the payment associated with that Credit Card Processing Fee.

(E) Guest Experience Fee. We require you to participate in our guest experience program ("Guest Experience Program"), which is a centralized customer service team to support the online scheduling and payment system with phone, email, and SMS support. You will pay a Guest Experience Fee in support of the Guest Experience Program. The Guest Experience Fee is currently \$280 per week. We may increase the Guest Experience Fee upon 30 days' prior written notice to you. You are obligated to participate and contribute to the program. The weekly amount contributes to the related operating expenses.

(F) An on-site site evaluation is necessary if the information you provide to us is inadequate for us to approve or disapprove of the proposed site.

(G) Alternative Suppliers. If you propose to purchase any goods or materials (that you are not required to purchase from us, an affiliate of ours, or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier do so. We may require, as a condition of our approval, that our representative be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval.

(H) Extension Fee. You are required to open your Squeeze Shop within 12 months of signing the Franchise Agreement. You may extend the deadline to open your Squeeze Shop, on a month to month basis, by paying us the Extension Fee. The Extension Fee currently being charged is \$2,500 per month and shall be paid on or before the 5<sup>th</sup> day of each month for which an extension is sought. We reserve the right to modify, increase, decrease or waive the Extension Fee in our sole and absolute discretion.

(I) Management Fee. You will pay us a management fee ("Management Fee") if we are obligated, directly or indirectly, to manage your Shop. The Management Fee is in addition to and not in replacement of any other fees that you are obligated to pay us. The current Management Fee we charge you is the greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Shop, or (ii)

10% of the Shop's weekly Gross Sales; plus expenses for travel, lodging, meals, and all other expenses that we incur in managing your Shop. The Management Fee is payable during any period that our appointed manager manages your Shop. The Management Fee will be in addition to the Royalties and Brand Fund Contributions due to us. We will deduct the Management Fee from Net Sales prior to our payment of your Franchise Commission. We may increase the Management Fee upon thirty (30) days written notice to you.

(J) Referral Fee. We will pay you a referral fee of \$5,000 if you provide us with a franchisee lead that results in the purchase of a new Squeeze Shop by a new franchisee. The referral fee will be paid as: (i) a credit of Royalties that the existing franchisee owes us; or (ii) as a credit towards an Initial Franchise Fee of an additional Squeeze Shop. We will not make a cash payment to you. This referral program is administered by us in our sole discretion and may be changed or discontinued by us at any time. The referral fee is subject to change at any time. Franchisees who are eligible to participate in this referral program and who may provide us with prospective franchisees leads are not acting as our agent, do not speak for us, and are not involved in the franchise sales process. As an existing franchisee, they are simply passing along to us the name of someone they know who might be interested in acquiring a new franchise.

(K) Gross Sales. "Gross Sales" means the aggregate amount of all revenues generated from the sale or delivery of products and services at or from the Shop, and all other income of every kind related to the Shop, whether for cash, credit (and regardless of collection in the case of credit), barter, exchange, or other form of consideration including but not limited to membership fees, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Premises.

(L) Credit Card Sales. "Credit Card Sales" means Gross Sales transacted from or during the operation of your Squeeze Shop utilizing credit card, debit card, gift card, loyalty program, or other similar credit or electronic transactions.

(M) Net Sales. "Net Sales" means Gross Sales minus: (i) the amount of any documented refunds, chargebacks provided to customers in good faith; (ii) any tips received by your employees; and (iii) Franchisor designated or approved discounts, promotions, or credits.

(N) Advertising Contributions and Expenses. You also will spend and/or contribute for advertising the amount we specify. The exact amount of the Brand Fund contribution and Local Store Marketing expenditures you are required to make and/or are set forth in Section 9.

(O) Late Report Fee. We may charge a late report fee of \$100 for each week following the due date that you do not submit any report to us that is required by Section 8. The amount of the Late Report Fee may be changed upon written notice to you.

(P) Interest. All amounts which you owe us for any reason will bear interest accruing as of their original due date at 15% per annum or the highest commercial contract interest rate the law allows, whichever is less. We may electronically debit your business checking account automatically for any past-due amounts and interest. You acknowledge that this Section 7(P) is not an agreement to accept any payments after they are due or a commitment to extend credit to, or otherwise finance your operation of, your Squeeze Shop.

(Q) Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due will be treated as anything other than a partial payment on account. Notwithstanding any designation by you, we will have sole discretion to apply any payments by you to any of your past-due indebtedness to us.

(R) Method of Payment

(1) You must comply with all of our payment policies, procedures, and requirements, as described in the Manual.

(2) On a weekly basis, we will calculate the Gross Sales, Credit Card Sales and Net Sales generated from the operation of your Squeeze Shop. Certain fees are payable based upon Credit Card Sales and others are payable based upon Net Sales. We will provide a report to you, on a weekly basis, of the Gross Sales, Credit Card Sales, and Net Sales from your Squeeze Shop.

(3) On a weekly basis, we will pay to you, by EFT, ACH, direct deposit, or a similar means, the Net Sales generated by your Squeeze Shop minus all fees (See Item 6), financing costs (Item 10), plus any amounts you owe us or our affiliates for purchases of supplies and any other monetary obligation that you have to us or our affiliates (our payment to you is referenced as the "Franchise Commission"). If there is a negative balance to your Franchise Commissions after all deductions, then your negative balance will be carried forward to the next week and be deducted from your next month's Franchise Commissions. We are never required to remit any funds to you until we have collected those funds.

(S) Right of Offset. Franchisor shall have the right to offset any amount owed by Franchisee to Franchisor and/or its affiliates under or in connection with this Agreement against any payments owed by Franchisor to Franchisee under this Agreement or any related agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and applicable law.

## 8. RECORDKEEPING AND REPORTS.

(A) Recordkeeping. You must keep and maintain, in accordance with any procedures that we prescribe in the Manual or otherwise, complete, and accurate books and records pertaining to your Squeeze Shop sufficient to fully report to us. We reserve the right to require that you maintain a fiscal year different than the calendar year and one that is consistent with our fiscal year. You agree that we are authorized to use computerized data capture and retrieval systems that meet our specifications and that all data collected by our data capture and retrieval systems shall belong to us.

(B) Reports and Financial Statements. You must, at your expense, submit to us, in the form prescribed by us, financial and operational reports and records at the times and in the manner specified in the Manual. You also must submit to us, in the form prescribed by us, a profit and loss statement and balance sheet for your Squeeze Shop within 60 days after the end of each fiscal year (as defined by us from time to time). You must sign each report attesting that it is true, correct, and complete and, with respect to the profit and loss statement, uses accounting principles applied on a consistent basis that accurately and completely reflect your financial condition. We may disclose data derived from your reports, however, upon receipt of a written request from you or if required by law, we will not disclose your identity in any materials that we circulate publicly. If, in our reasonable judgment, your reports are deficient in substance or presentation, we may require that you submit to us year-end financial statements prepared by an independent accountant and/or copies of your federal, state, and local income tax returns.

(C) Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must, at your expense, submit to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

(D) Our Right to Audit.

(1) We have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy, and audit your books, records, sales, and income tax records and returns, and such other forms, reports, information, and data as we reasonably may designate, applicable to the operation of your Squeeze Shop (an "Audit"). If an Audit discloses an understatement of Net Sales of your Squeeze Shop, you agree to pay to us, within 10 days after receiving the Audit report, the Royalties and Brand Fund contributions due on the amount of the understatement, plus any interest on the understated amounts from the date originally due until the date of payment. If an Audit discloses that you have not expended the greater the requires amount of your Net Sales on Local Store Marketing (which amount may be modified by us from time to time in accordance with Section 9(B)), you shall contribute to the Brand Fund the amounts that you should have expended to reach the Local Store Marketing requirement within 30 days after completion of our Audit of your Squeeze Shop. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of your Royalties or Brand Fund contribution (when a percentage of Net Sales is required), that exceeds 2% of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. If our examination reveals an understatement of the Net Sales of your Squeeze Shop for any period by 2% or more 3 or more times during any 3-year period, or by more than 5% on any one occasion, then in addition to your obligations in subsection (a) above, we may immediately terminate this Agreement without an opportunity to cure. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

(2) If you fail to give us, on a timely basis, the records, reports, and other information required by this Agreement or, upon our request, copies of the same, we or our designee will have access at all reasonable times (and as often as necessary) to your books and records (including those contained on the Shop Systems) for the purpose, among other things, of preparing the required records, reports, and other information. You promptly will reimburse us or our designee for all costs and expenses associated with our obtaining and/or preparing such records, reports, or other information.

9. MARKETING.

(A) Grand Opening Plan. You must advertise and promote the Squeeze Shop during the 4-month period prior to opening the Shop ("Grand Opening Plan"). Your Grand Opening Plan expenditures must equal or exceed \$20,000 although we recommend that you spend more than the minimum amount (See Items 6 and 11 for more detailed information). You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of the Squeeze Shop ("Marketing Plan"). You must spend at least the amount that we specify for your Grand Opening Plan; however, you may spend more than the required amount. The Grand Opening Plan expenditure is in addition to the advertising contributions and expenditures that you must make pursuant to Sections 9(C) and 9(D) below. We may require you to pay the Grand Opening Plan expenditures directly to us to fund your Grant Opening Plan or to pay third party vendors directly.

(B) Marketing Contributions and Expenditures. During the Term, you must (1) contribute to the Brand Fund pursuant to Section 9(C), (2) make Local Store Marketing expenditures pursuant to Section 9(D); and (3) contribute to the Regional Co-op pursuant to Section 9(E) if a Regional Co-op has been established in the Designated Market Area ("DMA") in which your Squeeze Shop is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund and the amount you spend for Local Store Marketing.

(C) Brand Fund.

(1) We have established an advertising and marketing fund (“Brand Fund”) for the enhancement and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs, and materials as we deem appropriate. We currently charge you a Brand Fund contribution of two percent (2%) of Net Sales. Your required Brand Fund contribution will not exceed two percent (2%) of the Net Sales of your Squeeze Shop. The Brand Fund contribution will be payable in the same manner as the Royalties. Squeeze Shops operated by us, and our affiliates also will contribute to the Brand Fund on the same basis as comparable franchisees. From time to time, we or our suppliers may deposit into the Brand Fund rebates or similar allowances paid to us by our suppliers although we have no obligation to do so.

(2) We will have sole discretion to use the Brand Fund, and the monies in the Brand Fund, for any purpose that we designate that we believe will enhance and protect the System and Marks and will improve and increase public recognition and perception of the System and Marks. We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

(3) Participation in Promotional and Charitable Programs. You agree to participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Brand Fund. Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: (a) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, and other advertising and promotional materials; (b) creative development, preparation, production and placement of video, audio, written materials, and electronic media; (c) media placement and buying, including all associated expenses and fees; (d) administering regional and multi-regional marketing and advertising programs; (e) market research and customer satisfaction surveys, including the use of secret shoppers; (f) the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or nonprofit events; (g) creative development of new program offerings for Squeeze Shops; (h) creative development of signage, posters, and individual Squeeze Shop décor items including wall graphics; (i) recognition and awards events and programs; (j) System recognition events, including periodic national and regional conventions and meetings; (k) Website, internet, and/or intranet development and maintenance (in this Agreement, “website” means one or a group of World Wide Web pages and related application usually containing hyperlinks to each other and made available online by an individual, company, educational institution, government, or organization); (l) development, implementation, and maintenance of an electronic commerce Website, application, and reservation system and/or related strategies; (m) retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and (n) public relations and community involvement activities and programs.

(4) We will account for the Brand Fund separately from our other funds; however, we are not required to segregate any Brand Fund monies from our other monies. We will not use the Brand Fund for any of our general operating expenses. We and our affiliates may be reimbursed by the Brand Fund for administrative expenses directly related to the Brand Fund’s marketing programs, including without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Brand Fund. We may use the Brand Fund to pay the administrative costs of the Brand Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Fund, and we may use the Brand Fund to pay the reasonable salaries and benefits of personnel (including our personnel and our affiliates’ personnel) who manage and administer the Brand Fund. We may use the Brand Fund to pay for other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating

to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

(5) The Brand Fund will not be our asset. Although the Brand Fund is not a trust, we will hold all Brand Fund contributions for the benefit of the System and use contributions only for the purposes described in this Section 9(C). We do not owe any fiduciary obligation to you for administering the Brand Fund or for any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay for the administrative costs of the Brand Fund before using the Brand Fund's other assets.

(6) Upon your written request, we will prepare an annual, unaudited, statement of Brand Fund collections and expenses within 90 days after our fiscal year end. We may also, in our sole discretion, prepare such financial statements. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9(C).

(7) We intend the Brand Fund to maximize and enhance public, franchisee, and employee recognition of the System and the Marks. Although we may use the Brand Fund, or portions of the monies in the Brand Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Squeeze Shops, we cannot and do not ensure that Brand Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Brand Fund contributions by Squeeze Shops operating in that geographic area. We do not guarantee or assure that you, your Squeeze Shop, or any Squeeze Shop will benefit directly or in proportion to your Brand Fund contribution from the brand enhancement activities of the Brand Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

(8) We have the right, but not the obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to the Brand Fund. We have the sole right to enforce the obligations of franchisees who contribute to the Brand Fund, and neither you nor any other franchisees who contribute to the Brand Fund will be deemed a third party beneficiary with respect to the Brand Fund obligations of other franchisees or have any right to enforce the obligation of any franchisee to contribute to the Brand Fund.

(9) We may at any time defer or reduce contributions of a Squeeze Shop franchisee to the Brand Fund and, upon 30 days prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, subsequently reinstate) the Brand Fund. If we terminate the Brand Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Brand Fund contributions during the preceding 12-month period.

(D) Local Store Marketing.

(1) You will develop, on a quarterly basis, a Local Store Marketing plan for the Squeeze Shop (the "Local Store Marketing Plan"). The Local Store Marketing Plan will include materials that we will provide to you that outline the key activations, promotional materials, outreach templates, and

marketing initiatives to assist you in maximizing local awareness and traffic to your Shop ("Local Marketing Playbook"). You must comply with all requirements of the Local Marketing Playbook and the Local Store Marketing plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, participation in and use of approved online and social media networks and tools, and compliance with all promotional recommendations and guidelines. After opening your Squeeze Shop, in addition to your Brand Fund contribution, you must pay our Designated Supplier \$1,625 per month throughout the initial term of your Franchise Agreement, which they will spend, on your behalf, on digital marketing for your Shop (which amount may be modified by us from time to time in accordance with Section 9(D) of the Franchise Agreement). You may spend additional amounts on Local Store Marketing provided that such expenditures otherwise comply with the Local Store Marketing Plan and Local Marketing Playbook. You will also be required to execute additional local marketing programs outlined in the Local Marketing Playbook. If there are other Squeeze Shops in your market area, we may require that you spend additional Local Store Marketing expenditures cooperatively with us and/or other franchisees in your market area.

(2) Your local marketing and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local marketing and promotional materials, and you will be required to pay those third parties for their services. You may not develop, maintain, or authorize any Website that mentions or describes you or your Squeeze Shop or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

(3) You may purchase local advertising and promotional materials from us, or any source approved by us. Periodically, we may provide you samples of advertising, marketing, and promotional formats, and materials at no cost. If you purchase these materials from us, in addition to paying the invoice cost of the materials, you must pay any related shipping, handling, and storage charges. If purchased from a source other than us or our affiliates, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotion promulgated from time to time by us and must be submitted to us or our designee at least 10 days prior to first use for approval (except with respect to prices to be charged by you), which we may grant or withhold in our sole discretion. If we do not approve your submission within 10 days after the day we received the materials, we will be deemed to have not approved the materials.

(4) In no event will your advertising and promotional materials contain any statement or material which, in our sole discretion, may be considered: (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with our public image or that of the System. You acknowledge and agree that any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute such documents (and, if necessary, require your independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision.

(5) You must actively participate in all marketing and advertising programs designated by Us or the Brand Fund including social media programs (e.g., Yelp, Google Places, Facebook, Twitter, and Instagram) and comply with all guidelines set forth by us regarding the use of these programs as set forth in the Manual.

(E) Regional Co-op.

(1) We may, in our sole discretion, establish a regional advertising cooperative (“Regional Co-op”) in any DMA. The Regional Co-op shall be organized and governed in a form and manner and shall commence operations on a date approved in advance by us in writing. We may, if we so elect, prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate. Once a Regional Co-op is established in a DMA in which your Squeeze Shop is located, you shall become a member of such Regional Co-op and be required to contribute to the Regional Co-op as determined by its members no later than 30 days after the date on which the Regional Co-op commences operation. In no event shall you be required to be a member of more than one Regional Co-op with respect to your Squeeze Shop. You shall submit your Co-op Contribution to the Regional Co-op weekly, or we may withhold from your Franchise Commission and submit your Co-op Contribution on your behalf, together with such statements or reports as may be required by us (or by the Regional Co-op with our prior written consent). Monies in the Regional Co-op may be spent for the purposes determined by a majority vote of the Regional Co-op.

(2) Each Regional Co-op shall be organized, if at all, for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by its members in local advertising. All advertising, marketing and promotions shall be submitted to us prior to first use as provided in Section 9(D)(3) and shall adhere to the standards set forth in Section 9(D)(4).

(3) We shall be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we shall not have a vote unless we or our affiliates operate a Squeeze Shop in the area covered by the Regional Co-op. If the members of the Regional Co-op are unable or fail to determine the manner in which Regional Co-op monies should be spent, we may assume this decision-making authority following 10 days’ advance written notice to the members of the Regional Co-op. We, or our designee, may grant to any franchisee an exemption for any length of time from the requirement of membership in any Regional Co-op, upon written request of such a franchisee stating reasons supporting an exemption. Decisions regarding a request for exemption shall be final. We or our designee shall have the right to terminate (and subsequently restart) any Regional Co-op. Upon termination, all monies in that Regional Co-op shall be spent for advertising and/or promotional purposes.

(F) Loyalty Program. We may operate a customer loyalty program that awards customers loyalty points upon the occurrence of certain events. These points may be used by customers in exchange for discounted or free services and retail products at your Squeeze Shop. You must participate and pay the fees associated with any Loyalty Program that we implement.

(G) Telephone Communication. You will not maintain a Shop specific, unique telephone number with respect to your Squeeze Shop. We will maintain a single toll-free phone line to which all requests for information, services, customer service, media, or other inquiries will be directed. You may have access to a Voice Over Internet Protocol (“VOIP”) line from which you will be able to communicate with customers. All business telephone numbers, directory listings and customer information will be retained by us upon expiration and termination of the Franchise Agreement. You may not utilize any telephone numbers, other than the numbers we identify and designate, in connection with your operation of the Squeeze Shop.

(H) Promotional and Charitable Events. You must participate in all giveaways, promotions, contests, public relation events, and charitable or nonprofit events that we require of franchisees. These promotions may require, among other things, you to make donations of money, time, and people to required

promotional or charitable events and partners. These donations will be made at the time and in the manner we require, which will be provided in the Manual.

## 10. MANUAL

(A) We will loan you during the term of this Agreement or make available to you via other means (internet, intranet, etc.) one copy of our Manual, which may include computer software, digital files, web links, other electronic media, and information distributed electronically and/or written materials or allow you access to the Manual. The Manual contains the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Squeeze Shop and information on your other obligations under this Agreement. We may modify the Manual periodically to reflect changes in System Standards.

(B) You agree to keep your passwords and/or log-in information with respect to web-based or electronic copies thereof current and in a secure location at your Squeeze Shop. If there is a dispute over the contents of the Manual, our master electronic copy of the Manual controls. You agree that the contents of the Manual are confidential and that you will not disclose the Manual to any person other than employees of your Squeeze Shop who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

(C) At our option, we may post some or all of the Manual on the internet or intranet to which you will have access. If we do so, you agree to monitor and access the Website for any updates to the Manual or System Standards. Prior to accessing any online training instructional system, you must agree to abide by our terms of use, which we may revise from time to time. Any passwords or other digital identifications necessary to access the Manual via a website, internet, intranet, or other online training instructional system will be deemed to be part of the Confidential Information.

## 11. TRAINING AND ASSISTANCE

### (A) Initial Training Program

(1) Before you open your Squeeze Shop, you (or the Operating Principal of Franchisee if Franchisee is an entity) and your General Manager must complete, to our satisfaction and certification, our initial training program, which will address the material aspects of operating a Squeeze Shop (the "Initial Training Program"). If you obtain an operating Squeeze Shop by transfer from another Squeeze Shop franchisee, you must complete the Initial Training Program before you begin operating that business as a Squeeze Shop. We will provide the Initial Training Program at our corporate headquarters in Nashville, Tennessee, a designated training facility of our choice and/or at an operating Squeeze Shop. You agree to pay for all travel, living and other expenses which you (or your Operating Principal) and your employees incur and for your employees' wages and workers' compensation insurance while they attend the Initial Training Program.

(2) We do not charge a fee for providing the Initial Training Program to you, your Operating Principal and one management level employee who will be responsible for training your staff. Additional people may attend the Initial Training Program, subject to availability if you pay a fee of \$1,000 per additional person attending the Initial Training Program (the "Additional Initial Training Program Fee"). If any individual who is required to receive our certification fails to successfully complete the Initial Training Program and receive our certification, then that individual may repeat the Initial Training Program, or you may send a substitute to complete the next available program. We reserve the right to charge you a fee for providing any subsequent training program to these individuals or for training any of your substitute personnel.

(3) All of your managerial and training personnel must receive our certification, prior to managing your Squeeze Shop or training your staff. We may, at any time during the term of this Agreement, decertify any previously certified individual if we learn or determine that a person is no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete training or a re-training program to receive our certification.

(B) Training by You.

(1) You must conduct such initial and continuing training programs for the staff of your Squeeze Shop as we may require from time to time, including those training programs required in order for your staff members to be certified for the position(s) for which each staff member was hired. We will authorize you to open your Squeeze Shop only after an adequate number of your staff members, as determined by us in our sole discretion, have attended and received certification in your initial training program.

(2) We may periodically visit your Squeeze Shop to ensure that your training personnel continue to meet our standards. If we determine, in our sole discretion, that your training personnel are not adequately training your staff, then your training personnel and staff members designated by us must attend and successfully complete our Initial Training Program. We may, in our sole discretion, determine that you are no longer qualified to train your own staff members. In that event your staff members will be required to attend our Initial Training Program prior to beginning to work at your Squeeze Shop. You will be required to pay a tuition fee for your training personnel and staff who we require to attend our training program in addition to paying all travel, living and other expenses incurred by your employees while attending the training program.

(C) Opening Training. We will send a representative to your Squeeze Shop to assist with the grand opening of your Squeeze Shop ("Opening Training"). The Opening Training will include no less than 3 days of on-site training for your staff members. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while providing the Opening Training to you. However, if you reschedule the opening of your Squeeze Shop, you must reimburse us for any travel costs we incur in changing the travel schedules of our personnel. We will determine the hours of training for your staff members. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable charges, including fees for our personnel and their travel and living expenses.

(D) Ongoing Training.

(1) We may require you and your personnel to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify including franchise meetings. Even if you fail to attend, we can charge reasonable registration or similar fees for these courses and meetings ("Franchise Meeting Fee"). The Franchise Meeting Fee is currently \$1,000 per person. We may increase the Franchise Meeting Fee upon written notice to you.

(2) We require that your replacement training personnel satisfactorily complete our training programs within 90 days of being designated as training personnel. Replacement training personnel may: (a) attend the next training program offered by us; or (b) be trained by your training personnel, however, they must be reviewed by our field personnel and receive our certification prior to managing your Squeeze Shop or training your staff. Currently, the fees associated with the training of replacement personnel are \$300 per day per person participating in the training program. You agree to pay all travel and

living expenses incurred by you and your employees and/or our employees during all training courses and programs.

(3) We may also require you and/or your managers and employees to complete additional training if we believe, in our reasonable discretion, that you require additional training to operate your Squeeze Shop to our standards ("Remediation Training"). Remediation Training will occur, in our discretion, either at your Squeeze Shop, at a Squeeze Shop selected by us, or at our flagship Shop in Studio City, California. The current cost of Remediation Training is \$300 per day plus reasonable travel expenses incurred by our employees if we are required to travel in connection with providing the Remediation Training.

(E) General Guidance. We will provide ongoing advice and consultation to you regarding the operation of your Squeeze Shop through the Manual, bulletins or other written materials, electronic media, telephone, and in person.

