

## FRANCHISE DISCLOSURE DOCUMENT



AMAZING LASH FRANCHISE,  
LLC  
a Delaware limited liability  
company  
9780 South Meridian Boulevard, Suite  
400  
Englewood, Colorado  
80112  
855.LASH.USA (855.527.4872)  
franchise@amazinglashstudio.co  
m www.amazinglashstudio.com



[AMAZING LASH FRANCHISE, LLC](#)  
[a Delaware limited liability company](#)  
[9780 South Meridian Boulevard, Suite 400](#)  
[Englewood, Colorado 80112](#)  
[855.LASH.USA \(855.527.4872\)](#)  
[franchise@amazinglashstudio.com](#)  
[www.amazinglashstudio.com](#)

The franchise being offered is a retail salon business utilizing the “Amazing Lash Studio” name and offering luxury, semi-permanent, and temporary eyelash services, eyebrow services, [facial](#) hair removal, facial and [body beauty](#) treatments, and related products and services.

The total investment necessary to begin operation of an Amazing Lash Studio franchise is ~~\$224,659~~[239,210](#) to ~~\$482,528~~[\\$508,510](#). This includes ~~\$62,175~~[76,348](#) to ~~\$68,000~~[90,088](#) that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of an Amazing Lash Studio area development franchise is ~~\$78,000~~[79,800](#) (for a 2-studio commitment) to ~~\$290~~[299](#),000 (for a 10-studio commitment). This entire amount must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Amazing Lash Franchise, LLC, Legal Department at 9780 South Meridian Boulevard, Suite 400, Englewood, CO 80112 (303) 663-0880.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW., Washington, D.C. 20580. You can also visit the FTC’s home page at ~~www.ftc.gov~~ [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 ~~13, 2019, as amended April 11, 2019 and June 28, 2019~~ [30, 2020](#)

## STATE COVER PAGE

~~Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your State. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.~~

~~Call the franchise administrator listed in **Exhibit E** for information about the franchisor or about franchising in your State.~~

~~MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.~~

~~Please consider the following RISK FACTORS before you buy this franchise:~~

- ~~1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN OR WITHIN 50 MILES OF OUR THEN CURRENT PLACE OF BUSINESS (CURRENTLY, ENGLEWOOD, COLORADO). OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN A JURISDICTION OTHER THAN IN YOUR OWN STATE.~~
- ~~2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT COLORADO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~
- ~~3. 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.~~

~~We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.~~

~~Effective Date: See the next page for state effective dates.~~

## STATE EFFECTIVE DATES

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

~~This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:~~

### 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:

<del>Maryland</del> <u>QUESTION</u>	<del>May 15, 2019</del> <u>WHERE TO FIND INFORMATION</u>
<del>Minnesota</del> <u>How much can I earn?</u>	<del>May 16, 2019</del> <u>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 Exhibits I and J.</u>
<u>How much will I need to invest?</u>	<u>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.</u>
<u>Does the franchisor have the financial ability to provide support to my business?</u>	<u>Item 21 or Exhibit E includes financial statements. Review these statements carefully.</u>
<u>Is the franchise system stable, growing or shrinking?</u>	<u>Item 20 summarizes the recent history of the number of company-owned and franchised outlets.</u>
<u>Will my business be the only Amazing Lash Studio Franchised Business in my area?</u>	<u>Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.</u>
<u>Does the franchisor have a troubled legal history?</u>	<u>Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.</u>
<u>What's it like to be a Amazing Lash Studio Franchised Business franchisee?</u>	<u>Item 20 lists current and former franchisees. You can contact them to ask about their experiences.</u>

**What else should I know?**

These questions