## 12. SYSTEM STANDARDS

### (A) Compliance with System Standards.

(1) You acknowledge that each and every detail of the appearance, layout, décor, cleanliness, safety standards, services and operation of your Squeeze Shop is essential to us and to other Squeeze Shop franchisees to preserve the goodwill of the Marks and all Squeeze Shops. You agree to cooperate with us by operating and maintaining your Squeeze Shop safely and securely and according to all of our System Standards (whether contained in the Manual or another written communication to you), as we periodically modify and supplement them. You agree that System Standards we prescribe in the Manual, or otherwise communicate to you in writing or another tangible form (for example, via a website, intranet, or internet), are part of this Agreement as if fully set forth within its text.

(2) We may periodically modify the System (including System Standards) and these modifications may obligate you to invest additional capital in your Squeeze Shop and/or incur higher operating costs. We may require you to integrate new, updated services and products into your Squeeze Shop. You agree to accept, integrate, and use or display in your Squeeze Shop any such changes or modifications to the System as if they were a part of the System at the time this Agreement was executed, and you agree to make such expenditures as the changes or modifications in the System may reasonably require. This includes but is not limited to refurbishing or remodeling the Premises or any other aspect of your Squeeze Shop, hiring additional personnel, buying new equipment, adding new services and products, or otherwise modifying the nature of your operations, as if those changes or modifications were part of the System as of the Effective Date.

(3) If you or your owners, employees, designees, or independent contractors develop any new concepts, treatments, services, products, processes or improvements relating to the System, you shall promptly notify us and provide us with all information regarding the new concept, treatments, services, products, processes or improvements, all of which shall become our property and which may be incorporated into the System as a "work made for hire" without any payment to you or your owners, employees, designees or independent contractors. If any designee or independent contractor develops any new concepts, processes, or improvements relating to the System on your behalf, you shall obtain covenants that you own (as a "work made for hire") such concepts, processes, or improvements (and all components) and have the right to transfer to us such concepts, processes, or improvements. You, at your own expense, shall promptly take all actions deemed necessary or desirable by us to vest in us ownership of such concepts, processes, or improvements. To the extent that any item does not qualify as a "work made-for-hire" for us, by this Section you assign ownership of that item, and all related rights to that item, to us and agree to take

whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. We will make no payment to you for any such item, or for our subsequent use (or our franchisees' subsequent use) of such item.

(B) Approved Products, Services, Distributors and Suppliers.

(1) You acknowledge that the reputation and goodwill of Squeeze Shops are based upon, and can only be maintained by, the delivery of high quality services and products under the Marks. You agree that you will at your Squeeze Shop: (a) provide all services and products that we specify from time to time and only in the manner we prescribe; (b) not provide any services or products we have not approved; (c) offer for sale and sell all products only at retail and from the Premises and you will not offer or sell any products at wholesale or transfer products to any other business or other business not operating under the System; and (d) you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing, provided, however, that you may continue to sell discontinued products for up to 3 months after their discontinuance unless we determine that they are a public hazard or are detrimental to the public image of our System. You will also immediately stop providing any service if we determine that it is a public hazard or detrimental to the public image of our System.

(2) We have developed and may continue to develop certain proprietary or branded products that will be prepared by or for us or our affiliates according to our proprietary designs (collectively "Proprietary Products"). We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services and the packaging and delivery of products authorized for sale at Squeeze Shops. You agree that you will: (a) purchase those Proprietary Products only from us or a third party designated and licensed by us to prepare and sell such products (collectively "Designated Suppliers"); and (b) purchase from manufacturers, distributors, vendors and suppliers approved by us (collectively "Approved Suppliers") all other goods, products, materials and supplies (collectively "Goods"), as well as advertising materials furniture, fixtures, equipment, forms, or retail skincare products, professional skin and body care, and supplies associated with providing the Squeeze Services at your Squeeze Shop (collectively "Materials") that meet the standards and specifications promulgated by us from time to time. We have the right to require that you use only certain brands (collectively "Approved Brands") and to prohibit you from using other brands. We may from time to time modify the list of Approved Brands (including certain skincare products), and you will not, after receipt of such modification in writing, reorder any brand that is no longer an approved brand.

(3) We may from time to time modify the list of Designated Suppliers and/or Approved Suppliers, and you must not, after receipt of such modification in writing, order any Proprietary Products from a supplier who is no longer a Designated Supplier or order any Goods or Materials from a supplier who is no longer an Approved Supplier. We may approve one or more suppliers for any Goods or Materials and may approve a supplier only as to certain Goods or Materials. We reserve the right to charge Designated Suppliers a license fee for the right to manufacture Proprietary Products for use in a Squeeze Shops.

(4) From time to time, we and our affiliates may receive payments from suppliers (including Designated Suppliers and Approved Suppliers) on account of such suppliers' dealings with you and other franchisees and may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Squeeze Shops or any other group of businesses franchised or operated by us or our affiliates. Approval of a supplier may be conditioned on requirements relating to the product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, reporting capabilities, standards of service, including prompt attention to

complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by us.

(5) If you propose to purchase any Goods or Materials (that you are not required to purchase from us, an affiliate of ours or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of our approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. A charge not to exceed the lesser of \$5,000 and the reasonable cost of the inspection and the actual cost of the test must be paid by you. We will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. We reserve the right, at our option, to re-inspect the facilities and products of any such Approved Supplier and to revoke our approval upon the suppliers' failure to continue to meet any of the foregoing criteria.

(6) You must at all times maintain an inventory of approved Goods and Materials sufficient in quality and variety to realize the full potential of your Squeeze Shop. We may, from time to time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate in these efforts by participating in our customer surveys and market research programs if requested by us. All customer surveys and market research programs will be at our sole cost and expense or charged to the Brand Fund unless such survey or program has been approved by you and you have approved its proportionate cost. You must not test any new product or service without first being requested to by us and signing a test letter agreement in a form satisfactory to us.

(7) You must utilize our Approved Supplier of music at your Squeeze Shop at your expense. Currently, the costs associated with our Approved Supplier of music are included with your Technology Fee.

(8) We and our affiliates disclaim all express or implied warranties concerning any approved Goods, Materials, Proprietary Products, Proprietary Services, or other goods, materials, or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing, or profitability. You acknowledge that we and our affiliates may, under appropriate circumstances, receive fees, commissions, rebates, royalties, or other consideration from suppliers based on sales to you and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may charge non-approved suppliers reasonable testing or inspection fees.

(C) Shop Systems.

(1) You agree to purchase from us, or an Approved Supplier of our choice, and use the Shop Systems we specify, which includes such equipment, computer hardware, routers, high speed Internet and/or communications connections, printers and related accessories or peripheral equipment as we specify in the Manual or otherwise. The Shop Systems include web-based scheduling, reservation, and payment systems. You must provide all assistance, maintenance, and support required to utilize the Shop Systems at your Shop. You agree that any data and information generated, collected, retrieved, maintained, or polled from your Shop Systems belongs to us. You must maintain and use a Squeeze Shop email address that we assign to you.

(2) You acknowledge that the Shop Systems are designed to accommodate a finite amount of data and operate with certain performance parameters, and that, as these limits are reached, or as technology or software is developed in the future, we may, in our sole discretion, mandate that you (at

your expense): (a) add memory, accessories or peripheral equipment or additional, new or substitute software to the your computers and related hardware and software; and (b) replace or upgrade the Shop Systems with a larger system capable of assuming and discharging the electronic and/or digital related tasks and functions specified by us. You acknowledge that we may desire to make substantial modifications to the Shop Systems or to require installation, subscription, or adoption of entirely different systems during the term of this Agreement. Within 60 days after you receive notice from us, you agree to obtain, subscribe, download, and/or install the new or updated systems that we designate. If we install these components for you, you must pay our then-current installation fees and any travel, living and other expenses incurred by our personnel.

(3) You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you fees for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the term of this Agreement.

(4) You must obtain a maintenance service agreement with an Approved Supplier of technology support services and use and maintain the Shop Systems according to our System Standards, you will have sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Shop Systems; (b) the manner in which your Shop Systems interface with our and any third party's computer system; and (c) any and all consequences if the Shop Systems is not properly operated, maintained, and upgraded. You may not install any software (including, but not limited to, virus and spam filters and firewalls) other than authorized upgrades or make any hardware modifications to the Shop Systems without our prior written consent.

(5) To ensure full operational efficiency and communication capability between our computers and your computer, you agree, at your expense, to keep your computer in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to your computer hardware, software, telephone and power lines and other computer-related facilities as directed by us, and on the dates and within the times specified by us in our sole discretion. Upon termination or expiration of this Agreement, all computer software, storage media, drives, hardware, and software must be returned to us in good operating condition, excepting normal wear and tear.

(D) Non-Cash Payment Systems.

(1) You must accept all forms of payment that we specify including but not limited to membership credits or points, debit cards, credit cards, stored value, loyalty cards, gift cards, or other non-cash payment systems specified by us or as set forth in our Manual to enable customers to purchase products and services.

(2) You must participate in and honor the terms of any membership, discount, loyalty, or promotional program (including gift card, loyalty, and discount programs that are applicable to the Squeeze System as a whole, specific markets, or certain Squeeze Shops only) that we offer to the public on your behalf and shall be responsible for the fees payable in conjunction with the operation of these programs. You agree that you will take all action necessary (including the supply to us of all information and the purchase of any supplies, equipment, or services) to participate in any discount or promotional programs.

(E) Condition and Appearance of your Squeeze Shop.

(1) You must routinely maintain and continuously operate your Squeeze Shop and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, building interior and exterior, interior, and exterior lighting, landscaping, and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. In that regard, you agree to undertake, without limitation, the following actions during the term of this Agreement: (a) frequent safety inspection of the Premises including, but not limited to, all equipment, tables, products, and other items used in the operation of your Squeeze Shop; (b) thorough cleaning, repainting, and redecorating of the interior and exterior of the Premises at intervals we prescribe including resurfacing of the parking lot, roof repairs, and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment, technology, and décor; (c) interior and exterior repair of the Premises; and (d) repair or replacement of damaged, worn out, obsolete or unsafe equipment or technology.

(2) You will place or display at the Premises (interior and exterior) only those signs (including neon), emblems, photographs, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve. You must not make any material alterations to your Squeeze Shop that may, in our reasonable discretion, negatively impact operations or the image of the System without our prior written consent. It is your responsibility to keep the Premises, equipment used at the Premises, your staff, and your customers safe and secure. We may from time to time provide information to you regarding safety and security, but we have no obligation to do so.

(3) If, at any time in our reasonable judgment, the general state of repair, condition, appearance or cleanliness of the Premises of your Squeeze Shop or its fixtures, furnishings, equipment, technology, or signs does not meet our System Standards, we have the right to notify you, specifying the action you must take to correct the deficiency. You will have 30 days to make these corrections. If you do not initiate action to correct such deficiencies within this 30-day period, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf, at your expense, and you agree to reimburse us on demand for any expenses we incur in that connection. If we make a reasonable determination that the continued operation of your Squeeze Shop by you will result in imminent danger to public health or safety, we may terminate this Agreement pursuant to Section 19(B)(10) or, in our sole discretion, we may require you to close your Squeeze Shop temporarily to make the necessary repairs or alterations.

(4) Upon receipt of notice from us, you agree to remodel, expand, redecorate, reequip, and/or refurbish the Premises and your Squeeze Shop to conform your Squeeze Shop to the image of the System for new Squeeze Shops. If any single modification exceeds \$10,000, then you will have 6 months to comply with such modifications. Except as described below, we will not require a major redesign of your Squeeze Shop that will cost more than \$10,000 more than twice during the Initial Term of this Agreement. In the event we determine, in our sole discretion, that you cannot amortize the cost of the major redesign over the remaining years of the Initial Term, we may agree to extend the Initial Term of this Agreement. If a major redesign of the Premises is required by the Americans with Disabilities Act or any new safety standards that are enacted by Squeeze Franchising or any governmental or regulatory agency, you will be required to complete that redesign, regardless of the cost of compliance.

(F) Maximum Operation of your Squeeze Shop.

(1) During the term of this Agreement, you must use the Premises solely for the operation of your Squeeze Shop and you must maintain sufficient inventories, adequately staff each shift with qualified employees, and continuously operate your Squeeze Shop at its maximum capacity and efficiency for the minimum number of days and hours set forth in the Manual or as we otherwise prescribe

in writing. As of the Effective Date, your Squeeze Shop must be open and available for services and products as well as customer service calls seven (7) days and 84 hours per week.

(2) You must immediately resolve any customer complaints regarding the quality of service, products, and/or cleanliness of your Squeeze Shop or any similar complaints. When any customer complaints cannot be immediately resolved, you must use commercially reasonable efforts to resolve the customer complaints as soon as practical and you must, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

(G) Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your Squeeze Shop and any other licenses applicable to your management and personnel. You must operate your Squeeze Shop in full compliance with all applicable laws, ordinances, and regulations, including, without limitation, government regulations relating to occupational hazards, health, worker's compensation, and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must notify us in writing within 5 days of the commencement of any proceeding or the issuance of any decree of any court or government agency that may adversely affect the operation of your Squeeze Shop or your financial condition or give rise to liability or a claim against you or us. You must follow and abide by the crisis management information contained in the Manual.

(H) Management and Staffing of your Squeeze Shop.

(1) Your Squeeze Shop must at all times be under the on-premises supervision of you or your Operating Principal, General Manager, or a manager of your Squeeze Shop that we have approved and who has completed and been certified by our Initial Training Program. You must keep us informed at all times of the identity of any supervisory employee(s) acting as managers of your Squeeze Shop. Your managerial personnel must devote their full time and commercially reasonable efforts to the management and supervision of your Squeeze Shop.

(2) You, your Operating Principal, and/or General Manager must manage and provide general oversight of your Squeeze Shop. You or your Operating Principal must remain active in overseeing the operations of your Squeeze Shop, including, without limitation, regular, periodic visits to your Squeeze Shop and sufficient communications with us to ensure that the operations of your Squeeze Shop comply with the System Standards promulgated by us from time to time in the Manual or otherwise in written or oral communications to you.

(3) If your Operating Principal does not meet our qualifications and requirements regarding experience in the spa industry, you will be required, prior to opening your Squeeze Shop for business, to retain a General Manager that meets our qualifications and requirements. Our qualifications and requirements are identified in our Manual.

(4) Your Squeeze Shop must at all times be operated by the number of staff members and managerial personnel that we designate or as required by any applicable government regulations. You must hire all employees of your Squeeze Shop and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of your Squeeze Shop, in human resources, and customer relations. You must establish at your Squeeze Shop a training program for all employees that meets our standards.

(5) You must conduct appropriate criminal background checks and due diligence on all employees of your Squeeze Shop to determine that your employees meet the high ethical standards necessary for working in a professional therapeutic studio offering massage and other services. You must comply with all state and local laws and regulations regarding the staffing and on-premises management of personnel including, but not limited to, any required licenses and any regulations dealing with providing professional therapeutic massage and body services, and skincare services. You must employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of Squeeze Shops and the System and, while on duty, comply with the dress attire, personal appearance and hygiene standards set forth in the Manual.

(I) Insurance.

(1) You will be responsible for all loss or damage arising from or related to your development and operation of your Squeeze Shop, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the Premises, or in connection with the development and/or operation of your Squeeze Shop. You must obtain from a Squeeze Franchising approved broker or carrier, and maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of your Squeeze Shop, which shall include, at a minimum, the following:

(a) Commercial General Liability insurance written on an occurrence form, including but not limited to the following coverage levels: \$1,000,000 Each Occurrence; \$1,000,000 Personal & Advertising Injury \$2,000,000 General Aggregate; and \$1,000,000 Products/Completed Operations Aggregate.

(b) Professional Liability: \$1,000,00 Each Claim; \$2,000,000 Aggregate

(c) Sexual Abuse / Misconduct / Molestation: \$1,000,000 Each Claim; \$1,000,000 Aggregate

(d) Employment related practices liability insurance, including third party coverage: \$1,000,000 per occurrence; \$1,000,000 aggregate. Such insurance must include a deductible of no more than \$10,000 unless we approve a higher deductible in writing.

(e) Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage: \$1,000,000 per accident. Such insurance shall include coverage for hired, and non-owned automobiles and shall include additional insured and waiver of subrogation endorsements in favor of Franchisor.

(f) Commercial umbrella or excess liability that, at a minimum, sits over the Commercial General Liability, Commercial automobile insurance, and Employers liability policies: \$2,000,000 per occurrence; \$2,000,000 aggregate.

(g) Property insurance coverage: Coverage for replacement costs of all Franchisee-owned contents and tenant improvements, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than twelve months. All property related

coverage shall be written on special causes of loss forms with deductibles not to be greater than \$5,000 per occurrence.

(h) Workers' compensation: (Coverage A) with statutory limits complying with the laws of the applicable state, and employer's liability; (Coverage B) with limits not less than \$1,000,000 per accident, \$1,000,000 disease policy limit, and \$1,000,000 disease per employee. Such insurance shall include a waiver of subrogation endorsement in favor of Franchisor.

(i) Such other insurance as may be required by us from time to time or by the Landlord of the Squeeze Shop, and by the state or locality in, which the Squeeze Shop is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.

(2) The insurance policies described above must: (i) be written on a primary and non-contributory basis; (ii) have a deductible equal to or less than stated above; (iii) grant a Waiver of Subrogation in favor of Franchisor; and (iv) grant Additional Insured status to Franchisor.

(3) The types and amount of insurance listed above represent the minimum coverage you are required to secure prior to opening your Squeeze Shop. You may secure additional insurance. Additionally, local law and/or your Lease may require additional types of insurance and/or greater amounts of coverage. To the extent that your Lease requires additional policies and/or amounts of coverage, your Lease shall control although you are obligated to have each type of insurance identified above.

(4) All insurance policies must be purchased through an agent or broker on our Approved Supplier list and be written by an insurance company that meets our approval. We may from time to time increase the minimum required coverage and/or require different or additional insurance coverage (including an additional umbrella liability insurance policy) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. We will provide you with written notice of such modifications and you must take prompt action to secure the additional coverage or higher policy limits. All insurance policies must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration.

(5) At least 10 days prior to commencing construction of your Squeeze Shop (or, if you are acquiring an existing Squeeze Shop, 10 days prior to the transfer of ownership interests) and annually thereafter, you promise to submit to us a copy of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Squeeze Shop on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

(J) Notification of Claims. You must notify us in writing within 5 days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or occurrence of any accident or injury which may adversely affect the operation of your Squeeze Shop or your financial condition or give rise to liability or a claim against you or us.

(K) Right to Inspect your Squeeze Shop. You acknowledge and agree that we have the right, upon reasonable notice to you, to inspect your Squeeze Shop (the "Inspection"). Our right to inspect your Squeeze Shop shall include the right to conduct reasonable inspections of your operations, marketing, safety

systems and programs, financial systems, maintenance, and necessary repairs of your Squeeze Shop. A report and score may be generated as part of the Inspection. A copy of the report and score will be provided to you as well as to the Squeeze Franchising corporate office. A failing score on an Inspection shall be a default of the Franchise Agreement and, subject to the terms of Section 1, be grounds for termination of the Franchised Agreement.

(L) Pricing. To the fullest extent permitted by law, we may impose minimum, maximum, or required pricing for services or products offered or sold from or at your Shop.

### 13. MARKS

(A) Ownership and Goodwill. Your right to use the Marks is derived only from this Agreement and is limited to your operating your Squeeze Shop at the Premises according to this Agreement and all System Standards we prescribe during the term of this Agreement. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Squeeze Shop under this Agreement). You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

#### (B) Limitations on Your Use of Marks.

(1) You agree to use the Marks as the sole identification of your Squeeze Shop, except that you agree to identify yourself as its independent operator in the manner we prescribe. Unless you obtain our prior written consent, you may not use any Mark, any derivatives of the Marks or similar mark: **(a)** as part of any corporate or legal business name; **(b)** with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); **(c)** in selling any unauthorized services or products; or **(d)** in any other manner that we have not expressly authorized in writing.

(2) You may not use any Mark in advertising the transfer, sale, or other disposition of your Squeeze Shop or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at your Squeeze Shop and on forms, advertising, supplies, and other materials we designate. You must ensure that the Marks bear the "®" "™" or "SM" symbol, as we prescribe from time to time. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

(C) Use of Marks on Internet. You may not use the Marks on any Internet domain name, e-mail address, Internet Website, or social media platform without our prior written consent. We may grant or withhold our consent in our sole discretion. We may, upon written notice to you, require you to retain a Designated Supplier of social media, public relations, and digital marketing services ("Social Media Services"). There may be a fee payable to such Designated Supplier in connection with Social Media Services. You will be required to retain and utilize such Designated Supplier(s) upon written notice from us.

(D) Notification of Infringements and Claims. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You

agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for the costs of taking any action that we have asked you to take.

(E) Discontinuance of Use of Marks. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute Marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your Squeeze Shop' signs or any printed collateral, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

(F) Indemnification for Use of Marks. We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Manual, and any other directives from us. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

#### 14. YOUR ORGANIZATIONAL STRUCTURE

##### (A) Representations.

(1) If you are a corporation, a limited liability company or a partnership ("Entity"), you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of formation; (b) you are qualified to do business in the state, county, and city in which your Squeeze Shop is located; (c) execution of this Agreement and the development and operation of your Squeeze Shop is permitted by your governing documents; (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement must at all times provide that your activities are limited to the development and operation of Squeeze Shops and other businesses operated by you that are franchised by us or our affiliates; and (e) all interests in you are owned as set forth in attached Exhibit 4; (f) each person owning 20% interest in Franchisee has executed a guaranty agreement (Exhibit 5) undertaking to be bound by the provisions of the Franchise Agreement.

(2) If you are an individual, a group of individuals, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has signed this Agreement; (b) each individual will be jointly and severally bound by, and personally liable for the timely and complete performance and default of, each and every provision of this Agreement; and (c) notwithstanding any transfer for convenience of ownership, each individual will continue to be jointly and severally bound by, and personally liable for the timely and complete performance and default of, each and every provision of this Agreement.

(B) Governing Documents. If you are an Entity, then you must provide us with copies of your organizational and governing documents ("governing documents"). When any of these governing documents are modified or changed, you must promptly provide copies to us. You must maintain a current list of all of your owners, members, or partners (and the percentage ownership of each owner, member, or partner). You must comply with Section 16(B). prior to any change in ownership interests and sign and deliver to us a revised Exhibit 4 to reflect any permitted changes in the information that Exhibit 4 now contains. If you are an Entity, you must maintain stop-transfer instructions against the transfer on your records of any voting securities, membership interests or ownership interests. If you are a publicly-held

corporation these requirements will apply only to the stock owned by your shareholders who have an ownership interest in you in excess of 10%.

(C) Personal Guaranty. Each of your owners who hold an ownership interest in you of more than 20% at any point during the term of this Agreement must sign a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached as Exhibit 5.

(D) Operating Principal.

(1) If you are an entity, you will appoint one of your owners (the "Operating Principal") to be our principal point of contact. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management, and operational matters, and the only person that we will recognize as having authority to communicate for and on your behalf.

(2) We recommend that you (or the Operating Principal if you are an entity) hire a General Manager that satisfies our requirements. We require you (or the Operating Principal if you are an entity) to personally participate and assist in managing the day-to-day operations alongside your General Manager. We expect the Operating Principal to supervise the General Manager and to oversee the Shop. You may not change the Operating Principal without our prior written consent.

(3) You (or the Operating Principal if you are an entity) and your General Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any General Manager you propose, provided the General Manager has completed our Initial Training Program and otherwise demonstrates an understanding of our System standards and specifications for daily operations of a Shop.

(4) If the franchisee is a business entity, we do not require the General Manager to own an interest in the entity, but the General Manager must sign our prescribed form of Confidentiality Agreement.

(5) Your Shop must, at all times, be managed by at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Shop, you must have a properly trained General Manager at each Shop you own and operate. You must keep us informed at all times of the identity of any personnel acting as General Manager and obtain our approval before substituting a new General Manager at any of your locations.

(6) If the Operating Principal no longer qualifies as such, you must designate another qualified person to act as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Your designee to become the Operating Principal must successfully complete our Initial Training Program and any additional training we require within 30 days after being designated as your Operating Principal.

(E) General Manager.

(1) While we recommend that you (or the Operating Principal if you are an entity) personally participate and manage the day-to-day operations of your Shop, you may hire a General Manager to manage daily operations with our approval. You (or the Operating Principal if you are an entity) and your General Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). Your General Manager must devote full time and commercially reasonable efforts to the management and supervision of your Squeeze Shop and must not

engage in any other business or activity, other than operation of your Squeeze Shops that requires substantial management responsibility. The General Manager must be approved by us and must successfully complete and be certified in our training programs. If the General Manager no longer qualifies as such, you must designate another qualified person to act as General Manager within 30 days after the date the prior General Manager ceases to be qualified. Your designee to become the General Manager must successfully complete and be certified by us in the Initial Training Program and any additional training that we require within 30 days after being designated as your General Manager.

(2) We will not unreasonably withhold our approval of any General Manager you propose provided the General Manager has completed our Initial Training Program and otherwise demonstrates an understanding of our System standards and specifications for daily operations of a Shop.

(3) If the franchisee is a business entity, we do not require the General Manager to own an interest in the entity, but the General Manager must sign our prescribed form of Confidentiality Agreement. Your Shop must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Shop, you must have a properly trained General Manager at each Shop you own and operate. You must keep us informed at all times of the identity of any personnel acting as General Manager and obtain our approval before substituting a new General Manager at any of your locations.

(F) Lead Therapist. Regardless of whether you have a General Manager, you must appoint and engage a massage therapist that has participated in and completed that Therapist Training portion of the Initial Training Program as your “Lead Therapist” that will be responsible for, among other things, ensuring that all other massage therapists are properly trained with the System materials and information provided.

15. TRANSFER BY US. We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

#### 16. TRANSFER BY YOU

(A) Transfer Generally. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners’) individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual or Entity which directly or indirectly controls you may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, the Franchise, your Squeeze Shop, the Assets of your Squeeze Shop, the Premises, the Lease or any other assets pertaining to your operations under this Agreement (collectively “Transfer”) without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent will have no effect with regard to us and will constitute a material default of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the default.

(B) Conditions for Approval of Transfer.

(1) You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, submit a copy of all contracts and all other agreements or proposals, and submit all other information requested by us, relating

to the proposed Transfer. Along with that required information, you must pay to us a transfer fee equal to twenty-five percent of our then current initial franchisee fee provided that the transfer fee shall not exceed \$12,500 (“**Transfer Fee**”). The Transfer Fee is non-refundable, however, if the proposed Transfer transaction does not close, then we shall apply the Transfer Fee against the transfer fee for any subsequent Transfer that you close within the 12-month period following your initial Transfer application. If we do not exercise our right of first refusal (as set forth in Section 16(G)), the decision as to whether or not to approve a proposed Transfer will be made by us in our sole discretion and will include numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:

(2) the proposed transferee meets our then-current standards for new franchisees and has sufficient business experience, aptitude, and financial resources to operate your Squeeze Shop;

(3) you have paid all amounts owed to us, our affiliates, and third party vendors and suppliers, have submitted all required reports and statements, and are not in default of this Agreement;

(4) neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)(1));

(5) the proposed transferee (or its Operating Principal) satisfactorily completes our Initial Training Program (and any other required training programs we require) and pays any then-current training fees;

(6) the proposed transferee has demonstrated an ability to obtain possessory rights in the Premises;

(7) you have corrected any existing deficiencies of your Squeeze Shop of which we have notified you, and/or the proposed transferee agrees to upgrade, remodel, and refurbish your Squeeze Shop in accordance with our then current requirements and specifications for Squeeze Shops within the time period we specify following the effective date of the Transfer (we will advise the proposed transferee before the effective date of the Transfer of the specific actions that are required and the time period within which such actions must be taken);

(8) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee’s obligations under promissory notes, agreements, or security interests reserved in your Squeeze Shop are subordinate to the transferee’s obligation to pay Royalties, Brand Fund contributions, and other amounts due to us, our affiliates, and third party suppliers and vendors and otherwise to comply with this Agreement; and

(9) you (and your transferring owners) must sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees, and agents.

(10) you modify and/or upgrade certain fixtures, equipment, features, and computer hardware or software to our then current standards prior to the closing of the proposed Transfer.

(11) If we approve a proposed Transfer, prior to the Transfer becoming effective:

(a) you or the proposed transferee must pay us the balance of the nonrefundable Transfer Fee, to reimburse us for reasonable expenses associated with reviewing the Transfer. The Transfer Fee will be waived if the proposed transferee: (1) is an Entity formed by you for the

convenience of ownership as set forth in Section 16(C).; or (2) has obtained your Squeeze Shop as a result of your death or permanent incapacity as provided in Section 16(D);

(b) if the franchise candidate for the Transfer comes through the investigation process with a franchise sales broker that we have retained, then the transferee must pay our then-current Initial Franchise Fee. This enables us to pay the additional costs we incur, including the payment of the broker's commission.

(c) you and the proposed transferee must sign, at our election, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by us to reflect the Transfer or our then-current standard form of franchise agreement for a term ending on the expiration date of the Initial Term of this Agreement. In either event, if the proposed transferee is an Entity, the transferee must complete Exhibit 4 as required by Section 14(B). and all individuals who hold or will hold an ownership interest in Franchisee of more than 20% must sign the guaranty attached as Exhibit 5;

(d) the proposed transferee must sign our then-current license agreements or service agreements related to the Shop Systems; and

(e) you (and all of your owners) must, at our request, sign a written guaranty pursuant to which you will remain liable for all obligations to us incurred before the date of the Transfer.

(12) Following the effective date of the Transfer:

(a) you and your transferring owners agree not to engage in any of the activities proscribed in Section 18(B). below, for the Restricted Period in the Restricted Area; and

(b) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Squeeze Shops you own and operate) identify yourself or themselves or any business as a current or former Squeeze Shop or as one of our franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Squeeze Shop in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(C) Transfer for Convenience of Ownership. If you are an individual or a partnership and you would like to Transfer this Agreement to a corporation or limited liability company formed exclusively for the convenience of ownership, the requirements of Section 16(B). will apply to such a Transfer; however, you will not be required to pay a Transfer Fee. Our approval also will be conditioned on the following: (1) the corporation or limited liability company must be newly organized; (2) prior to the Transfer, we must receive a copy of the documents specified in Section 14(B). and the transferee must comply with the remaining provisions of Section 14; (3) you must own all voting securities of the corporation or membership interests of the limited liability company or, if you are owned by more than one individual, each person must have the same proportionate ownership interest in the corporation or the limited liability company as prior to the Transfer; and (4) you and your owners must agree to remain personally liable under this Agreement as if the Transfer to the corporation or limited liability company did not occur.

(D) Transfer upon Your Death or Permanent Incapacity. If the Transfer is a transfer of ownership interests in you following the death or permanent incapacity (as reasonably determined by us) of one of your owners, that person's executor, administrator, or other personal representative must apply to us in writing within 90 days after death or declaration of disability for consent to Transfer this person's interest to a third party that we have approved. We do not charge a Transfer Fee under this Section 16(D). That Transfer must be completed within a reasonable time, not to exceed 6 months from the date of death

or disability and is subject to all of the terms and conditions in this Section 16. A failure to Transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period will constitute a default of this Agreement.

(E) No Rights to Grant a Security Interest. You may not grant any security interest in your business entity, your Squeeze Shop, the Premises, or the Assets without our prior written consent. Our approval may be conditioned, in our sole discretion, on the written agreement by the secured party that, in the event of a default by you under any agreement related to the security interest, we will have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of the fair market value of the secured assets.

(F) Effect of Consent to Transfer. Our consent to any Transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Squeeze Shop' or the transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand your and your transferee's full compliance with this Agreement.

(G) Our Right of First Refusal.

(1) We have the right, exercisable within 10 days after receipt of the notice specified in Section 16(B)(1) to send written notice to you that we intend to purchase the interest proposed to be transferred. We may assign our right of first refusal to someone else either before or after we exercise it. Our right of first refusal will not apply with regard to Transfers for Convenience of Ownership under Section 16(C). If the Transfer is proposed to be made pursuant to a sale, we or our designee may purchase the interest proposed to be transferred on the same economic terms and conditions offered by the third-party. Closing on our purchase must occur within 60 days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same consideration as the third-party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, we will designate, at our expense, an independent appraiser, and the appraiser's determination will be final. Any material changes in the terms of the offer from a third party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer.

(2) If a Transfer to which our right of first refusal applies is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 30 days after our notice to the transferor of the appraisers' determination of fair market value.

(3) If we elect not to exercise our rights under this Section 16(G), the transferor may complete the Transfer after complying with this Section 16. Closing on the Transfer must occur within 60 days of our election (or such longer period as applicable law may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. The Transfer is conditional upon our determination that the Transfer was completed on terms substantially the same as those offered to us. You must provide us copies of all fully executed agreements and any other information we request relating to the Transfer.

(H) Public Offering. Securities or partnership interests in you may be sold, by private or public offering, only with our prior written consent (whether or not our consent is required under any other provision of this Section), which consent will not be unreasonably withheld. In addition to the requirements of Section 16(B), prior to the time that any public offering or private placement of securities or partnership interests in you is made available to potential investors, you at your expense, must deliver to us a copy of

the offering documents. You, at your expense, also must deliver to us an opinion of your legal counsel and an opinion of one other legal counsel selected by us (both of which shall be addressed to us and in a form acceptable to us) that the offering documents properly use the Marks and accurately describe your relationship with us and/or our affiliates. The indemnification provisions of Section 23 shall also include any losses or expenses incurred by us and/or our affiliates in connection with any statements made by or on behalf of you in any public offering or private placement of your securities.

17. GENERAL RELEASE. You (on behalf of yourself and your subsidiaries and affiliates), all individuals who execute this Agreement and all guarantors of your obligations under this Agreement (collectively “Franchisee Releasers”) freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively “Squeeze Franchising Releasees”), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively “Released Claims”), which you or any Franchisee Releaser now own or hold or may at any time have owned or held, including, without limitation, Released Claims arising under federal, state and local laws, rules and ordinances, and Released Claims arising out of, or relating to this Agreement and all other agreements between you or any Franchisee Releaser and any Squeeze Franchising Releasee, the sale of a franchise to you or any Franchisee Releaser, the development and operation of your Squeeze Shop and the development and operation of all other Squeeze Shops operated by you or any Franchisee Releaser that are franchised by any Squeeze Franchising Releasee. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document or its exhibits or otherwise impair or affect any Released Claims arising after the date of this Agreement. You (on behalf of the Franchisee Releasers) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

(A) A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

## 18. COVENANTS

(A) Confidential Information. During and after the Term, you may not communicate, divulge, or use for any purpose other than the operation of your Squeeze Shop any Confidential Information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us (“Confidential Information”). You may divulge Confidential Information only to your professional advisers and to your employees who must have access to the information to operate your Squeeze Shop. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. You must require your Operating Principal and key employees and any other person or entity you wish to disclose any Confidential Information to sign agreements, in a form acceptable to us, that they will maintain the confidentiality of the disclosed information. The agreements must identify us as a third-party beneficiary with the independent right to enforce the agreements.

(B) Restrictions.

(1) You acknowledge and agree that: (a) pursuant to this Agreement, you will have access to the Confidential Information; (b) the System and the opportunities, associations and experience

established by us and acquired by you under this Agreement are of substantial and material value; (c) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (d) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Squeeze Shops if our franchisees were permitted to hold interests in “Competing Businesses” (which are defined as businesses that provide therapeutic massage and body services, and/or skincare services, and related retail products). You acknowledge that restrictions on your right to hold interests in or perform services for Competing Businesses will not hinder your activities. You and your owners expressly acknowledge that you each possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive you of your personal goodwill or ability to earn a living.

(2) You therefore agree that, during the term of this Agreement and for the “Restricted Period” following the expiration or earlier termination of this Agreement, you and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(a) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(b) knowingly employ or seek to employ any person then employed by us or employed by any Squeeze Shop franchisee as a manager or higher level position, or otherwise directly or indirectly induce such person to leave his or her employment without our prior written consent; or

(c) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any Squeeze Shop to a Competing Business.

(3) For purposes of this Agreement, the term “Restricted Period” shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.

(4) During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 18(B). During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other Squeeze Shop in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement (the "Restricted Area"); or (ii) the date on which all persons restricted by Section 18(B) begin to comply with Section 18(B).

(5) If, at any time during the Restricted Period, you or your owners fail to comply with your obligations contained in this Section 18(B), that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 18(B). These restrictions also apply after Transfers, as provided in Section 16(B)(12) above. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 18(B).

(6) If any restriction in this Section 18(B). is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

(7) You agree to obtain similar covenants from the personnel and persons we specify, including your officers, directors, managers, and other employees who attend our training programs or have access to Confidential Information and your immediate family members (which include spouses and domestic partners and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure). We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

## 19. TERMINATION

(A) Termination by You. Franchisee may terminate this Franchise Agreement upon the material default by Franchisor of one or more provisions of this Franchise Agreement provided that the Franchisee provides written notice of the default to Franchisor along with no less than sixty (60) days to cure the default. If the default outlined in Franchisee's notice of default cannot be cured within sixty (60) days and Franchisor is making commercially reasonable efforts to cure the default, the cure period shall be extended for an additional sixty (60) days. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 20 and all other obligations that survive the expiration or termination of this Agreement.

(B) Termination by Franchisor Without Cure Period. In addition to the grounds for termination that may be stated elsewhere in this Agreement, we may terminate this Agreement and the rights granted by this Agreement, upon written notice to you without an opportunity to cure upon the occurrence of any of the following events:

(1) You: (i) do not locate, and sign a Lease or acquisition document for, a site approved by us for the Premises; or (ii) comply with the terms of Section 5; within 12 months of the Effective Date of this Agreement;

(2) you do not open your Squeeze Shop within the time period prescribed in Section 6(E);

(3) you abandon or fail actively to operate your Squeeze Shop for a period of three (3) or more consecutive days, unless you close your Squeeze Shop for a purpose we approve in writing or because of Force Majeure, as defined in Section 25(C);

(4) you become insolvent; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Squeeze Shop is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Squeeze Shop is not vacated within 30 days following the order's entry;

- 18;
- (5) there is a material default by you of any covenant or obligation set forth in Section 18;
- (6) any Transfer that requires our prior written consent occurs without your having obtained that prior written consent;
- (7) we discover that you made a material misrepresentation or omitted a material fact in the information that you provided to us in connection with our decision to grant a Franchise to you;
- (8) you knowingly falsify any report required to be furnished to us; make any material misrepresentation in your dealings with us; or fail to disclose any material facts to us;
- (9) if an incident occurs at your Squeeze Shop that involves one of your employees and we discover that you did not conduct adequate due diligence and criminal background checks on that employee;
- (10) we make a reasonable determination that continued operation of your Squeeze Shop by you will result in an imminent danger to public health or safety;
- (11) you lose the right to occupy the Premises;
- (12) you, the Operating Principal, your General Manager, or any of your owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates, the goodwill associated with the Marks, or the System;
- (13) you, or your Operating Principal, your General Manager and/or any management personnel of your Squeeze Shop do not satisfactorily complete the Initial Training Program (after we provide a second opportunity as provided in Section 11(A)(2));
- (14) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; you or your owners: (a) remain in default beyond the applicable cure period under, or we terminate, any other agreement with us or our affiliates (provided that, if the default is not by you, we will provide to you written notice of the default and a 30-day period to cure the default); (b) remain in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to your Squeeze Shop; (c) remain in default beyond the applicable cure period under any contract with any vendor or supplier to your Squeeze Shop; or (d) fail to pay when due any taxes or assessments relating to your Squeeze Shop or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization;
- (15) you interfere with our relations with other franchisees or third parties and/or negatively impact our ability to operate and/or grant franchises under our System;
- (16) you materially default any representation or warranty set forth in Section 30;
- (17) You fail to maintain all insurance policies required by Section 12(I) of this Agreement and/or you allow or communicate your intent to allow any policy of insurance required by this Agreement to expire, lapse, cancel or terminate; or

(18) If you have received two (2) or more notices of default within the previous 12-month period, we may send you a notice of termination upon your next default within that 12-month period without providing you an opportunity to cure the default.

(C) Termination Following Expiration of Cure Period

(1) Except for those items listed in preceding Section 19(B) or 19(C)(2), you will have 30 days after written receipt of notice of default from us within which to remedy any default and provide evidence of that remedy to us. If any default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. Notwithstanding the foregoing, if the default cannot be corrected within 30 days, you will have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that you promptly begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 19(C)(1) for any failure to materially comply with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) Notwithstanding the provisions of preceding Section 19(C)(1), if you default in the payment of any monies owed to us or our affiliates when such monies become due and payable and you fail to pay such monies within 5 days after receiving written notice of default or immediately if payment has not been made within 30 days of its due date, then this Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.

(3) Termination Following Inspection. We (or our designee) may periodically conduct inspections of your Squeeze Shop to evaluate your compliance with the System and this Agreement. Following each Inspection, we will provide you with an Inspection report and Inspection score on the Inspection and those conditions at your Squeeze Shop that must be rectified. If you fail to achieve a passing score on an Inspection, the Inspection report will constitute a notice of default. If you fail to achieve a passing score on the next Inspection (which we will conduct at least 30 days after your receipt of the Inspection report for the prior Inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the Inspection report.

## 20. OBLIGATIONS UPON TERMINATION OR EXPIRATION

(A) Your Obligations. Upon termination or expiration of this Agreement:

(1) The rights granted to you in the Protected Area immediately will terminate, and we will have the right to operate, or license others to operate, Squeeze Shops anywhere in the Protected Area;

(2) You and your owners must continue to abide by the covenants in Section 18;

(3) Within 15 days, or on any later date that we determine the amounts due to us, you must pay to us, and our affiliates all sums due and owing to us and our affiliates;

(4) You must immediately discontinue all use of the Marks in connection with your Squeeze Shop and of any and all items bearing the Marks; remove the Marks from your Squeeze Shop and from clothing, signs, materials, motor vehicles and other items owned or used by you in the operation of your Squeeze Shop; cancel all advertising for your Squeeze Shop that contains the Marks; and take such action as may be necessary to cancel any filings or registrations for your Squeeze Shop that contain any

Marks. You must comply with this Section 20(A). before any items bearing the Marks are offered for sale or auction by you or your Franchisors or lienholders;

(5) You must immediately cease using any of our Confidential Information (including the Shop Systems or similar technology and digital passwords and identifications that we have licensed or loaned to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us the Shop Systems, your client list, your telephone numbers, your email addresses, your social media pages, all copies of the Manual, and any other confidential materials that we have loaned you;

(6) Within 30 days, you must deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark, or otherwise identifying or relating to a Squeeze Shop that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from Squeeze Shop;

(7) You agree to promptly notify social media platforms, and internet service providers of the termination or expiration of your right to use any URLs and domain names, or other numbers or names associated with any Mark; to authorize the transfer of these listings to us or to a third party, at our direction; and/or to instruct the domain name registries and internet service providers to forward all calls, e-mails and electronic communications made to names, numbers or addresses we specify; and

(8) If we do not have or do not exercise an option to purchase the Assets of the Squeeze Shop under Section 21 below, you agree promptly and at your own expense to make the alterations we specify in the Manual (or otherwise) to distinguish your Squeeze Shop clearly from its former appearance and from other Squeeze Shops in order to prevent public confusion. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or another tort.

(B) Evidence of Compliance. You must furnish to us, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by you or by your chief executive officer if you are a corporation; by your manager if you are a limited liability company; or by your general partner if you are a partnership) satisfactory to us of your compliance with Section 20(A).

(C) Prohibition from Engaging in Future Conduct. Upon termination or expiration of this Agreement and your satisfaction of the covenants set forth in Section 18, you agree that you will not, except with respect to a business franchised by us or our affiliates which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or our affiliates or have any right to use the System or the Marks; (2) make, use or avail yourself of any of the materials or Confidential Information furnished or disclosed by us or our affiliates under this Agreement or disclose or reveal any such materials or Confidential Information or any portion of those materials or Confidential Information to anyone else; or (3) assist anyone not licensed by us or our affiliates to construct or equip a business substantially similar to a Squeeze Shop.

(D) Continuing Obligations. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding the expiration or termination and until the obligations are satisfied in full or by their nature expire.

(E) No Exclusive Remedy. No right or remedy conferred upon or reserved to us in this Section 20 is exclusive of any other right or remedy provided or permitted by law or equity.

## 21. OUR OPTION TO PURCHASE CERTAIN ASSETS OF YOUR SQUEEZE SHOP

(A) **Scope.** Upon the expiration or termination of this Agreement for any reason, we will provide written notice to you, within 30 days after the effective date of termination or expiration, if we intend to exercise our option to purchase from you some or all of the Assets. As used in this Agreement, the term “Assets” means and includes, without limitation, leasehold improvements, equipment, technology, vehicles, furnishings, fixtures, signs, and inventory (non-perishable products, materials, and supplies) used in your Squeeze Shop, real estate interests (including the fee simple rights or the Lease), and any licenses necessary to operate your Squeeze Shop. We will have the unrestricted right to assign this option to purchase the Assets. We or our assignee will be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition, and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise.

(B) **Purchase Price.** The purchase price for the Assets (“Purchase Price”) will be their fair market value (or, for leased assets, the fair market value of your Lease), determined as of the effective date of purchase in a manner that accounts for customary depreciation and condition of the Assets; provided, however, that the Purchase Price will take into account the termination of this Agreement. Further, the Purchase Price for the Assets will not contain any factor or increment for any of the Marks, or other trademarks, service marks, or commercial symbols used in connection with the operation of your Squeeze Shop nor any goodwill or “going concern” value for your Squeeze Shop. We may exclude from the Assets purchased in accordance with this Section any equipment, technology, vehicles, furnishings, fixtures, signs, and inventory that we do not desire to purchase, are not approved as meeting then-current standards for a Squeeze Shop, or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

(C) **Certified Appraisers.** If we and you are unable to agree on the fair market value of the Assets within 30 days after your receipt of our notice of our intent to exercise our option to purchase the Assets, the fair market value will be determined by two professionally certified appraisers, one selected by you and one selected by us. If the valuations set by the two appraisers differ by more than 10%, the two appraisers will select a third professionally certified appraiser who also will appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) will be conclusive and will be the Purchase Price. The appraisers will be given full access to your Squeeze Shop, the Premises, and your books and records during customary business hours to conduct the appraisal and will value the Assets to be purchased in accordance with the standards of this Section 21. The appraisers’ fees and costs will be borne equally by you and us.

(D) **Exercise of Option.** Within 10 days after the Purchase Price has been determined, we may exercise our option to purchase the Assets by so notifying you in writing (“Purchase Notice”). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase (“Closing”), which will take place no later than 60 days after the date of the Purchase Notice. For a period of 30 days after the date of the Purchase Notice (“Due Diligence Period”), we will have the right to conduct such investigations as we deem necessary and appropriate to determine: (1) the ownership, condition, and title of the Assets; (2) liens and encumbrances on the Assets; (3) environmental and hazardous substances at or upon the Premises; and (4) the validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise. You will give us and our representatives access to your Squeeze Shop and the Premises at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with your operations of your Squeeze Shop. Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title search, lien search, survey, environmental assessment, or inspection. If you cannot or elect not to correct any such title defect, environmental objection, defect in the working condition of the Assets or any other

objection, we will have the option to either accept the condition of the Assets as it exists or rescind our Purchase Notice, on or before the Closing.

(E) Leased Premises. If the Premises are leased, you agree to use reasonable efforts to effect a termination of the existing Lease for the Premises. If the Lease for the Premises is assigned to us or we sublease the Premises from you, we will indemnify and hold you harmless from any ongoing liability under the Lease from the date we assume possession of the Premises, and you will indemnify and hold us harmless from any liability under the Lease prior to and including that date.

(F) Premises Owned by You. If you own the Premises, we, at our option, may purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with you on terms comparable to those for which similar commercial properties in the area are then being leased; or remove the Assets from the Premises in a manner consistent with the Lease Agreement. The initial term of the Lease between you and us under such circumstances must be at least 10 years with two (2) options to renew of 5 years each, and the rent must be the fair market rental value of the Premises. If you and we cannot agree on the fair market rental value of the Premises, then local real estate appraisers (selected in the manner described in Section 21(C)) will determine the rental value.

## 22. RELATIONSHIP OF THE PARTIES

(A) Relationship of the Parties. Franchisee and Franchisor agree and acknowledge that this Agreement is intended solely to create an independent contractor relationship between them. Nothing in this Agreement will be deemed or construed to create a joint venture, partnership, fiduciary, or agency relationship between Franchisor and Franchisee for any purpose. Except as otherwise explicitly set forth herein, Franchisor and Franchisee do not have any authority to bind or commit the other to any agreement, commitment, or obligation. Franchisor and Franchisee agree and acknowledge that Franchisee and only Franchisee shall possess and/or exercise substantial direct and immediate control over the essential terms and conditions of employment of Franchisee's employees. Franchisee is, subject to compliance with applicable local, state, and federal laws, solely responsible for: (1) setting the wages, benefits, and related compensation of Franchisee's employees; (2) setting the work schedules and hours requirements for Franchisee's employees; (3) assigning work duties to Franchisee's employees; (4) establishing, communicating, and enforcing rules, directions, means and methods of performance, and employee discipline to Franchisee's employees; (5) hiring and firing its employees; and (6) establishing and maintaining safety standards for Franchisee's employees. Franchisee shall defend, indemnify, and hold Franchisor harmless against any and all, damages, costs, fees, expenses, settlements, payments, or liabilities incurred by Franchisor as a result of or in connection with claims, investigations, demands, suits, actions, inquiries, or allegations made by one or more of Franchisee's employees or by a governmental authority that Franchisor is, in any manner or for any purpose, a joint employer of one or more of Franchisee's employees.

(B) No Liability for Acts of Other Party. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of your operation of your Squeeze Shop or the business you conduct under this Agreement. Neither party, by virtue of this Agreement, will have any right, power, or authority to act or create an obligation, express or implied, on behalf of the other party. Each party assumes responsibility for the actions of their employees and will be solely responsible for the supervision, daily direction, and control, wage rates, withholding income taxes, disability benefits, or the manner and means through which the rights and obligations under this Agreement shall be performed.

(C) Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Squeeze Shop, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

## 23. INDEMNIFICATION

(A) You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (“Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of your Squeeze Shop, the business you conduct under this Agreement, or your default of this Agreement, including, without limitation, those claims alleged to be or found to have been caused by the Indemnified Parties’ negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction.

(B) For purposes of this Section 23, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that the Indemnified Parties reasonably incur in defending any claim against it, including, without limitation, reasonable accountants’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. The Indemnified Parties may defend any claim against them at your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any claims subject to this Section 23

(C) This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The Indemnified Parties need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section 23. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 23

## 24. SEVERABILITY AND CONSTRUCTION

(A) Severability. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

(B) Alteration to Agreement by Rule of Law. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement’s termination or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within

any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

(C) No Third Party Beneficiaries. Except as otherwise provided in Section 23, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us and you as the parties to this Agreement and our affiliates and such of our heirs, successors and assigns, any rights, or remedies under or by reason of this Agreement.

(D) Interpretation. No provision of this Agreement should be interpreted in favor of, or against any party because of the party that drafted this Agreement.

(E) Our Discretion. Whenever we have expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests. This also applies if we are deemed to have a right and/or discretion. Our judgment of what is in the best interests of the System, at the time our decision is made or its right or discretion is exercised, can be made without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; (2) our decision or the action taken promotes our financial or other individual interest; (3) our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or (4) our decision or the action taken is adverse to your interests. We will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

## 25. CONSENTS, APPROVALS AND WAIVERS

(A) Consents. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us for that approval or consent, and any approval or consent received, in order to be effective and binding upon us, must be obtained in writing and be signed by one of our authorized officers.

(B) Waivers. We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice. We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare a default and to terminate this Agreement before the expiration of its term) because of: any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement, or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Squeeze Shops; the existence of agreements for other Squeeze Shops which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any default of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction.

(C) Variance by Reason of Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered, or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties will be relieved of their respective obligations (to the extent that the parties, having exercised commercially reasonable efforts, are prevented, hindered, or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure must give prompt written notice of such Force Majeure event to the other party by setting forth the nature of the Force Majeure and an estimate as to its duration. As used in this Agreement, the term “Force Majeure” means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Your inability to obtain financing (regardless of the reason) may not constitute Force Majeure.

26. ENTIRE AGREEMENT. We and you acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, you and we will deal with each other in good faith. This Agreement and its attachments, the Manual, and the documents referred to in this Agreement constitute the entire, full, and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and its attachments, the Manual, and the documents referred to in this Agreement (including our Franchise Disclosure Document). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by you and us and executed in writing. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

## 27. ENFORCEMENT

(A) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 27(A) will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(B) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, provided, however, that: (1) the provisions of Section 18 shall be interpreted and construed under the laws of the jurisdiction in which your Squeeze Shop is located.

(C) Consent to Jurisdiction and Venue. You and we agree that, to the extent any disputes cannot be resolved directly between us, you will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal

or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your Squeeze Shop is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(D) **Waiver of Certain Damages and Rights.** You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(E) **Reimbursement of Costs and Expenses.** If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(F) **Rights and Remedies Cumulative.** No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 27 shall survive the expiration or earlier termination of this Agreement.

(G) **Limitations of Claims.** Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your Squeeze Shop, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(H) **Injunctive Relief.** You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates, and the System. Therefore, you agree that, in the event of a default or threatened default of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that default and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any default of this Agreement.

## 28. MISCELLANEOUS

(A) **Gender and Number.** All references to gender and number will be construed to include such other gender and number as the context may require.

(B) Captions. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

(D) Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted will be the day or month of the designated action, event, or notice. Days will be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically will be extended to the next day that is not a Saturday, Sunday, or national holiday.

(E) Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

(F) Compliance with Anti-Terrorism Laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. The term “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the rules, orders, and guidelines promulgated by the Office of Foreign Assets Control (“OFAC”) and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners’ assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement, as provided in Section 19(B)(14) above.

29. NOTICES AND PAYMENTS. No notice, demand, request, or other communication to the parties will be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and: (A) if to us, is sent to 700 8th Avenue S, 2nd Floor, Nashville, TN 37203 (Attn: Legal Department); or (B) if to you, is sent to the address and to the individual specified on Exhibit 4 or is sent to the Premises of your Squeeze Shop. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first refusal of delivery) and may be: (1) delivered personally; (2) transmitted by facsimile or electronic mail to the e-mail address(es) or number(s) set forth above (or in Exhibit 4) with electronic confirmation of receipt; (3) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (4) mailed via overnight courier.

30. ACKNOWLEDGMENTS. You represent, acknowledge, and warrant to us (and you agree that these representations, acknowledgements, and warranties will survive termination of this Agreement) that:

(A) you have independently investigated the Squeeze Shop franchise opportunity and recognize that, like any other business, the nature of the business of Squeeze Shops may, and probably will, evolve and change over time;

(B) an investment in a Squeeze Shop involves business risks that could result in the loss of a significant portion or all of your investment;

- (C) your business abilities and efforts are vital to your success;
- (D) attracting customers for your Squeeze Shop will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising, and display and use of in-store promotional materials;
- (E) you must maintain a high level of customer service, and adhere strictly to the System and our System Standards, and that you are committed to maintaining System Standards;
- (F) you have not received from us or any person or entity representing or claiming to represent us, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Squeeze Shop, and that any financial information that may appear in our Franchise Disclosure Document is not a representation or guarantee as to potential volume, sales, income, or profits that you may achieve at a Squeeze Shop;
- (G) in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;
- (H) you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the rights under this Agreement;
- (I) you have read this Agreement and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Squeeze Shop, and to protect and preserve the goodwill of the Marks;
- (J) you understand we may license others to operate businesses that offer, professional therapeutic massage and body services as well as related retail products at Squeeze Shops and other businesses with similar and different names and marks, and these businesses may operate in close proximity to your Squeeze Shop;
- (K) we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;
- (L) you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Squeeze Shop franchise opportunity, and that we have not refused to answer any questions, inquiries, or requests;
- (M) you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or chosen not to do so; and
- (N) we may modify the offer of our franchise opportunity to other franchisees in any manner and at any time, and these offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

**SIGNATURE PAGE**

**IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT ON THE DATES NOTED BELOW, TO BE EFFECTIVE AS OF THE EFFECTIVE DATE.**

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 1**  
**TO THE SQUEEZE SHOP FRANCHISE AGREEMENT**

**FRANCHISE INFORMATION**

1. Location of the Squeeze Shop (the "Premises") (Section 2(A)): The Squeeze Shop will be located at: \_\_\_\_\_
2. If the Premises have not been approved in writing by us as of the Effective Date, we will insert the address of the Premises after you execute a Lease, or otherwise secure the approved site for your Squeeze Shop.
3. **The Site Selection Area (Section 5(A)):** If the Premises have not been determined as of the Effective Date, we will identify the Site Selection Area on a map attached to this Exhibit 1. Your rights in the Site Selection Area are subject to the limitations described in Section 5 of the Franchise Agreement. Any boundaries contained in the description of the Site Selection Area will be considered fixed as of the Effective Date and shall not change notwithstanding a change in those boundaries and will terminate immediately, without any further action, upon your identification of a Premises for your Squeeze Shop.
4. The Protected Area is reflected on a map titled PROTECTED AREA attached to this Exhibit 1.
5. The Initial Franchise Fee (Section 7(A)): \$50,000.

**FRANCHISEE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

\_\_\_\_\_  
Its

\_\_\_\_\_  
Date

SITE SELECTION AREA

YOUR RIGHTS IN THE SITE SELECTION AREA ARE SUBJECT TO THE LIMITATIONS DESCRIBED IN SECTION 5(A) OF THE FRANCHISE AGREEMENT. ANY BOUNDARIES CONTAINED IN THE DESCRIPTION OF THE SITE SELECTION AREA WILL BE CONSIDERED FIXED AS OF THE EFFECTIVE DATE AND SHALL NOT CHANGE NOTWITHSTANDING A CHANGE IN THOSE BOUNDARIES.

THE SITE SELECTION AREA IS DEPICTED IN THE MAP ABOVE:

|   |  |
|---|--|
| <u>FRANCHISEE</u><br><br><u>INITIALS:</u> _____ | <u>SQUEEZE FRANCHISING LLC</u><br><br><u>INITIALS:</u> _____ |
|---|--|

PROTECTED AREA

YOUR RIGHTS IN THE PROTECTED AREA ARE SUBJECT TO THE LIMITATIONS DESCRIBED IN SECTION 3. ANY BOUNDARIES CONTAINED IN THE DESCRIPTION OF THE PROTECTED AREA WILL BE CONSIDERED FIXED AS OF THE DATE THAT YOU EXECUTE A LEASE.

Franchisee's Protected Area is depicted in the map above:

|   |  |
|---|--|
| <u>FRANCHISEE</u><br><br><u>INITIALS:</u> _____ | <u>SQUEEZE FRANCHISING LLC</u><br><br><u>INITIALS:</u> _____ |
|---|--|

**EXHIBIT 2**  
**FRANCHISOR LEASE RIDER**

**RIDER TO LEASE**

This Rider (“**Rider**”), dated \_\_\_\_\_, 20\_\_, is made by and between \_\_\_\_\_ (“**Tenant**” or “**Franchisee**”) and \_\_\_\_\_ (“**Landlord**”). Each of Tenant and Landlord may individually be referred to as a “**party**” and collectively, as the “**parties**.”

**RECITALS:**

A. This Rider (including these Recitals) supplements and forms a part of the attached lease agreement between the Landlord and the Tenant dated \_\_\_\_\_ (the “**Lease**”) for the premises (the “**Premises**”) situated in the shopping center (the “**Shopping Center**”) known as \_\_\_\_\_, and located in \_\_\_\_\_, \_\_\_\_ [city/state] to be used by the Tenant as a SQUEEZE shop franchise (the “**Business**”).

B. This Rider is entered into in connection with approval of SQUEEZE FRANCHISING LLC (“**Franchisor**”) of the location of the Premises for the Business and the grant of a franchise to the Tenant pursuant to a Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Franchise Agreement**”).

C. This Rider is intended to provide Franchisor with rights as a third party beneficiary to the Lease and to provide Franchisor the opportunity to reserve the Premises as a SQUEEZE shop in accordance with the terms of this Rider.

Notwithstanding anything contained in the Lease to the contrary, the parties agree to the following terms and conditions, which shall be part of the Lease and shall control in the event of a conflict with any other provisions of the Lease:

1. Default by Tenant: Landlord agrees to send to Franchisor copies of any notices of default simultaneously with the delivery of such notices to Tenant. Prior to exercising any remedies in the Lease (except in the event of imminent danger to the Premises), Franchisor shall have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) fifteen (15) days after Franchisor’s receipt of such notice as to monetary defaults or (ii) thirty (30) days after Franchisor’s receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant. Notwithstanding the foregoing, Franchisor has no obligation to cure such default. All notices to Franchisor must be sent by overnight courier or by certified mail, postage prepaid, to the following address: SQUEEZE FRANCHISING LLC, 700 8th Avenue S, 2nd Floor, Nashville, TN 37203 (Attn: Legal Department).
2. Collateral Assignment of Lease (“Assignment”):
  - a. Subject to the provisions of this Assignment, Tenant, to secure its obligations to Franchisor to affect various provisions of the Franchise Agreement, and for other reasons, hereby assigns, transfers and sets over unto Franchisor and/or such person(s)/entity(ies) as Franchisor may from time to time designate, all of Franchisee's right, title and interest, whether as Tenant or otherwise, in, to, and under the Lease for the Premises between Franchisee and Landlord, respecting that property commonly known as the Squeeze Shop (“Squeeze Shop”). Franchisor shall have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease, or otherwise

(including, but not limited to, any obligation to pay rent and/or other amounts) until and unless Franchisor, in its reasonable discretion, takes possession of the Squeeze Shop pursuant to the terms hereof and expressly (and in writing) assumes the rights and obligations of Franchisee under the Lease, Franchisor only being responsible for those obligations accruing after the date of such assumption.

- b. Franchisor will not take possession of the Squeeze Shop until and unless Franchisee defaults, and/or receives notice of default, (and/or until there is a termination, cancellation, or rescission of Franchisee's rights) under the Lease, any sublease, Franchise Agreement, any other document, or instrument, or otherwise. In such event, Franchisor (or its designee) shall have the right (but not the obligation) to take possession of the Squeeze Shop, expel Franchisee from the Squeeze Shop, and, in such event, Franchisee shall have no further right, title or interest in or under the Lease or to the Squeeze Shop, all such rights thereby passing to Franchisor or its designee, in each case without Landlord's further consent. Franchisee agrees to do all acts necessary or appropriate to accomplish such assignment on Franchisor's request.
  - c. Franchisee agrees that it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Franchisor. Throughout the term of the Franchise Agreement, Franchisee agrees that it shall elect and exercise all options to extend the term of, or renew or assume in bankruptcy, the Lease not less than 30 days prior to the last day that any option must be exercised, unless Franchisor otherwise agrees in writing. If Franchisee fails to extend, renew, or assume the Lease, Franchisee hereby appoints Franchisor as its true and lawful attorney-in-fact to exercise such options for the sole purpose of effecting any extension, renewal, or assumption, in each case for the account of Franchisee and without any liability or obligation of Franchisor.
  - d. Franchisor's failure to exercise any remedy hereunder shall not be construed or deemed a waiver of any of its rights hereunder. The rights and remedies of Franchisor under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which Franchisor shall have under or by virtue of the Franchise Agreement or otherwise. The terms, covenants, and conditions contained herein shall bind Franchisee, and inure to the benefit of Franchisor, and their respective successors and assigns. In the event of any dispute between the parties regarding this Assignment, or any matter related in any way to it, the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Franchise Agreement between Franchisor and Franchisee shall apply. If there is more than one Franchisee, their obligations hereunder will be joint and several.
3. Expiration of Lease Term: Landlord agrees that all unexercised renewal or extension rights shall not be terminated in the event of any Assignment referenced in Section 2 above but shall inure to the benefit of the applicable assignee. Furthermore, if the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), Landlord shall give Franchisor written notice to this effect and Franchisor shall have the option for thirty (30) days following receipt of such notice to exercise Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If Franchisor elects to exercise such right(s) it shall notify Landlord in writing whereupon Landlord and Franchisor shall promptly execute and exchange an agreement whereby Franchisor assumes the Lease effective at the date of termination of any holding over period by Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.
4. Non-Disturbance: Notwithstanding anything contained in the Lease to the contrary, it shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar

encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under the Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations hereunder beyond an applicable grace or cure period provided herein (as may be extended from time to time pursuant to this Rider).

5. Landlord's Lien: Any security interest and/or Landlord's lien in Tenant's trade fixtures, 'trade dress,' equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.
6. Landlord Agreements: Landlord acknowledges and agrees as follows:
  - a. Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability or in any way bind Franchisor or any affiliate of Franchisor and that Landlord has entered into the Lease with a full understanding that it creates no duties, obligations, or liabilities of or against Franchisor or any affiliate of Franchisor.
  - b. Landlord shall have no approval over Franchisor's designated business formats, methods, procedures, designs, layouts, standards, and specifications, all of which Franchisor may further develop, change, discontinue, or otherwise modify from time to time in Franchisor's sole discretion (the "**Franchise System**"), display of Tenant's Business name and logos ("**Business Marks**") at the Premises, and may not use the Business Marks for any purpose.
  - c. During the term of the Lease, Franchisor may mandate certain remodeling of the interior of the Premises and Landlord shall permit such remodeling so long as the remodeling does not affect the Premises structure or systems.
  - d. Franchisor is the sole owner of all right, title, goodwill, and interest in and to the Franchise System. All improvements, developments, adaptations, derivative works, enhancements, or modifications to the Franchise System made or created by any third party whether developed separately or in conjunction with Franchisor, shall be owned solely by Franchisor.
  - e. Landlord grants Tenant the unrestricted right during the initial term and any renewal term of the Lease to assign or sublet the Lease to Franchisor or a franchisee or licensee of Franchisor, and without a recapture right, payment of any assignment fee or similar charge or increase in any rentals payable to Landlord.
  - f. The Lease may not be assigned, subleased, modified or amended without Franchisor's prior written consent.
  - g. Franchisor has right of first refusal over any assignee.
  - h. Franchisor shall be provided with copies of all such assignments, subleases, modifications, and amendments.

7. Additional Provisions:

- a. If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if Franchisor shall desire to assume the Lease, Franchisor shall promptly give the Landlord written notice to this effect.
  - b. Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of the Premises as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name of the Tenant and without assuming any direct liability under the Lease.
  - c. Franchisor has the right to enter the Premises to make any modifications or alterations necessary to protect the Franchise System and the Business Marks, to cure, within the time periods provided by the Lease, any default under the Lease, all without being guilty of trespass or other tort.
  - d. Upon and within ten (10) days of the expiration or earlier termination of the Lease for any reason, Tenant, shall, at its own expense, remove all signs and other material bearing the Business Marks or trademarks, service marks or other commercial symbols of Franchisor, and to otherwise to “de-identify” the Premises, as Franchisor reasonably believes necessary or appropriate for the protection of Franchisor’s interest in the Business Marks, trademarks, trade names, service marks, copyrights or other proprietary rights, including designs and color schemes which are basically different from Franchisor’s authorized design and painting schedule; provided Tenant shall repair any damage to the Premises caused by any removal thereof.
  - e. Further, upon and within ten (10) days of the expiration or earlier termination of the Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises without being guilty of trespass or to for the purpose of performing the work in Section 6(c); provided Franchisor shall repair any damage to the Premises caused by any removal thereof.
  - f. Tenant agrees that the Lease may not be terminated, extended, modified, or amended without Franchisor’s prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor’s prior written consent. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments and a fully executed copy of the Lease and this Rider.
8. Confidentiality: The parties acknowledge and agree that the release or unauthorized use or disclosure of the terms of this Rider will have a detrimental effect on the other parties. Accordingly, each party agrees to keep confidential the terms of this Rider or the negotiations leading to its execution; provided, however, that (a) disclosure may be made pursuant to a court order, legal process, or other requirement of any law or authorized regulatory body, and (b) this Rider may be disclosed to Franchisor and/or the parties’ respective attorneys, accountants, officers, directors, and managers. The parties acknowledge that in the event of a breach of this Section, damages may not be an adequate remedy and the non-breaching party shall be entitled to, in addition to any other rights and remedies available under law or in equity, injunctive relief to restrain any such breach, threatened or actual, without proof of irreparable injury and without the necessity of posting bond even if otherwise normally required.
9. Amendments: No amendment or variation of the terms of this Rider is valid unless made in writing and signed by the parties and the parties have obtained Franchisor’s written consent. Except as amended or modified by this Rider, all of the terms, conditions, and covenants of the Lease remain in full force and effect.

**BY EXECUTING THIS RIDER TO THE LEASE, LANDLORD AGREES THAT FRANCHISOR DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATIONS AS DESCRIBED ABOVE IN WRITING. FURTHERMORE, LANDLORD HEREBY RELEASES, WAIVES AND FOREVER DISCHARGES ANY AND ALL LIABILITY, CLAIMS, AND DEMANDS OF WHATEVER KIND OR NATURE AGAINST THE FRANCHISOR, THE MEMBERS AND AFFILIATES OF FRANCHISOR, AND THEIR RESPECTIVE DIRECT AND INDIRECT, PAST, PRESENT AND FUTURE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, OWNERS, EMPLOYEES, LICENSEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "RELEASEES"), EITHER IN LAW OR IN EQUITY, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, INCLUDING BUT NOT LIMITED TO THE NEGLIGENCE, FAULT OR MISCONDUCT OF ANY KIND ON THE PART OF THE RELEASEES FOR DAMAGES OR CAUSES OF ACTION, INCLUDING BUT NOT LIMITED TO DEATH, BODILY OR PERSONAL INJURY, ILLNESS, ECONOMIC LOSS OR OUT OF POCKET EXPENSES, OR LOSS OR DAMAGE TO PROPERTY ARISING OUT OF THE LEASE AND THIS RIDER.**

IN WITNESS WHEREOF, the parties have executed this Rider as of the date written above.

**LANDLORD**

**TENANT or FRANCHISEE**

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

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

[ATTACH COPY OF EXECUTED LEASE]

**EXHIBIT 3**  
**TO THE SQUEEZE SHOP FRANCHISE AGREEMENT**  
**LISTING OF OWNERSHIP INTERESTS**

**EFFECTIVE DATE:** THIS EXHIBIT 3 IS CURRENT AND COMPLETE AS OF \_\_\_\_\_

1. **Form of Ownership.**

(a) **Individual Proprietorship.** Your owner(s) (is) (are) as follows:

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. The following is a list of your directors, if applicable, and officers as of the Effective Date shown above:

2. **Name of Each Director/Officer** **Position(s) Held**

3. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

4. **Owner's Name** **Percentage/Description of Interest**

%  
%  
%  
%

5. **Contact Information of Person to Receive Notice for You**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Cell Phone Number: \_\_\_\_\_

6. **Operating Principal.** Your Operating Principal is \_\_\_\_\_

7. **General Manager.** If applicable, your General Manager is \_\_\_\_\_

**FRANCHISEE:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 4**  
**TO THE SQUEEZE SHOP FRANCHISE AGREEMENT**  
**AGREEMENT TO BE BOUND AND TO GUARANTEE**

This Agreement to Be Bound and to Guarantee (**Agreement**), dated as of the date stated at the end of this Agreement, executed by the guarantors identified in Section 19 of this Agreement (each a “**Guarantor**”) in favor of **Squeeze Franchising LLC**, doing business as **Squeeze** (“**Franchisor**”).

WHEREAS, as an inducement for Franchisor to execute and deliver, and to perform its obligations under, that certain Franchise Agreement (“**Franchise Agreement**”), dated as of the date stated in Section 19 of this Agreement, by and between Franchisor and the Franchisee identified in Section 19 of this Agreement (“**Franchisee**”), Guarantor has agreed to jointly and severally guarantee the obligations of Franchisee to Franchisor and its affiliates (including, without limitation, obligations under the Franchise Agreement (and the assignment of concession agreement, if applicable) executed in connection therewith) and to be bound by certain of the provisions contained in the Franchise Agreement.

WHEREAS, Guarantor owns, directly or indirectly, a 20% or greater equity interest in Franchisee.

WHEREAS, Guarantor acknowledges and agrees that Franchisor will materially rely upon Guarantor’s obligations under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the execution and delivery of the Franchise Agreement by Franchisor, and the performance of Franchisor’s obligations thereunder, Guarantor agrees, for the benefit of Franchisor and its affiliates, as follows:

1. Guaranty. Guarantor unconditionally guarantees and promises to pay to Franchisor and/or its affiliates and to perform, for the benefit of Franchisor and/or its affiliates, on demand, any and all obligations and liabilities of Franchisee in connection with, with respect to or arising out of the Franchise Agreement as well as any other agreements executed by Franchisee in conjunction with the Franchise Agreement, if applicable, executed in connection therewith and/or any other agreement with Franchisor or its affiliates.

2. Confidentiality.

(A) Guarantor acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, trade secrets and other confidential and proprietary information, processes, materials and rights relating to the development, promotion and operation of the Squeeze Shop (as defined in the Franchise Agreement), including, without limitation, Franchisor’s Manual, method of operation, processes, techniques, formulae and procedures (collectively, the “**Proprietary Information**”). Guarantor further acknowledges that the **Proprietary Information** constitutes valuable trade secrets.

(B) Guarantor agrees not to use for any purpose or disclose or reveal (and must cause all of Franchisee’s directors, officers, and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person any contents of Franchisor’s Manual, any **Proprietary Information** or any other information relating to the operation of the Squeeze Shop. Guarantor must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all **Proprietary Information**.

(C) Guarantor acknowledges that to default on her or her obligations under this Section 2 would cause damage to Franchisor and to Franchisor's other franchisees and that Guarantor would be liable for this damage.

(D) Notwithstanding the foregoing, Guarantor may disclose Proprietary Information to a person who is bound by the confidentiality obligations to Franchisor and the covenants contemplated by Section 18 of the Franchisee Agreement, to the extent that that disclosure is necessary in connection with that person's capacity with Franchisee.

(E) Notwithstanding the foregoing, the following will not be subject to the provisions of this Section 2

(1) Information which is in the public domain as of the date of receipt by Franchisee;

(2) Information which is known to Franchisee prior to the date of receipt by Franchisee;

(3) Information which becomes known to the public without a default of the provisions of this Section 2 of the Agreement or any other agreement executed in connection with the Franchisee Agreement; and

(4) Information which is required by law to be disclosed or revealed, but only strictly to the extent required by law.

3. Covenant Not to Compete. Guarantor acknowledges and agree that: (1) pursuant to this Agreement, you will have access to the Confidential Information; (2) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (3) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (4) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Squeeze Shops if our franchisees were permitted to hold interests in "Competing Businesses" (which are defined as businesses that provide therapeutic massage and body services, and/or skincare services, and related retail products). Guarantor acknowledges that restrictions on his/her right to hold interests in or perform services for Competing Businesses will not hinder his/her activities. Guarantor expressly acknowledges that he/she possesses skills and abilities of a general nature and has other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive Guarantor of the ability to earn a living. Guarantor therefore agrees that, during the term of the Franchise Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, Guarantor will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(A) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(B) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any Squeeze Shop to a Competing Business;

(C) For purposes of this Agreement, the term “Restricted Period” shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.;

(D) During the term of the Franchise Agreement, there is no geographical limitation on the restrictions contained in this Section 3. During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other Squeeze Shop in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement; or (ii) the date on which you begin to comply with Section 3 (the "Restricted Area");

(E) If, at any time during the Restricted Period, you fail to comply with your obligations contained in this Section 3, that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 3. These restrictions also apply after Transfers, as provided in the Franchise Agreement. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 3; or

(F) If any restriction in this Section 3 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant’s validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

4. Restriction on Hiring. Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, Franchisor or otherwise), employ, hire or engage as an independent contractor or otherwise any person who is or was (at any time during the term of this Agreement) employed or engaged as an independent contractor or otherwise by Franchisor or any of its affiliates.

5. Use of Name and Likeness. Franchisor will be entitled to use the name, likeness, and voice of Guarantor for purposes of promoting the franchise, Franchisor, and its products, including, without limitation, all photos and audio and video recordings, and Guarantor hereby irrevocably consents thereto. Guarantor acknowledges that Franchisor will own all right, title, and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as moral rights, artist’s rights, publicity rights or the like associated with such photos and audio and video recordings and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights.

6. Innovations. Guarantor may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to the manufacturing, production, marketing and sale of customized professional therapeutic massage and body services, wraps, skincare, and related retail products or other similar services and products in connection with the Squeeze Shop (the “Innovations”). Guarantor assigns any and all of its rights, title, and interest in the Innovations, including, without limitation, any intellectual property rights,

to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including, without limitation, the perfecting of title thereto.

7. Copyrights; Works-for-Hire; Solicitation. All advertising and promotional materials generated by or for Franchisee or its officers, managers or employees for the Squeeze Shop will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor. In addition, Guarantor will cooperate in the protecting any items or materials suitable for copyright protection by Franchisor. Guarantor must not solicit other franchisees or Franchisees, or use the lists of franchisees and Franchisees, for any commercial or other purpose other than purposes directly related to the operation of the Squeeze Shop.

8. Guaranty of Payment. This is a guaranty of payment and not of collection. This Agreement will remain in full force and effect until all amounts payable by Guarantor shall have been validly, finally, and irrevocably paid in full and all obligations to be performed by Guarantor shall have been validly, finally, and irrevocably performed in full.

9. Waiver. Guarantor waives: (a) Any right to require Franchisor to (i) proceed against any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Franchisor may exercise or not exercise any right or remedy it has against Franchisee or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting Guarantor's liability hereunder; (b) any defenses from disability or other defense of Franchisee or from the cessation Franchisee's liabilities; (c) any setoff, defense, or counterclaim against Franchisor; (d) any defense from the absence, impairment, or loss of any right of reimbursement or subrogation or any other rights against Franchisee. Until Franchisee's obligations (except inchoate indemnification obligations) to Franchisor have been paid in full, Guarantor has no right of subrogation or reimbursement or other rights against Franchisee; (e) Any right to enforce any remedy that Franchisor has against Franchisee; (f) any rights to participate in any security held by Franchisor; (g) any demands for performance, notices of nonperformance, or of new or additional indebtedness incurred by Franchisee to Franchisor. Guarantor is responsible for being and keeping himself/herself informed of Franchisee's financial condition; (h) the benefit of any act or omission by Franchisor which directly or indirectly results in or aids the discharge of Franchisee from any of the obligations by operation of law or otherwise; (i) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

10. Subrogation. Guarantor hereby agrees that he/she will not exercise any rights of subrogation which he may acquire due to any payment or performance of the obligations of Franchisee pursuant to this Agreement unless and until all amounts payable to Franchisor or its affiliates, and all obligations for the benefit of Franchisor or its affiliates, shall have been validly, finally, and irrevocably paid and performed in full.

11. Reasonable Restraints; Remedies. Guarantor acknowledges that the covenants contained in this Agreement (including, without limitation, the territorial and time restraints) are reasonable and necessary and agrees that her failure to adhere strictly to the restrictions contained herein will cause substantial and irreparable damage to Franchisor, Franchisee and to Franchisor's other franchisees. In the event of any default by Guarantor of any of the terms of this Agreement, Franchisor and/or Franchisee will be entitled to institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor and/or Franchisee may be entitled. Guarantor agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's and Franchisee's remedy at law for any default would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted

in any proceeding which may be brought to enforce any provision hereof, without the necessity of posting bond therefor or proof of actual damages.

12. **Enforceability.** If the scope of any restriction contained in this Agreement is too broad to permit the enforcement of such restriction to its fullest extent, then such restriction will be enforced to the maximum extent permitted by law, and Guarantor hereby consents and agrees that such scope may be judicially limited or modified accordingly in any proceeding brought to enforce such restriction. Each covenant contained in this Agreement is independent and severable and, to the extent that any such covenant shall be declared by a court of competent jurisdiction to be illegal, invalid, or unenforceable, such declaration will not affect the legality, validity or enforceability of any other provision contained herein or the legality, validity, or enforceability of such covenant in any other jurisdiction.

13. **No Waiver.** No failure or delay on the part of Franchisor or its affiliates in exercising its rights hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing, specifying with particularity the nature of the waiver. No waiver of any such right will be deemed a waiver of any other right hereunder. The rights provided for herein are cumulative and are not exclusive of any other rights, powers, privileges, or remedies provided by law.

14. **Attorneys' Fees.** Guarantor will pay reasonable attorneys' fees and expenses and all other costs and expenses that may be incurred by Franchisor or its affiliates in connection with enforcing this Agreement.

15. **Delaware Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived; Statute of Limitations.**

(A) This Agreement will be governed by, and construed and enforced in accordance with, the law of Delaware, regardless of any conflict-of-law provisions to the contrary. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your Squeeze Shop is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(B) GUARANTOR HEREBY WAIVES THE RIGHT TO A JURY TRIAL, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION, AND WAIVES THE RIGHT TO SEEK OR COLLECT PUNITIVE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, GUARANTOR AGREES THAT ANY CLAIMS UNDER, ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS OF THE DATE ON WHICH THE UNDERLYING CAUSE OF ACTION ACCRUED, AND GUARANTOR HEREBY WAIVES ANY RIGHT TO BRING ANY SUCH ACTION AFTER SUCH TWO-YEAR PERIOD.

16. **Binding Nature of Agreement.** This Agreement will be binding upon Guarantor and her respective successors, heirs and assigns and will inure to the benefit of Franchisor, its affiliates and their respective successors and assigns.

17. **Joint and Several.** If more than one person signs this Agreement as a Guarantor, her, her, or its obligation will be joint and several.

18. **Entire Agreement; Amendment.** This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, oral, or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by each of the parties. The provisions of Section 18 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE**

Date of Franchisee Agreement: \_\_\_\_\_

Printed Name(s) of Guarantor(s): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Name of Franchisee: \_\_\_\_\_

**GUARANTORS**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Print Name)

Date \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Print Name)

Date \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Print Name)

Date \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Print Name)

Date \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**CONFIDENTIALITY AGREEMENT**

THIS AGREEMENT is made as of \_\_\_\_\_, (“Effective Date”), by and between Squeeze Franchising LLC, a Delaware limited liability company (“Squeeze Franchising”) and \_\_\_\_\_, \_\_\_\_\_ (“Franchise Applicant”) and certain of Franchise Applicant’s representatives identified below (“Representatives”) in favor of and for the benefit of Squeeze Franchising.

**RECITALS**

As a result of the expenditure of considerable time, skill, effort and money, Squeeze Franchising and its affiliates have developed and own a unique system (“System”) for the development and operation of a business under the name “Squeeze” that offers professional therapeutic massage and body services, wraps, skincare, and related retail products (“Squeeze Shops”).

Franchise Applicant has expressed interest in purchasing a Squeeze Shop franchise from Squeeze Franchising to operate one or more Squeeze Shops.

In order to evaluate the possibility of entering into a franchise agreement with Squeeze Franchising to establish and operate Squeeze Shops, Franchise Applicant and Representatives desire to receive from Squeeze Franchising certain confidential business information including, but not limited to the information contained in the Squeeze Shop operations manual (“Manual”). Franchise Applicant and Representatives recognize the importance of maintaining the confidentiality of this information.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchise Applicant and Representatives agree as follows:

**AGREEMENT**

1. Confidential Information

A. Definition of Confidential Information. As used in this Agreement, the term “Confidential Information” means all information that has been created, discovered, or developed by Squeeze Franchising and/or its affiliates including but not limited to Squeeze Holdings LLC that is in any way proprietary to Squeeze Franchising and/or its affiliates. Confidential Information includes, but is not limited to, trade-secrets, know-how, methodologies, System information, technical information, statistics, software, hardware, materials, plans, designs, schematics, reports, studies, notes, analyses, summaries, business, market and development plans, customer lists, the Manual, as amended from time to time, and other information regarding customer relationships, financial information and projections, artwork, information regarding the manner and methods of locating a site for, developing, operating and promoting Squeeze Shops, information contained in the Manual, information regarding the retail and commercial operations of Squeeze Franchising and its affiliates, and all information that: (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information may be in written form or obtained orally.

B. Exclusion from Definition of Confidential Information. The term “Confidential Information” does not include: (1) information that is now or hereafter becomes publicly known through no fault of Franchise Applicant or any Employee, or by any other person, firm or corporation affiliated with Franchise Applicant or any Employee; (2) information that was in Franchise Applicant’s or any Employee’s possession before the Effective Date; and (3) information that comes into Franchise Applicant’s or any Employee’s possession after the Effective Date from a source not under an obligation of secrecy to Squeeze Franchising. As used in this Agreement, the phrase “publicly known” means readily accessible to the public in a written publication and shall not include information which is available only by a substantial searching of the published literature and information the substance of which must be pieced together from a number of different publications and sources. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

C. Treatment of Confidential Information. Franchise Applicant and Representatives hereby acknowledge, understand and agree that the Confidential Information: (1) is the exclusive and confidential property of Squeeze Franchising or its affiliates and incorporates trade secrets and copyrights owned by them; (2) gives Squeeze Franchising and its affiliates some competitive business advantage or the opportunity of obtaining such an advantage, the disclosure of which could be detrimental to the interests of Squeeze Franchising and its affiliates; and (3) is not generally known by non-Squeeze Franchising personnel. Franchise Applicant and Representatives shall at all times treat the Confidential Information in accordance with this Agreement.

D. No License. This Agreement entitles Franchise Applicant and Representatives to use the Confidential Information solely in connection with Franchise Applicant’s exploration of the Squeeze Shop franchise opportunity. No license, express or implied, in the Confidential Information is granted to Franchise Applicant or Representatives other than to use the Confidential Information in the manner and to the extent authorized by this Agreement.

2. Covenants of Franchise Applicant and Representatives. As a consequence of Franchise Applicant’s and Representatives’ acquisition or anticipated acquisition of Confidential Information, Franchise Applicant and Representatives will occupy a position of trust and confidence with respect to Squeeze Franchising’s affairs and business. In view of the foregoing, Franchise Applicant and Representatives agree that it is reasonable and necessary that Franchise Applicant and Representatives agree, while this Agreement is in effect, to the following:

(A) Limited Use. Franchise Applicant and Representatives shall use the Confidential Information solely for purposes of evaluating whether or not Franchise Applicant will invest in a Squeeze Shop franchise. Neither Franchise Applicant nor Representatives shall make any other uses of the Confidential Information.

(B) No Disclosure. Franchise Applicant and Representatives shall not disclose the Confidential Information to any person or entity other than Franchise Applicant’s attorney or accountant as necessary to evaluate the opportunity provided by Squeeze Franchising and agree to protect the Confidential Information against unauthorized disclosure using the same degree of care, but no less than a reasonable degree of care, as Franchise Applicant and Representatives use to protect Franchise Applicant’s Confidential Information.

(C) No Use, Copying or Transfer. Franchise Applicant and Representatives shall not use, copy, or transfer Confidential Information in any way and shall protect the Confidential Information against unauthorized use, copying or transfer using the same degree of care, but no less than a reasonable degree of care, as Franchise Applicant and Representatives use to protect Franchise Applicant’s Confidential Information. This prohibition against use, copying, or transfer of Confidential Information includes, but is not limited to, selling, licensing or otherwise exploiting, directly or indirectly, any products or services

which embody or are derived from Confidential Information. Franchise Applicant and Representatives further agree not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any Confidential Information.

(D) Applicability. These covenants shall apply to all Confidential Information disclosed to Franchise Applicant or Representatives by Squeeze Franchising prior to the date of this Agreement.

(E) Solicitation. Franchise Applicant and Representatives agree that neither they nor any of their agents, Representatives or representatives shall knowingly employ or seek to employ any person then employed by Squeeze Franchising or any affiliate, subsidiary, or franchisee of Squeeze Franchising, or otherwise directly or indirectly induce such person to leave his or her employment without Squeeze Franchising's prior written consent.

3. Return of Confidential Information. Nothing in this Agreement obligates either Squeeze Franchising or Franchise Applicant to enter into a franchise agreement for the operation of a Squeeze Shop. Franchise Applicant acknowledges that Squeeze Franchising's decision to consider Franchise Applicant for any franchise opportunity, as well as the location and type of franchise opportunity to be offered, if any, and the terms of any contracts, will be made by Squeeze Franchising in its sole discretion. If, at any time, Squeeze Franchising determines that it does not wish for Franchise Applicant to become a franchisee, or Franchise Applicant determines that it does not wish to invest in a Squeeze Shop franchise, or if Squeeze Franchising requests, at any time and for any reason, that Franchise Applicant and Representatives do so, Franchise Applicant and Representatives agree to: (A) immediately cease to use the Confidential Information; (B) immediately return to Squeeze Franchising the Confidential Information and all copies thereof (whether or not such copies were authorized) and cause any third party to whom disclosure was made to do the same; and (C) at the request of Squeeze Franchising, certify in writing that Franchise Applicant, Representatives and all others to whom Franchise Applicant has provided such Confidential Information, have complied with subsections (A) and (B) above.

4. Notice to Squeeze Franchising. Franchise Applicant and Representatives shall immediately notify Squeeze Franchising of any information that comes to their attention that indicates that there has been or may be a loss of confidentiality of any of the Confidential Information or a default of this Agreement.

5. Waiver. Franchise Applicant and Representatives acknowledge that no waiver by Squeeze Franchising of any default by Franchise Applicant or Representatives of any provision of this Agreement shall be deemed a waiver of any preceding or succeeding default of the same or any other provision of this Agreement. No such waiver shall be effective unless in writing and then only to the extent expressly set forth in writing.

6. Enforcement.

(A) Governing Law. This Agreement and any claim or controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws principles.

(B) Forum. To the extent any disputes cannot be resolved directly between Franchise Applicant, Representatives and Squeeze Franchising, Franchise Applicant and Representatives agree to file suit against Squeeze Franchising only in the federal or state court having jurisdiction where Squeeze Franchising's principal offices are located at the time suit is filed. Franchise Applicant and Representatives acknowledge that Squeeze Franchising may file suit in the federal or state court located in the jurisdiction where Franchise Applicant's principal offices are located at the time suit is filed or in the jurisdiction where

Franchise Applicant resides or does business or where the claim arose. Franchise Applicant and Representatives consent to the personal jurisdiction of those courts and to venue in those courts.

(C) Injunctive Relief. It is hereby understood and agreed that: (1) a default of this Agreement by Franchise Applicant or Representatives would result in irreparable harm to Squeeze Franchising, the extent of which would be difficult to ascertain; (2) monetary damages would be an inadequate remedy for such a default; and (3) Squeeze Franchising shall be entitled to specific performance and injunctive or other equitable relief as a court may deem appropriate in the event of such a default without posting a bond or other security and without waiving any additional rights or remedies otherwise available to Squeeze Franchising at law or in equity or by statute.

2. Reimbursement of Costs and Expenses. If Squeeze Franchising brings an action to enforce this Agreement in a judicial proceeding and prevails in that proceeding, then Squeeze Franchising will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

3. Third Party Beneficiary. Franchise Applicant and Representatives hereby acknowledge and agree that Squeeze Franchising is an intended third-party beneficiary of this Agreement with the right to enforce it.

4. Miscellaneous.

(A) Severability. If a court of competent jurisdiction deems any provision of this Agreement invalid, unreasonable, or unenforceable, then the remaining provisions will not be affected, and the invalid provision may be enforced to the extent deemed reasonable by the court.

(B) Headings. Section headings in this Agreement are for reference only and shall not be construed as modifying any provisions of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

[THE REMAINDER OF THE PAGE IS INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed, and delivered this Agreement as of the day and year above written.

**(IF APPLICANT IS AN ENTITY)**

Entity Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**(IF APPLICANT IS AN INDIVIDUAL)**

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**REPRESENTATIVES**

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**GENERAL RELEASE**

**THIS GENERAL RELEASE** (“Release”) is executed on \_\_\_\_\_ by \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Guarantors”) as a condition of PICK ONE: the transfer of a Squeeze Shop by Franchisee [or] the renewal of a Squeeze Shop franchise agreement dated \_\_\_\_\_ (“Franchise Agreement”) between Franchisee and Squeeze Franchising [or] the termination of a Squeeze Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between Franchisee and Squeeze Franchising.

1. **Release by Franchisee and Guarantors.** Franchisee (if Franchisee is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Franchisee is an individual, on behalf of himself/herself and his/her heirs, representatives, successors and assigns) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, “Franchisee Releasers”) freely and without any influence forever release and covenant not to sue Squeeze Franchising and its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, shareholders, agents and employees, in their corporate and individual capacities, (collectively “Squeeze Franchising Releasees”) with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “Claims”), which any Franchisee Releaser ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to the Franchise Agreement and all other agreements between any Franchisee Releaser and any Squeeze Franchising Releasee, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

IF FRANCHISEE OR GUARANTORS ARE BASED IN CALIFORNIA: Franchisee and Guarantors (on behalf of the Franchisee Releasers) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

2. **Risk of Changed Facts.** Franchisee and Guarantors understand that the facts in respect of which the Release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **No Prior Assignment.** Franchisee and Guarantors represent and warrant that the Franchisee Releasers are the sole owners of all Claims and rights released hereunder and that the Franchisee Releasers have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. **Covenant Not to Sue.** Franchisee and Guarantors (on behalf of the Franchisee Releasers) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. **Complete Defense.** Franchisee and Guarantors: (A) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above; and (B) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Squeeze Franchising and each Franchisee Releaser.

7. **Governing Law.** This Release and all claims relating to this Release shall be governed by and construed under the law of the State of Delaware. Squeeze Franchising, Franchisee and Guarantor shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or default of this Release in the court where Squeeze Franchising's principal offices are located. Squeeze Franchising may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or default of this Release in the court where its principal offices are located, where Franchisee or Guarantors reside or do business, or where the claim arose.

8. **Miscellaneous**

(A) This Release constitutes the entire, full, and complete agreement between the parties concerning the release of Claims by the parties and supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

(B) The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

(C) The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

(D) All terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

(E) All captions in this Release are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

(F) This Release may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original.

The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[SIGNATURES ON FOLLOWING PAGE]

**IN WITNESS WHEREOF**, Franchisee and Guarantors have executed this Release as of the date shown below.

**FRANCHISEE**

\_\_\_\_\_

By: \_\_\_\_\_

Title:  
\_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE**

**(IF FRANCHISEE IS AN INDIVIDUAL)**

\_\_\_\_\_

By: \_\_\_\_\_

Title:  
\_\_\_\_\_

Date:  
\_\_\_\_\_

**GUARANTOR**

\_\_\_\_\_

Signature

\_\_\_\_\_

Print Name

Date:  
\_\_\_\_\_

**GUARANTOR**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Date:  
\_\_\_\_\_

**[Attach additional signature pages as needed]**

**Exhibit F**  
**Financial Statements**



**DJJCPA**

**DJJCPA, LLC**

1660 Lincoln Street, Suite 2620  
Denver, CO 80264

**303.346.2600**

Fax 720.542.9628

[www.djjcpa.com](http://www.djjcpa.com)

## Auditor's Consent

DJJCPA, LLC consents to the use in the Franchise Disclosure document issued by Squeeze Franchising LLC ("franchisor") on March 26, 2024, as it may be amended, of our report dated March 25, 2024, relating to the financial statements of Franchisor for the period ending December 31, 2023.

DJJCPA, LLC  
1660 Lincoln Street, Suite 2620  
Denver, Colorado 80264

March 26, 2024

# Squeeze Franchising LLC

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FINANCIAL STATEMENTS

As of December 31, 2023, 2022 and 2021, and for the Years Then Ended

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**DJJCPA**

**DJJCPA, LLC**

1660 Lincoln Street, Suite 2620  
Denver, CO 80264

**303.346.2600**

Fax 720.542.9628

www.djjcpa.com

## **INDEPENDENT AUDITOR'S REPORT**

To the Member  
Squeeze Franchising LLC

### ***Opinion***

We have audited the accompanying financial statements of Squeeze Franchising LLC, which comprises of the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

### ***Basis for Opinion***

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

### ***2022 and 2021 Financial Statements Restated***

As discussed in Note two to the financial statements, the 2022 and 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### ***Other Matter***

The financial statements of Squeeze Franchising LLC for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 25, 2022.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Squeeze Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Squeeze Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

DJJCPA, LLC  
Denver, Colorado  
March 25, 2024

**SQUEEZE FRANCHISING LLC**  
**BALANCE SHEETS**  
**DECEMBER 31, 2023, 2022 AND 2021**

|  | 2023        | 2022         | 2021        |
|--|-------------|--------------|-------------|
| <b>Assets</b>  |             |              |             |
| Current Assets                                       |             |              |             |
| Cash and cash equivalents                            | 418,832     | 1,140,683    | 73,747      |
| Accrued revenue receivable                           | 127,072     | 7,229        | -           |
| Prepaid commissions & fees - current                 | 37,149      | -            | -           |
| Prepaid marketing materials                          | 23,717      | 11,969       | -           |
| Total Current Assets                                 | 606,770     | 1,159,881    | 73,747      |
| Fixed Assets   |             |              |             |
| Leashold improvements                                | 34,838      | -            | -           |
| Less: Leashold improvements accumulated depreciation | (3,577)     | -            | -           |
| Total Fixed Assets                                   | 31,261      | -            | -           |
| Non-current Assets                                   |             |              |             |
| Prepaid commissions & fees - non-current             | 132,101     | -            | -           |
| Other deposits                                       | -           | -            | 3,075       |
| Total Non-current Assets                             | 132,101     | -            | 3,075       |
| Total Assets   | \$ 770,132  | \$ 1,159,881 | \$ 76,822   |
| <b>Liabilities and Member's Equity (Deficit)</b>     |             |              |             |
| Current Liabilities                                  |             |              |             |
| Accounts payable                                     | 18,960      | 70,411       | 5,033       |
| Accrued liabilities                                  | 57,642      | 14,222       | -           |
| Due to member  | 447,781     | 901,617      | 1,043,113   |
| Deferred revenue - current                           | 799,500     | 588,678      | 40,167      |
| Total Current Liabilities                            | 1,323,883   | 1,574,928    | 1,088,313   |
| Other Liabilities                                    |             |              |             |
| Deferred revenue - non-current                       | 2,843,000   | 2,093,322    | 142,833     |
| Total Liabilities                                    | 4,166,883   | 3,668,250    | 1,231,146   |
| Member's Equity (Deficit)                            |             |              |             |
| Total Liabilities and Member's Equity (Deficit)      | (3,396,752) | (2,508,369)  | (1,154,324) |
| Total Liabilities and Member's Equity (Deficit)      | \$ 770,132  | \$ 1,159,881 | \$ 76,822   |

See Notes to the Financial Statements

**SQUEEZE FRANCHISING LLC**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

|   | <u>2023</u>         | <u>2022</u>           | <u>2021</u>         |
|---|---------------------|-----------------------|---------------------|
| Revenue                                     |                     |                       |                     |
| Franchise fees                              | \$ 259,000          | \$ 84,000             | \$ -                |
| Royalty fees                                | 63,435              | 20,438                | -                   |
| Other fees                                  | 482,598             | 41,705                | -                   |
| Total Revenue                               | <u>805,033</u>      | <u>152,269</u>        | <u>-</u>            |
| Cost of Sales                               |                     |                       |                     |
| Advertising and marketing                   | 699,274             | 524,643               | 236,930             |
| Franchise research and creative development | 200,736             | 503,355               | 98,311              |
| Technology expense                          | 120,050             | 38,550                | 35,851              |
| Total Cost of Sales                         | <u>1,020,060</u>    | <u>1,066,548</u>      | <u>371,092</u>      |
| Gross Margin                                | <u>(215,027)</u>    | <u>(914,279)</u>      | <u>(371,092)</u>    |
| Operating Expenses                          |                     |                       |                     |
| General and administrative                  | 218,433             | 21,047                | 4,971               |
| Legal and professional fees                 | 191,712             | 267,434               | 103,618             |
| Travel, meals, and entertainment            | 165,228             | 84,802                | 31,136              |
| Payroll expenses                            | 78,265              | 40,947                | 356                 |
| Rent expenses                               | 16,264              | 12,151                | 13,766              |
| Dues and subscriptions                      | 3,454               | 13,386                | 22,890              |
| Total Operating Expenses                    | <u>673,356</u>      | <u>439,767</u>        | <u>176,737</u>      |
| Net Loss                                    | <u>\$ (888,383)</u> | <u>\$ (1,354,045)</u> | <u>\$ (547,829)</u> |

See Notes to the Financial Statements

**SQUEEZE FRANCHISING LLC**  
**STATEMENTS OF MEMBER'S EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

|                                    |                              |
|------------------------------------|------------------------------|
| Beginning Balance, January 1, 2021 | \$ (606,495)                 |
| Net income (loss)                  | <u>(547,829)</u>             |
| Ending Balance, December 31, 2021  | (1,154,324)                  |
| Net income (loss)                  | <u>(1,354,045)</u>           |
| Ending Balance, December 31, 2022  | (2,508,369)                  |
| Net income (loss)                  | <u>(888,383)</u>             |
| Ending Balance, December 31, 2023  | <u><u>\$ (3,396,752)</u></u> |

See Notes to the Financial Statements

**SQUEEZE FRANCHISING LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

|   | <u>2023</u>       | <u>2022</u>         | <u>2021</u>      |
|---|-------------------|---------------------|------------------|
| Cash Flows from Operating Activities:   |                   |                     |                  |
| Net income (loss)   | \$ (888,383)      | \$ (1,354,045)      | \$ (547,829)     |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities: |                   |                     |                  |
| Depreciation and amortization   | 3,577             | -                   | -                |
| Acquisition of intangible assets - current  | (37,149)          | -                   | -                |
| Acquisition of intangible assets - non-current  | (132,101)         | -                   | -                |
| (Increase) decrease in assets:  |                   |                     |                  |
| Accrued revenue receivable  | (119,843)         | (7,229)             | -                |
| Prepaid marketing materials and other current assets  | (11,748)          | (11,970)            | -                |
| Deposits  | -                 | 3,075               | -                |
| Increase (decrease) in liabilities:   |                   |                     |                  |
| Accounts payable  | (51,451)          | 65,378              | 345              |
| Accrued expenses  | 43,420            | 5,000               | -                |
| Deferred revenue - current  | 210,822           | 548,511             | 31,500           |
| Deferred revenue - non-current  | 749,678           | 1,950,489           | -                |
| Net cash provided by (used) in operating activities   | <u>(233,178)</u>  | <u>1,199,209</u>    | <u>(515,984)</u> |
| Cash Flows from Investing Activities  |                   |                     |                  |
| Fixed assets expense  | <u>(34,838)</u>   | <u>-</u>            | <u>-</u>         |
| Cash provided (used by) investing activities  | <u>(34,838)</u>   | <u>-</u>            | <u>-</u>         |
| Cash Flows from Financing Activities:   |                   |                     |                  |
| Repayments due to member, net   | <u>(453,836)</u>  | <u>(132,273)</u>    | <u>519,973</u>   |
| Net cash provided by (used in) financing activities   | <u>(453,836)</u>  | <u>(132,273)</u>    | <u>519,973</u>   |
| Net change in cash  | (721,851)         | 1,066,936           | 3,989            |
| Cash, beginning of period   | <u>1,140,683</u>  | <u>73,747</u>       | <u>69,758</u>    |
| Cash, end of period   | <u>\$ 418,832</u> | <u>\$ 1,140,683</u> | <u>\$ 73,747</u> |
| Non-cash investing and financing activities:  |                   |                     |                  |
| Transfer intellectual property to Member  | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>      |

See Notes to the Financial Statements

**Squeeze Franchising LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, 2022 and 2021**

**1. Organization and Nature of Business**

**General Overview**

Squeeze Franchising LLC (the “Company”), a Delaware limited liability company, was organized under the laws of the State of Delaware on August 8, 2019. The Company was organized for the purpose of selling franchises under the Squeeze Franchising brand. The sole Member of the Company is Squeeze Holdings LLC (the “Member”). The Company’s accounting practices adhere to the parameters set by the Member’s operating agreement and discretion. The Member is the owner of all intellectual property rights in certain systems, trademarks, service marks, and other intellectual property used in the operation of Squeeze Shops (the “Squeeze IP”). The Company franchises the Squeeze concept through a perpetual license agreement with the Member. The Company intends to continue selling franchise locations throughout the U.S. and potentially internationally. The license agreement grants the Company a non-exclusive right to use the Squeeze IP and to license the Squeeze IP to franchisees under franchise agreements.

The Company is in the business of selling franchises for the operation of modern massage studios that provide an elevated service experience with the ease of technology to book and pay for services online, allowing for relaxation after the appointment. The franchise agreements are typically for 10 years and will require the purchaser to pay an initial franchise fee for each location to be opened. Once the franchise begins operations, the Company will charge a royalty fee of up to 6% of the franchise net sales. As of the year ended December 31, 2023, seven franchise locations were open.

The Company has relied on resources from its Member to support initial operations. During 2023, its Member secured additional equity financing from outside parties of \$1M. The Member has committed to continue to provide financial support to the Company sufficient for the Company through the start-up phase of the franchising operations.

The Company derives its revenues from one-time franchising fees and recurring royalty fees, development fees, credit card fees, and other fees. The Company also acts as a transactional custodian for all franchisee transactions, including gift cards, which tends to generate intercompany receivables and payables for the entity.

**2. Significant Accounting Policies**

**Basis of Presentation**

The Company’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Significant estimates include, but are not limited to, estimates used in franchise fee revenue recognition, calculating accrued expenses, and estimating the useful life of assets used in calculating depreciation

**Squeeze Franchising LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, 2022 and 2021**

**2. Significant Accounting Policies (continued)**

and amortization. Because of the inherent uncertainties in these estimates, it is at least reasonably possible that the estimates used will change in the near term.

**Reclassifications**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation with effect on the results regarding the statements of member's equity (deficit). The Company's intercompany payable and receivable accounts were segmented based on gift card sales, franchise sales, and non-sales activities. Certain amounts were improperly classified as contributions and distributions, which led to an improperly stated equity balance. To simplify accounting and improve clarity, these accounts have been consolidated into one intercompany payable account and one intercompany receivable account, respectively, to ensure practices more likely to capture true payment obligations between related parties.

Accounting for deferred revenue and associated expenses has been revised to distinguish between current and non-current portions. This classification is based on the expected timing of revenue recognition, in alignment with compliant revenue recognition policy. Current deferred revenue represents amounts to be recognized within the next fiscal year, while non-current deferred revenue represents amounts to be recognized beyond that period. This change provides a clearer picture of revenue streams and enhances the predictability of financial performance.

Subsequently, the Company recorded commissions paid for unopened stores under contract as a current year expense – these transactions were reclassified as prepaid commissions and fees until the corresponding store is opened and associated revenues become recognized.

**Correction of Prior Period Misstatements**

Prior period balances have been corrected due to misstatement identified in audit of the financial statements for the year ending December 31, 2023.

| <u>Account</u>            | <u>Previously Stated<br/>2022 Balance</u> | <u>Restated 2022 Balance</u> |
|---------------------------|---|------------------------------|
| Due to Member             | \$178,530                                 | \$901,617                    |
| Distributions             | \$500,000                                 | \$0                          |
| Contribution              | (\$250,000)                               | \$0                          |
| Members' Equity (Deficit) | (\$1,428,222)                             | (\$2,508,369)                |

**Squeeze Franchising LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, 2022 and 2021**

**2. Significant Accounting Policies (continued)**

**Concentration of Credit Risk**

The cash balances of the Company are held primarily in one financial institution. If cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss. On December 31, 2023, uninsured cash balances were approximately \$168,832.

**Cash and Cash Equivalents**

The Company considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents. As of December 31, 2023, 2022, and 2021, the Company carried no additional cash equivalents.

**Fair Value Measurements**

The Company's financial instruments, none of which are held for trading purposes, include only cash. Management estimates that the fair value of all financial instruments on December 31, 2023, 2022, and 2021, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

**Deferred Revenue**

Deferred revenue represents the initial franchise fees received associated with franchise agreements that the Company has not yet earned. In accordance with ASC Topic 606, the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement, and will, therefore, be treated as a single performance obligation. As such, once a franchise location is opened, the initial franchise fees received will be recognized and will be recorded in franchise fee income. The Company had deferred revenue from unearned franchise fees of \$3,642,500, \$2,682,000, and \$183,000, on December 31, 2023, 2022, and 2021, respectively.

**Revenue Recognition**

In May 2014, the FASB issued ASU No. 2014-09, Revenue Recognition (Topic 606), Revenue from Contracts with Customers (ASU 2014-09), which the Company adopted on August 8, 2019, with no effect to the financial statements. Topic 606 eliminates industry-specific guidance and provides a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of ASC 606 is that a reporting entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

In the prior year, the Company has identified one performance obligation for the use of the license and intellectual property and will recognize the franchise fee at the time the respective franchise opens. During 2023, the Company generated earned revenue through franchise fees, royalty fees, brand fund fees, guest experience fees, technology fees, credit card fees, and other fees.

**Squeeze Franchising LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, 2022 and 2021**

**2. Significant Accounting Policies (Continued)**

The transaction price in a standard franchise agreement consists of (a) franchise/development fees; (b) continuing franchise fees (royalties); (c) advertising fees; (d) technology fees; (e) general services fees; and (f) credit card fees, including a per transaction fee. Since the Company considers the franchise license to be a single performance obligation, no allocation of the transaction price under a standard agreement is performed for revenue recognition purposes.

Revenues are recognized by the Company from the following different sources:

**Franchise fee revenues** – The franchise agreement between the Company and each franchise owner of a Squeeze shop is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise agreement requires the Company as franchisor to perform various activities to support the Squeeze brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license and intellectual property. The nature of the Company’s promise in granting the franchise license is to provide the franchise owner with access to the brand’s intellectual property over the term of the franchise agreement.

**Royalty fee income** – Royalty fee income represents royalties earned from each of the franchisees in accordance with the franchise disclosure document and the franchise agreement for use of the “Squeeze” name, processes, and procedures. The royalty rate in the franchise agreement is up to six percent of the net sales of each location operated by each franchisee.

**Other fee income** – (a) Brand fund fee income represents fees earned from each of the franchisees in accordance with the Franchise Disclosure Document and the franchise agreement for the use of the “Squeeze” name for promotional materials. The brand fund fee rate in the franchise agreement is up to two percent of the net sales of each restaurant operated by each franchisee. Brand fund fee income from franchised restaurants is recognized bi-weekly as brand fund income, while expenditures will be included in advertising expenses. The brand fund will primarily be amounts paid to third parties but may also include personnel expenses and allocated costs. (b) Credit card processing fee income represents fees earned through payment processing earned by acting as the transactional custodian, which accounts for reimbursement and distribution of payments and revenues between various related parties and franchisees. The credit card processing fee is 2.6% of credit card sales plus \$.30 per transaction. (c) Technology fee income represents applications for, software, maintenance and support, e-mail service, music and lobby signage streaming services, intranet, scheduling, customer relationship management (CRM) platforms, and other technology services determined discretionarily on a weekly basis. The base amount listed on the franchise disclosure document is \$450 per week. (d) Guest experience fee income covers a centralized customer service team to support the online scheduling and payment system through phone, email, and short message service (SMS). The participation in this program is non-negotiable, and the listed base rate listed is \$276.93 per week. (e) Marketing fee income is split between a “local store” and “cooperative” marketing fee. The local store marketing fee is an additional fee to the brand fund fee and grand opening plan expenses, the base rate listed is \$1,500 per month. The cooperative marketing fee is a discretionary fee that supports Company costs relating to regional marketing plans deployed. (f) Other fee income consists of fees for intellectual property, training, and other fees charged in accordance with the Franchise Disclosure Document and the franchise agreement as well as product sales.

**Squeeze Franchising LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2023, 2022 and 2021**

**2. Significant Accounting Policies (Continued)**

**Income Taxes**

The Company is an LLC and is classified as a partnership for income tax purposes. The Company's taxable income or loss is reportable by the Member on their income tax returns. Accordingly, no taxes payable or deferred tax assets or liabilities are reflected in these financial statements.

**Advertising and Marketing Costs**

Advertising costs, including general brand marketing, are expensed when incurred.

**3. Related-Party Transactions**

The Company functions as a transactional custodian for the Member, some customers, and among related parties that are also wholly owned subsidiaries of the Member. Related party transactions consist of borrowings from, repayments to, and repayments for the Member based on shared services in the normal course of business as well as advances to/from the Member. As of December 31, 2023, the amount due to the Member was \$447,781.

**4. Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued. No such subsequent events have been identified through March 25, 2024.

**Squeeze Franchising, LLC**  
**Balance Sheet**  
As of June 30, 2024

|   | <b>Total</b>         |
|---|----------------------|
| <b>ASSETS</b>   |                      |
| <b>Current Assets</b>   |                      |
| <b>Bank Accounts</b>  |                      |
| 1000 Current Assets_Cash  |                      |
| 1010 Chase x6733  | 215,211.96           |
| <b>Total 1000 Current Assets_Cash</b>   | <b>\$ 215,211.96</b> |
| <b>Total Bank Accounts</b>  | <b>\$ 215,211.96</b> |
| <b>Accounts Receivable</b>  |                      |
| 1090 Accounts Receivable (A/R)  | 0.00                 |
| 1091 Due from Related Party_Squeeze Gift Cards, LLC for Franchisees GC Redeemed | 19,608.01            |
| 1095 Due from Lewcoll Enterprises, LLC (Scottsdale)                             | 156,540.00           |
| <b>Total 1090 Accounts Receivable (A/R)</b>                                     | <b>\$ 176,148.01</b> |
| <b>Total Accounts Receivable</b>  | <b>\$ 176,148.01</b> |
| <b>Other Current Assets</b>   |                      |
| 1100 Current Assets   |                      |
| 1110 Prepaid Expenses   | 34,127.97            |
| <b>Total 1100 Current Assets</b>  | <b>\$ 34,127.97</b>  |
| 1300 Inventory Asset  | 0.00                 |
| 1305 Stress Balls   | 16,020.18            |
| 1325 Recruiting Brochures   | 1,923.66             |
| 1360 A Frames   | 5,649.49             |
| 1365 General Swag/Collateral Inventory  | 11,712.84            |
| <b>Total 1300 Inventory Asset</b>   | <b>\$ 35,306.17</b>  |
| 1405 Prepaid Commissions & Fees - Current                                       | 28,024.04            |
| <b>Total Other Current Assets</b>   | <b>\$ 97,458.18</b>  |
| <b>Total Current Assets</b>   | <b>\$ 488,818.15</b> |
| <b>Fixed Assets</b>   |                      |
| 1400 Fixed/Noncurrent Assets  |                      |
| 1410 Leasehold Improvements (Long Term Asset)                                   | 34,838.38            |
| 1415 Leasehold Improvements Accumulated Depreciation                            | -5,439.16            |
| <b>Total 1410 Leasehold Improvements (Long Term Asset)</b>                      | <b>\$ 29,399.22</b>  |
| <b>Total 1400 Fixed/Noncurrent Assets</b>                                       | <b>\$ 29,399.22</b>  |
| <b>Total Fixed Assets</b>   | <b>\$ 29,399.22</b>  |
| <b>Other Assets</b>   |                      |
| 1406 Prepaid Commissions & Fees - Non-Current                                   | 233,600.96           |
| <b>Total Other Assets</b>   | <b>\$ 233,600.96</b> |
| <b>TOTAL ASSETS</b>   | <b>\$ 751,818.33</b> |
| <b>LIABILITIES AND EQUITY</b>   |                      |
| <b>Liabilities</b>  |                      |
| <b>Current Liabilities</b>  |                      |
| <b>Accounts Payable</b>   |                      |
| 2000 Liabilities  | -75,232.77           |
| 2001 Unallocated Deposits from Stripe   | -13,308.22           |
| 2002 Unallocated Deposits from Groupon  | 10,312.87            |

|   |                         |
|---|-------------------------|
| 2005 Due to Squeeze Holdings                        | 952,371.56              |
| 2010 Due to Franchisees                             | 9,499.84                |
| <b>Total 2000 Liabilities</b>                       | <b>\$ 883,643.28</b>    |
| <b>Total Accounts Payable</b>                       | <b>\$ 883,643.28</b>    |
| <b>Credit Cards</b>                                 |                         |
| 2100 Credit Cards                                   |                         |
| 2105 AMEX 71005                                     | 62,752.02               |
| <b>Total 2100 Credit Cards</b>                      | <b>\$ 62,752.02</b>     |
| <b>Total Credit Cards</b>                           | <b>\$ 62,752.02</b>     |
| <b>Other Current Liabilities</b>                    |                         |
| 2600 Misc Current Liabilities                       |                         |
| 2615 Deferred Revenue from Franchisees              | 0.00                    |
| 2616 Deferred Initial Franchise Fees                | 240,000.00              |
| <b>Total 2615 Deferred Revenue from Franchisees</b> | <b>\$ 240,000.00</b>    |
| <b>Total 2600 Misc Current Liabilities</b>          | <b>\$ 240,000.00</b>    |
| <b>Total Other Current Liabilities</b>              | <b>\$ 240,000.00</b>    |
| <b>Total Current Liabilities</b>                    | <b>\$ 1,186,395.30</b>  |
| <b>Long-Term Liabilities</b>                        |                         |
| 2700 Non-Current Liabilities                        |                         |
| 2715 Deferred Revenue From Franchisees              |                         |
| 2716 Deferred Initial Franchise Fees                | 3,268,000.00            |
| <b>Total 2715 Deferred Revenue From Franchisees</b> | <b>\$ 3,268,000.00</b>  |
| <b>Total 2700 Non-Current Liabilities</b>           | <b>\$ 3,268,000.00</b>  |
| <b>Total Long-Term Liabilities</b>                  | <b>\$ 3,268,000.00</b>  |
| <b>Total Liabilities</b>                            | <b>\$ 4,454,395.30</b>  |
| <b>Equity</b>                                       |                         |
| 3900 Retained Earnings                              | -3,396,750.53           |
| Net Income  | -305,826.44             |
| <b>Total Equity</b>                                 | <b>-\$ 3,702,576.97</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 | <b>\$ 751,818.33</b>    |

**These Financial Statements Have Been Prepared with an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.**

Wednesday, Jul 24, 2024 01:58:02 PM GMT-7 - Accrual Basis

**Squeeze Franchising, LLC**  
**Profit and Loss**  
January - June, 2024

|   | <b>Total</b>           |
|---|------------------------|
| <b>Income</b>   |                        |
| <b>4000 Revenue</b>   |                        |
| <b>4500 Franchise Revenue</b>                               |                        |
| 4505 Initial Franchise Fees                                 | 555,000.00             |
| 4510 Franchise Royalty Revenue 6% of Net Sales              | 172,537.46             |
| 4515 Technology IP Fee Revenue                              | 108,750.00             |
| 4520 Brand Fund Fees 2% of Net Sales                        | 60,261.85              |
| 4525 Guest Experience Fees \$1,200/mth/location             | 75,323.07              |
| 4530 Credit Card Fees                                       | 226,117.55             |
| 4535 Recruiting Advertising Fees                            | 9,017.46               |
| 4540 Swag/Collateral Income                                 | 106,117.60             |
| 4545 Training Fee   | 5,844.00               |
| 4560 Transfer Fee   | 480.00                 |
| 4575 Late Report Fee  | 2,600.00               |
| <b>Total 4500 Franchise Revenue</b>                         | <b>\$ 1,322,048.99</b> |
| <b>4800 Gift Card, Promo, Bucks and Other Revenue</b>       |                        |
| 4820 Designated Vendor Rebate                               | 1,777.58               |
| <b>Total 4800 Gift Card, Promo, Bucks and Other Revenue</b> | <b>\$ 1,777.58</b>     |
| <b>Total 4000 Revenue</b>                                   | <b>\$ 1,323,826.57</b> |
| <b>Total Income</b>   | <b>\$ 1,323,826.57</b> |
| <b>Cost of Goods Sold</b>                                   |                        |
| <b>5400 Other COS</b>                                       |                        |
| 5405 Credit Card Fees on Services                           | 137,185.75             |
| 5420 Collateral/Swag COGS                                   | 57,822.89              |
| <b>Total 5400 Other COS</b>                                 | <b>\$ 195,008.64</b>   |
| <b>Total Cost of Goods Sold</b>                             | <b>\$ 195,008.64</b>   |
| <b>Gross Profit</b>   | <b>\$ 1,128,817.93</b> |
| <b>Expenses</b>   |                        |
| <b>11000 Office Expenses</b>                                |                        |
| 11050 Office Supplies                                       | 2,709.69               |
| 11100 Furniture & Fixtures < \$2,500                        | 195.42                 |
| 11150 Postage, Printing and Delivery                        | 20,309.50              |
| 11200 Parking   | 800.84                 |
| <b>Total 11000 Office Expenses</b>                          | <b>\$ 24,015.45</b>    |
| <b>12700 Taxes</b>  |                        |
| 12705 Incorporation Taxes                                   | 2,046.22               |
| <b>Total 12700 Taxes</b>                                    | <b>\$ 2,046.22</b>     |
| <b>12800 Melio Service Fees</b>                             | 450.00                 |
| <b>6000 LABOR</b>   |                        |
| <b>6100 Salaried Labor</b>                                  |                        |

|   |                      |
|---|----------------------|
| 6110 Guaranteed Payments_(Brittany Driscoll)      | 146,153.86           |
| 6120 Guaranteed Payments_(David Werner)           | 124,999.94           |
| 6130 Manager Labor Expense                        | 20,273.18            |
| 6131 Manager Bonus                                | 144.04               |
| 6134 Health Insurance                             | 138.46               |
| <b>Total 6130 Manager Labor Expense</b>           | <b>\$ 20,555.68</b>  |
| 6140 Marketing Manager Labor Expense              | 73,538.50            |
| 6132 Manager Payroll Taxes                        | 1,724.22             |
| 6142 Company Payroll Taxes                        | 4,614.14             |
| 6144 Marketing Manager Health Insurance           | 761.53               |
| <b>Total 6140 Marketing Manager Labor Expense</b> | <b>\$ 80,638.39</b>  |
| <b>Total 6100 Salaried Labor</b>                  | <b>\$ 372,347.87</b> |
| 6200 Hourly Labor                                 |                      |
| 6220 Guest Svcs Labor Expense                     | 114,250.03           |
| 6221 Company Payroll Taxes                        | 9,401.70             |
| 6223 Guest Services Health Insurance              | 2,215.36             |
| <b>Total 6220 Guest Svcs Labor Expense</b>        | <b>\$ 125,867.09</b> |
| 6230 Operations Labor Expense                     | 207,213.60           |
| 6231 Operations Bonus                             | 92.52                |
| 6232 Company Payroll Taxes                        | 16,629.02            |
| 6234 Operations Health Insurance                  | 3,740.27             |
| <b>Total 6230 Operations Labor Expense</b>        | <b>\$ 227,675.41</b> |
| <b>Total 6200 Hourly Labor</b>                    | <b>\$ 353,542.50</b> |
| 6300 Other Labor                                  |                      |
| 6325 Culture/Employee Morale Benefit              | 673.67               |
| 6330 Recruiting                                   | 16,139.86            |
| 6335 Creative Development                         | 31,842.71            |
| 6340 Real Estate & Architectural Expenses         | 4,319.17             |
| <b>Total 6300 Other Labor</b>                     | <b>\$ 52,975.41</b>  |
| <b>Total 6000 LABOR</b>                           | <b>\$ 778,865.78</b> |
| 7000 Occupancy Expense                            |                      |
| 7050 Base Rent                                    | 600.30               |
| 7100 CAM  |                      |
| 7105 Repairs and Maintenance                      | 500.00               |
| 7110 Leasehold Improvements Depreciation Expense  | 1,861.68             |
| <b>Total 7100 CAM</b>                             | <b>\$ 2,361.68</b>   |
| 7200 RE Taxes                                     | 1,119.57             |
| 7300 Utilities                                    |                      |
| 7305 Telephone & Internet Expense                 | 1,007.30             |
| 7310 Security Alarm Expense                       | 240.00               |
| <b>Total 7300 Utilities</b>                       | <b>\$ 1,247.30</b>   |
| <b>Total 7000 Occupancy Expense</b>               | <b>\$ 5,328.85</b>   |
| 8000 Marketing & Advertising                      |                      |
| 8050 Paid Social                                  | 17,020.06            |
| 8100 Organic Social                               | 54,318.16            |

|  |                        |
|--|------------------------|
| 8150 Other Digital Channels  | 2,041.25               |
| 8250 Swag/Collateral   | 280.00                 |
| 8300 Collateral  | 79.95                  |
| 8350 PR  | 53,968.05              |
| 8360 Franchise Lead Generation   | 87,689.50              |
| 8450 Gifts   | 3,310.42               |
| <b>Total 8000 Marketing &amp; Advertising</b>                            | <b>\$ 218,707.39</b>   |
| 9000 Technology  | 96,317.77              |
| <b>GENERAL &amp; ADMIN EXPENSES</b>                                      |                        |
| 12100 Professional Services  |                        |
| 12125 General Consultants  | 139,771.53             |
| 12130 Legal Fees   | 38,929.00              |
| 12135 Finance and Accounting   | 35,269.70              |
| <b>Total 12100 Professional Services</b>                                 | <b>\$ 213,970.23</b>   |
| 12200 Bank Service Charges   | 434.47                 |
| 12300 Insurance, Licenses and Permits                                    |                        |
| 12310 Insurance Expense  | 10,449.90              |
| <b>Total 12300 Insurance, Licenses and Permits</b>                       | <b>\$ 10,449.90</b>    |
| 12400 Dues and Subscriptions   | 2,584.00               |
| 12500 Travel and Entertainment   |                        |
| 12505 Travel Expense (Hotels, Car Rental, Ride Share, Airlines, Parking) | 69,732.18              |
| 12510 Travel Meals (trip per diem)                                       | 6,338.25               |
| 12515 Meals (business & employee)  | 5,174.72               |
| <b>Total 12500 Travel and Entertainment</b>                              | <b>\$ 81,245.15</b>    |
| <b>Total GENERAL &amp; ADMIN EXPENSES</b>                                | <b>\$ 308,683.75</b>   |
| <b>Total Expenses</b>  | <b>\$ 1,434,415.21</b> |
| <b>Net Operating Income</b>  | <b>-\$ 305,597.28</b>  |
| <b>Other Expenses</b>  |                        |
| 21000 Non Operating Expenses   |                        |
| 21100 Interest Expense   | 229.16                 |
| <b>Total 21000 Non Operating Expenses</b>                                | <b>\$ 229.16</b>       |
| <b>Total Other Expenses</b>  | <b>\$ 229.16</b>       |
| <b>Net Other Income</b>  | <b>-\$ 229.16</b>      |
| <b>Net Income</b>  | <b>-\$ 305,826.44</b>  |

**These Financial Statements Have Been Prepared with an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.**

Wednesday, Jul 24, 2024 01:58:25 PM GMT-7 - Accrual Basis

**Exhibit G**  
**State Specific Disclosures and Addenda to Franchise Agreement**  
**SBA Addenda to Franchise Agreement**

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES**  
**REQUIRED BY THE STATE OF CALIFORNIA**

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

See the cover page of the disclosure document for Squeeze Franchising's URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

**COVER PAGE, RISK FACTOR:**

**Spousal Liability:** Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

**Item 1, Industry Specific Regulations.**

The following statement is added to the "Industry Specific Regulations" section in Item 1.

As of January 1, 2016, new certified massage therapist applicants must have completed 500 hours of education at a California Massage Therapy Council ("CAMTC") approved school and pass a CAMTC approved exam.

**Item 3, Litigation.**

The following statement is added to Item 3:

Neither Franchisor nor any person listed in Item 2 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 parties from membership in such association or exchange.

**Item 6, Other Fees.**

The highest interest rate allowed in California is ten percent (10%) per annum.

**Item 17, Additional Disclosures.**

The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of the Squeeze Shop. If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control.

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

You must sign a general release if you transfer or renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

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

#### **ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS**

##### **Cover Page, Risk Factors.**

The following statement is added at the end of the first Risk Factor:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT WHICH DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.

The following statement is added at the end of the second Risk Factor:

Notwithstanding the foregoing, Illinois law shall govern the Franchise Agreement.

##### **Item 17, Additional Disclosures.**

The following statements are added to Item 17:

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal

may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

The following statement is added to Item 5:

Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's current financial condition.

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

#### **ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF MARYLAND**

**Item 5, Initial Fees. The following statement is added to Item 5:**

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

**Item 17, Additional Disclosures. The following statements are added to Item 17:**

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to modify any liability under the Maryland Franchise Registration and Disclosure Law.

The provision in the franchise agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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

### **ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF MINNESOTA**

**Cover Page and Item 17, Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document, the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures.

**Item 17, Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

**Item 17, General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

4. Minn. Stat. Sec. 80C.21 may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, as provided for in Minn. Rule 2860.4400J, nothing in the Franchise Disclosure Document or Franchise Agreement requires a franchisee to waive any of his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or, to consent to liquidated damages, termination penalties, or judgment notes; provided that the requirement to arbitrate, as set forth in Section 20 of the Franchise Agreement is enforceable. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C.17 subdivisions 5, Limitation on actions.

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

### **ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

#### **ADDITIONAL DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF VIRGINIA**

The following paragraph is added to Item 5:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Squeeze Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

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

**The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.**

### **ADDITIONAL DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON**

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening

obligations with respect to each franchised business the Franchisee opens under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

Pursuant to RCW 19.100.010, a franchisee who receives financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

Pursuant to RCW 19.100, the General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, and the rules adopted thereunder.

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

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR CALIFORNIA FRANCHISEES**

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

**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of

\_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

9. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of the franchise to you was made in the State of Illinois; (B) you are a resident of the State of Illinois; and/or (C) the Squeeze Shop will be located or operated in the State of Illinois.

10. The following statement is added to section 7(A):

Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's current financial condition.

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

12. The following sentence is added at the end of Section 27(B):

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

13. The following sentence is added to the end of Section 27(C):

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

14. The following sentence is added at the end of section 27(G):

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

15. The following sentence is added to the end of section 25(B):

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 any provision of the Act is void.

16. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

17. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Maryland; (B) you are a resident of the State of Maryland; (C) part or all of the Protected Area is located in the State of Maryland; and/or (D) the Squeeze Shop will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 7.A of the Franchise Agreement:

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

3. The following sentences are added to the end of Sections 16 and 17:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 27(C):

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Section 27(G):

This limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

6. Section 30 of the Franchise Agreement "Acknowledgement" is deleted in its entirety.

7. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) between Squeeze Franchising LLC (“Squeeze Franchising”) and \_\_\_\_\_ (“You”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Minnesota; (B) you are a resident of the State of Minnesota; and/or (C) the Squeeze Shop will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section 17:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 4(A):

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 180 days’ notice for non-renewal of the Franchise Agreement.

4. The following sentence is added to the end of Section 13:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party; provided that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of this Agreement and the System.

5. The following sentence is added as Section 19(D):

(D) With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute §80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement.

6. The following sentences are added to the end of Sections 27(B)-27(C):

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. The second sentence of Section 27(D) is deleted and replaced with the following sentence:

You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

8. The second sentence of Section 27(H) is deleted and replaced with the following sentence:

Therefore, you agree that, in the event of a default or threatened default of any of the terms of this Agreement by you, we are entitled to seek injunctive relief (both preliminary and permanent) restraining that default and/or to specific performance. A court will determine if a bond or security must be posted.

9. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

Pursuant to RCW 19.100.010, a franchisee who receives financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the

franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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

Pursuant to RCW 19.100, the General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, and the rules adopted thereunder.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





ADDENDUM TO FRANCHISE

☑<sup>1</sup> AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Franchisor ☑"), located at \_\_\_\_\_, and \_\_\_\_\_ ("Franchisee ☑"), located at \_\_\_\_\_.

Franchisor \_\_\_\_\_ and Franchisee \_\_\_\_\_ entered into a Franchise \_\_\_\_\_ Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee \_\_\_\_\_ is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise \_\_\_\_\_ Agreement or any other document Franchisor \_\_\_\_\_ requires Franchisee \_\_\_\_\_ to sign:

CHANGE OF OWNERSHIP

- If Franchisee \_\_\_\_\_ is proposing to transfer a partial interest in Franchisee \_\_\_\_\_ and Franchisor \_\_\_\_\_ has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor \_\_\_\_\_ may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee \_\_\_\_\_. If the Franchisor \_\_\_\_\_'s consent is required for any transfer (full or partial), Franchisor \_\_\_\_\_ will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) \_\_\_\_\_ interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee \_\_\_\_\_.

FORCED SALE OF ASSETS

- If Franchisor \_\_\_\_\_ has the option to purchase the business personal assets upon default or termination of the Franchise \_\_\_\_\_ Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee \_\_\_\_\_ owns the real estate where the franchisee \_\_\_\_\_ location is operating, Franchisee \_\_\_\_\_ will not be required to sell the real estate upon default or termination, but Franchisee \_\_\_\_\_ may be required to lease the real estate for the remainder of the (enter type of) \_\_\_\_\_ term (excluding additional renewals) for fair market value.

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

**COVENANTS**

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

**Authorized Representative of FRANCHISOR :**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Authorized Representative of FRANCHISEE :**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Note to Parties:** This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

**Exhibit H  
Franchise List**

**LIST OF OPEN FRANCHISED SQUEEZE SHOPS**

| State | Name of Franchisee              | City/Territory             | Phone Number                 | Email Address  |
|-------|---------------------------------|----------------------------|------------------------------|--|
| AL    | Meghan Wells                    | Madison, AL                | (804) 539-2706               | <a href="mailto:meghan.wells@squeezemassage.com">meghan.wells@squeezemassage.com</a>   |
| AR    | Laura Ganann<br>Nathan Fridley  | NW Arkansas<br>Kansas City | 479.871.8068                 | <a href="mailto:laura.ganann@squeezemassage.com">laura.ganann@squeezemassage.com</a><br><a href="mailto:nathan.fridley@squeezemassage.com">nathan.fridley@squeezemassage.com</a>     |
| AZ    | Sam Lewis &<br>Andrew Nicoll    | Scottsdale                 | (602) 301-2917               |  |
| CA    | Tiffany & Seth<br>Katuls        | Laguna Niguel, CA          | 949.287.2288                 | <a href="mailto:Tiffany.Katuls@squeezemassage.com">Tiffany.Katuls@squeezemassage.com</a><br><a href="mailto:seth.anapolsky@squeezemassage.com">seth.anapolsky@squeezemassage.com</a> |
| CO    | Mark Jamison<br>Stacey Jamison  | Denver, CO                 | 650.430.4795<br>650.867.7976 | <a href="mailto:mark.jamison@squeezemassage.com">mark.jamison@squeezemassage.com</a><br><a href="mailto:stacey.jamison@squeezemassage.com">stacey.jamison@squeezemassage.com</a>     |
| GA    | Chris Drazba<br>Ginny Drazba    | Atlanta, GA                | 678.488.8955                 | <a href="mailto:chris.drazba@squeezemassage.com">chris.drazba@squeezemassage.com</a><br><a href="mailto:ginny.drazba@squeezemassage.com">ginny.drazba@squeezemassage.com</a>         |
| IL    | Victoria Shen<br>David Cho      | Chicago, IL                | 847.224.2212                 | <a href="mailto:victoria.shen@squeezemassage.com">victoria.shen@squeezemassage.com</a>   |
| RI    | John Heelan                     | Provide, RI                | 401.225.3831                 | <a href="mailto:John.Heelan@squeezemassage.com">John.Heelan@squeezemassage.com</a>   |
| TN    | Kevin Brothen                   | Brentwood                  | (480) 540-0108               |  |
| TX    | Nicole Wilson                   | San Antonio, TX            | 210.978.3101                 | <a href="mailto:nicole.wilson@squeezemassage.com">nicole.wilson@squeezemassage.com</a>   |
| TX    | Sixto Martin                    | San Antonio, TX            | 956.212.2100                 | <a href="mailto:Sixto.SanMartin@squeezemassage.com">Sixto.SanMartin@squeezemassage.com</a>   |
| TX    | Siera Holleman<br>Jake Holleman | Ft. Worth, TX              | 817.808.7069                 | <a href="mailto:Siera.Holleman@squeezemassage.com">Siera.Holleman@squeezemassage.com</a>   |

**\*Several of the franchisees listed above opened in 2024 but are included here.**

**LIST OF FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT  
BUT NOT OPENED A SQUEEZE SHOP AS OF DECEMBER 31, 2023**

| OPERATING PARTNER                  | MARKET               | PHONE NUMBER   | E-MAIL ADDRESS   |
|------------------------------------|----------------------|----------------|--|
| Carrie Strecker                    | Dallas, TX           | 661.373.0732   | <a href="mailto:carrie.strecker@squeezemassage.com">carrie.strecker@squeezemassage.com</a>   |
| Kevin Brothen                      | Nashville, TN        | (661) 373-0732 | <a href="mailto:kevin.brothen@squeezemassage.com">kevin.brothen@squeezemassage.com</a>   |
| Joan Cassidy                       | Westlake Village, CA | 310.435.1726   | <a href="mailto:joan.cassidy@squeezemassage.com">joan.cassidy@squeezemassage.com</a>   |
| Graham Fizer                       | Charlotte, NC        | 404.450.8969   | <a href="mailto:graham.fizer@squeezemassage.com">graham.fizer@squeezemassage.com</a>   |
| Jenny Weinman                      | Los Angeles, CA      | 310.614.8876   | <a href="mailto:jennifer.weinman@squeezemassage.com">jennifer.weinman@squeezemassage.com</a>   |
| Brian Boucher<br>Christina Boucher | Boston, MA           | 443.310.4794   | <a href="mailto:brian.boucher@squeezemassage.com">brian.boucher@squeezemassage.com</a><br><a href="mailto:christina.boucher@squeezemassage.com">christina.boucher@squeezemassage.com</a> |
| Brian Buhl<br>Jenn Buhl            | San Francisco, CA    | 415.730.7723   | <a href="mailto:brian.buhl@squeezemassage.com">brian.buhl@squeezemassage.com</a><br><a href="mailto:jenn.buhl@squeezemassage.com">jenn.buhl@squeezemassage.com</a>                       |

| OPERATING PARTNER                             | MARKET   | PHONE NUMBER   | E-MAIL ADDRESS   |
|---|--|----------------|--|
| Christy Quinlan<br>Nick Franklin              | Tampa, FL  | (813) 220-9434 | <a href="mailto:christy.quinlan@squeezemassage.com">christy.quinlan@squeezemassage.com</a><br><a href="mailto:nick.franklin@squeezemassage.com">nick.franklin@squeezemassage.com</a>   |
| Sloane Bellante<br>Vincent Bellante           | Sarasota, FL   | (860) 402-7539 | <a href="mailto:sloane.bellante@squeezemassage.com">sloane.bellante@squeezemassage.com</a><br><a href="mailto:vincent.bellante@squeezemassage.com">vincent.bellante@squeezemassage.com</a>   |
| Tom Gaughan<br>Tiffany Gaughan                | Gilbert, AZ<br>Chandler, AZ                                | (510) 363-1216 | <a href="mailto:tom.gaughan@squeezemassage.com">tom.gaughan@squeezemassage.com</a><br><a href="mailto:tiffany.gaughan@squeezemassage.com">tiffany.gaughan@squeezemassage.com</a>   |
| Sarah Meacham<br>Monique Spyke<br>Julia Dring | Pasadena, CA<br>Glendale, CA<br>Burbank, CA                | (717) 574-0639 | <a href="mailto:sarah.meacham@squeezemassage.com">sarah.meacham@squeezemassage.com</a><br><a href="mailto:monique.spyke@squeezemassage.com">monique.spyke@squeezemassage.com</a><br><a href="mailto:julia.dring@squeezemassage.com">julia.dring@squeezemassage.com</a> |
| Sam Kaldawi<br>Misha Kaldawi                  | Manhattan Beach, CA<br>Rolling Hills, CA<br>Long Beach, CA | (310) 294-7813 | <a href="mailto:sam.kaldawi@squeezemassge.com">sam.kaldawi@squeezemassge.com</a><br><a href="mailto:misha.kaldawi@squeezemassage.com">misha.kaldawi@squeezemassage.com</a>   |
| Mikayla Jansen                                | Roseville, CA  | (916) 770-0992 | <a href="mailto:mikayla.jansen@squeezemassage.com">mikayla.jansen@squeezemassage.com</a>   |
| Jay & Nicole Ruscio                           | Westport, Fairfield,<br>Norwalk & Darien,<br>CT            | 201.741.7598   | <a href="mailto:Nicole.Ruscio@squeezemassage.com">Nicole.Ruscio@squeezemassage.com</a><br><a href="mailto:Jason.Ruscio@squeezemassage.com">Jason.Ruscio@squeezemassage.com</a>   |
| Yatin & Mamta Patel                           | Stamford, CT   | 562.805.4968   | <a href="mailto:mamta.patel@squeezemassage.com">mamta.patel@squeezemassage.com</a><br><a href="mailto:Yatin.Patel@squeezemassage.com">Yatin.Patel@squeezemassage.com</a>   |
| Kelly & John Pritchard                        | Houston, TX  | 281.210.4380   | <a href="mailto:kelly.pritchard@squeezemassage.com">kelly.pritchard@squeezemassage.com</a><br><a href="mailto:john.pritchard@squeezemassage.com">john.pritchard@squeezemassage.com</a>   |
| Maria Salaman<br>Cynn Salaman                 | Seattle, WA  | (917) 376-7130 | <a href="mailto:maria.salaman@squeezemassage.com">maria.salaman@squeezemassage.com</a><br><a href="mailto:cynn.salaman@squeezemassage.com">cynn.salaman@squeezemassage.com</a>   |
| Debbie Showalter<br>John Showalter            | Nashville, TN  | (678) 231-8181 | <a href="mailto:debbie.showalter@squeezemasage.com">debbie.showalter@squeezemasage.com</a><br><a href="mailto:john.showalter@squeezemassage.com">john.showalter@squeezemassage.com</a>   |
| Kathy Klingele                                | Palm Desert/Palm<br>Springs, CA                            | (310) 463-1561 | <a href="mailto:kathy.klingele@squeezemassage.com">kathy.klingele@squeezemassage.com</a>   |
| Scott Couzens<br>Jenna Couzens                | Seattle, WA  | (206) 730-5592 | <a href="mailto:scott.couzens@squeezemassage.com">scott.couzens@squeezemassage.com</a><br><a href="mailto:jenna.couzens@squeezemassage.com">jenna.couzens@squeezemassage.com</a>   |
| Barry Womack<br>Cassidy Womack                | Austin, TX   | (540) 907-3101 | <a href="mailto:barry.womack@squeezemassage.com">barry.womack@squeezemassage.com</a><br><a href="mailto:cassidy.womack@squeezemassage.com">cassidy.womack@squeezemassage.com</a>   |

**LIST OF FRANCHISEES WHO CEASED DOING BUSINESS UNDER A FRANCHISE AGREEMENT OR HAD AN OUTLET TERMINATED, CANCELED, OR NOT RENEWED WITH THE LAST FISCAL YEAR OR COMMUNICATED WITH THE FRANCHIOSR WITHIN TEN (10) WEEKS OF THE ISSUANCE DATE.**

| NAME                       | MARKET  | PHONE NUMBER                          | E-MAIL ADDRESS   |
|----------------------------|---|---------------------------------------|--|
| JD Porter<br>Lesley Morgan | NEVER OPENED<br>Atlanta, GA<br>NEVER OPENED<br>Birmingham, AL | 205.612.4291 (JD)<br>404.422.1406 (L) | <a href="mailto:jd.porter@squeezemassage.com">jd.porter@squeezemassage.com</a><br><a href="mailto:lesley.morgan@squeezemassage.com">lesley.morgan@squeezemassage.com</a> |

**Exhibit I**  
**Compliance Questionnaire**

**COMPLIANCE QUESTIONNAIRE**

Questionnaire is not applicable in California.

Do not sign this Statement if you are a resident of Maryland or the business is to be operated in Maryland. This is not applicable to Maryland franchisees.

The questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

As you know, Squeeze Franchising LLC (“Squeeze Franchising”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a franchised Squeeze Shop (“Squeeze Shop”). The purpose of this Compliance Questionnaire is to determine whether any statements or promises were made to you that Squeeze Franchising has not authorized and that may be untrue, inaccurate, or misleading. Please review each question and statement carefully and provide honest and complete responses to each question and statement.

| Question  | Yes | No |
|---|-----|----|
| 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?   |     |    |
| 2. Have you received and personally reviewed the Disclosure Document we provided?   |     |    |
| 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?  |     |    |
| 4. Do you understand all of the information contained in the Disclosure Document and all of the terms of the Franchise Agreement?   |     |    |
| 5. Have you reviewed the Disclosure Document and the Franchise Agreement with a lawyer, accountant, or other professional advisor?  |     |    |
| 6. Have you discussed the benefits and risks of developing and operating a franchised Squeeze Shop with existing Squeeze Franchisees?   |     |    |
| 7. Do you understand the risks of developing and operating a franchised Squeeze Shop?   |     |    |
| 8. Do you understand that the success or failure of your franchised Squeeze Shop will depend in large part upon your skills, abilities, and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace? |     |    |
| 9. Do you understand that, subject to applicable state law, any applicable mediation, arbitration, or litigation must take place in Delaware?   |     |    |
| 10. Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the costs involved in operating a franchised Squeeze Shop that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?                                    |     |    |

| Question  | Yes | No |
|---|-----|----|
| 11. Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn or the total amount of revenue a franchised Squeeze Shop will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? |     |    |
| 12. Do you understand that the Franchise Agreement and the exhibits to the Franchise Agreement and the Disclosure Document contain the entire agreement between us and you concerning your purchase of a Squeeze Shop franchise and that any oral or written statements, if any, not contained in the Franchise Agreement or Disclosure Document will not be binding?   |     |    |

EXPLANATION OF ANY NEGATIVE RESPONSES. PLEASE PROVIDE ADDITIONAL PAGES IF NECESSARY [REFER TO QUESTION NUMBER]:

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**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS COMPLIANCE QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION AND STATEMENT CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS AND STATEMENTS.**

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

FRANCHISE APPLICANT

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed Name

\_\_\_\_\_, 20\_\_\_\_  
Date

**Exhibit J**  
**Operations Manual Table of Content**

| <b>Topic:</b>                           | <b>Page:</b>    |
|---|-----------------|
| <b>Meet Squeeze</b>                     | <b>1</b>        |
| <b>Operating Partner Training Guide</b> | <b>66</b>       |
| <b>General Manager Training Guide</b>   | <b>304</b>      |
| <b>Maître D' Training Guide</b>         | <b>442</b>      |
| <b>Lead Therapist Training Guide</b>    | <b>473</b>      |
| <b>Therapist Training Guide</b>         | <b>496</b>      |
| <b>Local Shop Operating Templates</b>   | <b>Appendix</b> |
| <b>Other Reference Documentation</b>    | <b>Appendix</b> |

**DEVELOPMENT AGREEMENT**

**This Development Agreement**, dated as of the date set forth on the last page of this Agreement, by and between **Squeeze Franchising LLC, a Delaware limited liability company**("Franchisor"), and the party identified on the last page of this Agreement ("Franchisee").

**RECITALS**

**A.** Franchisor and Franchisee have signed that certain Franchise Agreement, dated as of \_\_\_\_\_ (the "Franchise Agreement"), with respect to the operation by Franchisee of a Squeeze Shop (the "First Unit");

**B.** Franchisee desires to operate additional Squeeze Shop® franchises (the "Subsequent Units"); and

**C.** Subject to the terms and conditions of this Agreement, Franchisor is willing to grant an additional Squeeze Shop® franchises to Franchisee.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

**1. Grant of Option to Establish Additional Squeeze Shops.**

(a) Subject to and in accordance with the terms of this Agreement, Franchisor grants to Franchisee, and Franchisee accepts, an option to establish, open, and operate additional Squeeze Shops at the following locations or within the following geographical area (the "Development Area"):

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In accordance with the following development schedule:

| Unit # | Development Deadline |
|--------|----------------------|
| 2      |                      |
| 3      |                      |
| 4      |                      |
| 5      |                      |

(b) Subject to and in accordance with the terms of this Agreement, Franchisee (and his Principals, directors, officers, managers and employees) will sign and deliver to Franchisor, in connection with each Unit, a franchise agreement (and such other ancillary agreements and documents as Franchisor

may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement (including, without limitation, the Royalties, the Advertising Payments and other fees).

**2. Development Fees.** The Development Fee you pay us will depend upon the number of Squeeze Shops that you agree to develop and open in the Development Area. The Development Fee will be 100% of the Initial Franchise Fee that you will pay for each Squeeze Shop, and you will be obligated to execute a Franchise Agreement in connection with each Squeeze Shop. The Development Fees for 2024 are:

- (a) Right to open three (3) Squeeze Shops: \$50,000 each (\$150,000 total);
- (b) Right to open four to five (4-6) Squeeze Shops: \$45,000 each (\$180,000 to \$270,000 total);
- (c) Right to open six to nine (7-9) Squeeze Shops: \$40,000 each (\$280,000 to \$360,000);
- (d) Right to open 10 or more Squeeze Shops: \$35,000 each (\$350,000+).

The Development Fee is due in full upon execution of this Agreement, not refundable, and will be used for our general purposes.

**3. Technology Start Up Fees.** When you sign the Development Agreement, you will also pay us a one-time technology setup fee of \$1,500 per Shop for each Shop contemplated by the Development Agreement.

**4. Royalties.** Unless otherwise provided in this Agreement, the Royalties payable to us in conjunction with each of your Franchise Agreement and each Subsequent Units will be set forth in the Franchise Agreement executed in conjunction with each Franchise Agreement.

**5. Conditions to Establishing Additional Squeeze Shops.** Franchisee acknowledges and agrees that it is critical for Franchisor to protect the Trademarks and to maintain a high quality of services and products provided under the Trademarks. Accordingly, Franchisee acknowledges that Franchisor has a significant interest in granting franchises only to persons who operate their Squeeze Shops in accordance with the highest integrity and operational excellence, and agrees that Franchisee's right to establish and operate the Units will be subject to the satisfaction (in Franchisor's sole discretion) of each of the following conditions:

(a) Franchisee must sign a franchise agreement with respect to each Subsequent Unit by the Development Deadline;

(b) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, Franchisee (and his Affiliates and their respective Principals, directors, officers, managers, and employees) must not be in default of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates, and no fact or condition exists that, with the passage of time or the giving of notice, would constitute a default;

(c) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, (i) all Squeeze Shops operated by Franchisee (and all of his Affiliates) must be in full compliance with all operational and other requirements, rules and policies contained in Franchisor's Operation Manual and (ii) Franchisee must qualify (in Franchisor's sole discretion) for acceptance as a franchisee under Franchisor's then-current qualifications (including, without limitation, financial qualifications) for franchisees;

(d) Franchisee (and his Principals, directors, officers, managers and employees) signs and delivers to Franchisor, in connection with any such Subsequent Unit, the franchise agreement (and such

other ancillary agreements and documents as Franchisor may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement including, without limitation, the Royalties, the Advertising Payments and other fees; and

(e) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Unit, Franchisee must sign a general release of Franchisor and its Affiliates, in the form attached hereto as Schedule A, or in such other form as Franchisor may then require. Franchisee agrees that if Franchisee fails to satisfy (in Franchisor's sole discretion) each of the above conditions, Franchisee will not be entitled to establish or operate the additional Squeeze Shops contemplated by this Agreement and that Franchisor will not be obligated to grant Franchisee any additional franchises or sign any additional franchise agreements with Franchisee; provided, however, that Franchisee's rights with respect to Subsequent Units to which both Franchisee and Franchisor have previously signed franchise agreements will not be subject to the terms of this Section 4, but will be subject to the terms of those franchise agreements.

## **6. Location of Subsequent Units.**

(a) Franchisee must establish and operate each Subsequent Unit within the Development Area, subject to the approval of that location by Franchisor, which approval may not be unreasonably withheld.

(b) Subject to Section 5(c), if Franchisor desires to operate, or grant any other Person the right to operate, a Squeeze Shop within the Development Area, Franchisor will provide to Franchisee written notice of the location at which Franchisor intends that Squeeze Shop to be located (the "Initiating Notice"). If Franchisee provides to Franchisor, within ten (10) days after the date of the Initiating Notice, written notice of Franchisee's intent to sign the franchise agreement with respect to that Unit at the location specified in the Initiating Notice and that franchise agreement (and all other documents to be signed in connection therewith) is signed by Franchisee (and the balance of the franchise fee (and all other amounts payable in connection therewith) is paid) within 30 days after the date of the Initiating Notice, Franchisor will not operate, or grant any other Person the right to operate, a Squeeze Shop at the location specified in the Initiating Notice. If Franchisee fails to satisfy either of those requirements, or this Agreement is terminated, Franchisor will not be subject to the restrictions set forth in this Section 5(b). Notwithstanding the foregoing, if Franchisee fails to satisfy any of the conditions contained in Section 5 at the time that Franchisee's rights under this Section 5(b) would otherwise arise, Franchisor will not be subject to the restrictions set forth in this Section 5(b).

(c) Notwithstanding anything contained in this Agreement to the contrary, including, without limitation, Section 5(b):

(i) Franchisor and/or its Affiliates may market, directly or indirectly, services and/or products (including, without limitation, identical, similar, or other services and products) under the Trademarks (or under other trademarks) through channels of distribution other than Squeeze Shops, including the Internet.

(ii) Franchisor may operate, or grant any other Person the right to operate, Squeeze Shops within certain dense retail traffic areas (such as Las Vegas and Honolulu) or unique or non-traditional marketplaces (such as airports, train stations, hotels, casinos, stadiums and sports and entertainment venues), as designated by Franchisor, in its discretion.

(iii) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar, or other services and products) under the Trademarks (or under other trademarks) or otherwise on the Internet. Franchisee may not market his Squeeze Shops or use the Trademarks on the Internet.

(iv) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar, or other services and products) under the Trademarks (or under other trademarks) outside of the Development Area.

(v) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar, or other services and products) under trademarks other than the Trademarks within the Development Area.

(d) Franchisee acknowledges that Franchisor presently intends to develop Franchised Businesses (including franchised and company-owned units) throughout the United States and perhaps internationally and that one or more future Franchised Businesses (including franchised and company-owned units) may have an adverse effect on the revenues and profitability of existing Franchised Businesses, including Franchisee's Franchised Businesses. Franchisee further acknowledges that Franchisor has not made any representation or agreement, or provided Franchisee any assurance, that no future Franchised Business (including franchised and company-owned units) would adversely affect the revenues and profitability of Franchisee's Franchised Businesses.

**7. Termination.** This Agreement will terminate upon the earlier of:

- (a) the date of the last Development Deadline specified in Section 1 of this Agreement;
- (b) the Insolvency of Franchisee;
- (c) the default by Franchisee (or any of his Affiliates) of any of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates; and
- (d) the date on which any franchise agreement previously signed by Franchisee (or any of his Affiliates) and Franchisor, or any other agreement between Franchisee (or any of his Affiliates) and Franchisor (or any of its Affiliates), is terminated.

**8. Extension Fee.** You may extend the Development Deadline to open a Squeeze Shop, on a month to month basis, by paying us the Extension Fee. The Extension Fee currently being charged is \$2,500 per month per Squeeze Shop and shall be paid on or before the 5<sup>th</sup> day of each month for which an extension is sought. We reserve the right to modify, increase, decrease or waive the Extension Fee in our sole and absolute discretion.

**9. Provisions.** Each provision, condition and term of this Agreement is material, and a default or violation of any of them will constitute a default of that party's obligations under this Agreement.

**10. Definitions.** All capitalized terms used, but not defined, in this Agreement have the meanings given them in the Franchise Agreement.

**11. Notices.** All communications or notices required or permitted to be given or served under this Agreement must be in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or (c) faxed, and addressed to the address or fax number set forth on the last page of this Agreement. All communications and notices will be effective upon delivery in person or by courier to the address set forth in this Agreement, upon being deposited in the United States mail in the manner set forth above or upon being faxed in the manner set forth above. Any party may change his, her or its address or fax number by giving notice in writing, stating his, her or its new address, to the other party to this Agreement as provided in the foregoing manner.

**12. Transfers; Successors and Assigns.**

(a) Notwithstanding anything contained in this Agreement, or in any other agreement, to the contrary, Franchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under this Agreement without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion. Any transfer of an equity interest in Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of the Franchised Business in violation of this Section 11. Any attempt by Franchisee to assign his rights under this Agreement without Franchisor's prior written consent will be void.

(b) Notwithstanding anything contained in this Agreement to the contrary, Franchisor may assign its rights under this Agreement, or delegate any of its obligations hereunder, without the consent of Franchisee or any other person.

(c) Subject to Section 11(a) of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs, and successors.

**13. Amendment, Modification or Waiver.**

(a) Except as stated in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in writing, signed by the parties, and specifying with particularity the nature and extent of the amendment, modification, or waiver.

(b) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her or its rights under this Agreement. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

**14. Entire Agreement.** This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits is incorporated in this Agreement by this reference and constitutes a part of this Agreement.

**15. Terminology.** All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

**16. Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

**17. Delaware Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived.**

(a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Delaware, regardless of any conflict-of-law provisions to the contrary; provided, however, that any law of the State of Delaware that regulates the offer or sale of franchises or business opportunities or

governs the relationship between a franchisor and its franchisees, will not apply unless its jurisdictional requirements are met independently without reference to this Section.

(b) Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Delaware, and each party consents to the jurisdiction of those courts.

(c) Franchisee hereby waives the right to a jury trial, waives the right to initiate or participate in a class action in any forum and waives the right to seek or collect punitive, consequential, and special damages in any forum.

**18. Attorneys' Fees.** In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the default thereof, the prevailing party may recover reasonable attorneys' fees incurred in connection with any proceeding.

**19. Construction.** The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and his, her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto.

**20. Additional Actions.** Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

**21. Computation of Time.** Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Delaware law, the party having that privilege or duty will have until 5:00 p.m. Delaware time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

**22. Currency.** Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

**23. Authority.** Any individual signing below on behalf of a corporation, partnership, Limited Liability Company, or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing.

**24. Terrorist and Money Laundering Activities.** Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at [www.treas.gov/offices/enforcement/ofac/](http://www.treas.gov/offices/enforcement/ofac/)) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at [www.epic.org/privacy/terrorism/hr3162.html](http://www.epic.org/privacy/terrorism/hr3162.html)), U.S. Executive Order 13224 (text currently available at [www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html](http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html)) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of

the occurrence of any event, or the development of any circumstances that might render any of the foregoing representations or warranties to be false, inaccurate, or misleading.

**25. Acknowledgement of Franchisee.** Franchisee acknowledges that, except as expressly set forth in the Disclosure Document delivered to Franchisee, neither Franchisor, nor anyone acting on behalf of Franchisor, has made any claims or representations whatsoever regarding potential sales, profits, or earnings achievable by Franchisee in connection with the conduct of the Franchised Businesses. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Businesses will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends. Franchisee acknowledges and confirms that he has selected, or will select, the premises on which the Franchised Businesses will be established and operated by him, and that the decision to establish and operate the Franchised Businesses in those premises was, or will be, made solely by him, without any reliance upon any information provided (if any), recommendation made (if any) or approval given (if any) by Franchisor, its Affiliates or any of their respective shareholders, directors, officers, employees, representatives or agents. Franchisee accepts full responsibility for the consequences of his decision.

**[Signatures on Following Page]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**CONSENT OF SPOUSE**  
**(to be signed if Franchisee is a married individual)**

In consideration of the execution of the Development Agreement to which this Consent is attached (including the exhibits thereto, the "Agreement") by Squeeze Shop Franchise, LLC, and knowing that Squeeze Shop Franchise, LLC will rely upon this Consent of Spouse, the undersigned spouse of the franchisee identified in the Agreement acknowledges that he/she has read the Agreement, agrees to be bound by provisions and agrees that he/she will make, execute and deliver such instruments and documents that may be necessary to carry out the provisions of the Agreement.

Dated: \_\_\_\_\_

(Signature of Spouse)

\_\_\_\_\_

(Print Name of Spouse)

**SCHEDULE A TO DEVELOPMENT AGREEMENT INFORMATION SHEET**

If Franchisee is any entity, identify:

Type of entity: \_\_\_\_\_

State of organization: \_\_\_\_\_

Title of signatory: \_\_\_\_\_

If an individual, identify state of residence and domicile: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Person who will supervise the Franchised Business: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone Numbers: (H) \_\_\_\_\_

(O) \_\_\_\_\_

(C) \_\_\_\_\_

Principals of Franchisee (Shareholders, Partners, Members, Etc.--Total MUST equal 100%)

| <u>Name</u> | <u>% Ownership</u> |
|-------------|--------------------|
|             |                    |
|             |                    |
|             |                    |

|   |  |
|---|--|
| Number of Squeeze Shops Included with Development Agreement |  |
| Development Fee:  |  |

\_\_\_\_\_(Franchisee Initials)

**RELEASE**

A. Squeeze Franchising LLC, a Delaware limited liability company (“Franchisor”), and the undersigned (“Franchisee”), or one or more of Franchisee’s Affiliates (as defined below) have signed the Development Agreement and/or one or more Franchise Agreements pursuant to which Franchisor has granted Franchisee an option to establish and operate additional Squeeze Shops.

C. One of the conditions precedent to Franchisee’s right to establish and operate the additional Squeeze Shops is the signing and delivery by Franchisee of a general release of Franchisor and its Affiliates.

D. Franchisee or one of his Affiliates desires to establish and operate an additional Squeeze Shops and to exercise its rights under the Development Agreement in connection therewith.

**AGREEMENT**

**IN CONSIDERATION OF** Franchisor’s agreeing to grant Franchisee or one of his Affiliates a franchise to establish and operate Squeeze Shops in accordance with the Development Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

**1.** Franchisee, on behalf of Franchisee and his Affiliates and their respective shareholders, members, directors, officers, employees, representatives and agents (collectively, the “Franchisee Parties”), hereby releases, discharges and acquits Franchisor and Sublessor and their Affiliates and their respective shareholders, members, directors, employees, representative and agents (collectively, the “Franchisor Parties”) for, from and against any and all claims, demands and causes of action (whether now existing or hereafter arising, known or unknown) that any of the Franchisee Parties now has or may in the future have against any of the Franchisor Parties that resulted, result or may result from, arise out of or relate to the Franchise Agreements, offering and sale of the Squeeze Shop® franchise thereby, the establishment and operation of the Franchisee Parties’ Squeeze Shops® and/or the relationship among the Franchisor Parties and the Franchisee Parties in connection with any of the foregoing.

**2.** For purposes of this Release, the term "Affiliate" means any person or entity controlling, controlled by or under common control with another person or entity.

**3.** This Release is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

**EXECUTED** as of the date first set forth above.

\_\_\_\_\_  
[Name of Franchisee]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CALIFORNIA ADDENDUM TO DEVELOPMENT AGREEMENT**

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

**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**ILLINOIS ADDENDUM TO DEVELOPMENT AGREEMENT**

**AGREEMENT**, dated as of the date set forth at the end of this Agreement, by and between **Squeeze Franchising LLC, a Delaware limited liability company**("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee is amended as follows:

1. Sections 14(a) and (b) of the Development Agreement will be revised to read as follows:

(a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Illinois, regardless of any conflict-of-law provisions to the contrary.

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

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

3. Your rights upon termination and non-renewal are set forth in the Section 19 and 20 of the Illinois Franchise Disclosure Act.

4. Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its initial obligations to Franchisee and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General’s Office due to Franchisor’s current financial condition.

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

Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.

The undersigned does hereby acknowledge receipt of this Addendum.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**  
  
By: \_\_\_\_\_  
Name: Brittany Driscoll  
Title: Chief Executive Officer  
Address: 700 8th Avenue S, 2nd Floor  
Nashville, TN 37203

**FRANCHISEE**  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR INDIAN A RESIDENTS AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN INDIANA ONLY**

**AGREEMENT**, dated as of the date set forth at the end of this Agreement, by and between **Squeeze Franchising LLC, a Delaware limited liability company**("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

1. Indiana law prohibits Franchisor from requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed pursuant to the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Franchisor to be referred to any person, if referral would be binding upon Franchisee. Such prohibition does not apply to arbitration before an independent arbitrator.

2. Indiana law prohibits Franchisor from limiting litigation brought for default of the terms of the Development Agreement.

3. Indiana law may prohibit Franchisor from designating Delaware law to govern the Development Agreement. If it is so construed, Indiana law will govern the Development Agreement.

The undersigned does hereby acknowledge receipt of this Addendum.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR MARYLAND RESIDENTS  
AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN MARYLAND ONLY**

**AGREEMENT**, dated as of the date set forth at the end of this Agreement, by and between **Squeeze Franchising LLC, a Delaware limited liability company**("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

1. That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

2. The provisions of Section 18 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Section 24 of the Development Agreement "Acknowledgement of Franchisee" is deleted in its entirety.

4. Pursuant to the Maryland Franchise Registration and Disclosure Law, litigation arising out of the Development Agreement may be conducted in Maryland.

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

6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

The undersigned does hereby acknowledge receipt of this Addendum.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR MINNESOTA RESIDENTS  
AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN MINNESOTA ONLY**

**AGREEMENT**, dated as of the date set forth at the end of this Agreement, by and between **Squeeze Franchising LLC, a Delaware limited liability company**("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. The provisions of Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.440J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Development Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Section 16(c) of the Development Agreement will be deleted. The undersigned does hereby acknowledge receipt of this Addendum.

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

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR NORTH DAKOTA  
RESIDENTS AND FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN NORTH  
DAKOTA ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between Squeeze Franchising LLC, a Delaware limited liability company("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. Section 16 of the Development Agreement is subject to the following: (a) litigation may be conducted in North Dakota, (b) North Dakota law will govern the Development Agreement and (c) paragraph 16(c) will be deleted.

The undersigned does hereby acknowledge receipt of this Addendum.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR VIRGINIA RESIDENTS AND  
FRANCHISEES WHOSE FRANCHISES WILL BE LOCATED IN VIRGINIA ONLY**

AGREEMENT, dated as of the date set forth at the end of this Agreement, by and between Squeeze Franchising LLC, a Delaware limited liability company("Franchisor"), and the franchisee identified at the end of this Agreement ("Franchisee").

That certain Development Agreement, dated as of the date hereof, by and between Franchisor and Franchisee, is amended as follows:

1. The following language is added to the Development Agreement.

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the Development fees owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.”

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

The undersigned does hereby acknowledge receipt of this Addendum.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, or caused this Agreement to be executed, as of \_\_\_\_\_.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

## **WASHINGTON ADDENDUM TO THE FRANCHISE DEVELOPMENT AGREEMENT, AND RELATED AGREEMENTS**

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

Pursuant to RCW 19.100.010, a franchisee who receives financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

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

Pursuant to RCW 19.100, the General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, and the rules adopted thereunder.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**SQUEEZE FRANCHISING LLC**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brittany Driscoll

Name: \_\_\_\_\_

Title: Chief Executive Officer

Title: \_\_\_\_\_

Address: 700 8th Avenue S, 2nd Floor

Address: \_\_\_\_\_

Nashville, TN 37203

\_\_\_\_\_

**Exhibit L**  
**State Effective Dates**

**STATE EFFECTIVE DATES**

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

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

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   |                       |
| Illinois     |                       |
| Indiana      |                       |
| Michigan     |                       |
| Minnesota    |                       |
| Maryland     |                       |
| New York     |                       |
| Rhode Island |                       |
| Virginia     |                       |
| Washington   |                       |
| Wisconsin    |                       |

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



**RECEIPT**

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

If Squeeze Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, Squeeze Franchising LLC or its affiliates in connection with the proposed sale or sooner if required by applicable state law.

New York and Rhode Island require that Squeeze Franchising, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Squeeze Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Squeeze Franchising LLC, 700 8th Avenue S, 2nd Floor, Nashville, TN 37203. Its telephone number is 310.740.4653.

Issuance Date: March 26, 2024

The franchise sellers for this offering are Squeeze Franchising LLC, Jennifer Brock 700 8th Avenue S, 2nd Floor, Nashville, TN 37203 and \_\_\_\_\_.

Squeeze Franchising LLC authorizes the respective state agencies listed in Exhibit B to receive service of process for it in the particular state.

I received a disclosure document dated March 26, 2024, that included the following exhibits:

- |  |   |
|--|---|
| A. List of State Administrators          | H. Franchisee List                                  |
| B. List of Agents for Service of Process | I. Franchisee Questionnaire                         |
| C. Franchise Agreement                   | J. Table of Contents Squeeze Shop Operations Manual |
| D. Confidentiality Agreement             | K. Development Agreement                            |
| E. General Release                       | L. State Effective Dates                            |
| F. Financial Statements                  | M. Receipts (2 Copies)                              |
| G. Addenda Required by Certain States    |   |

Date of Receipt: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
City, State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Telephone Number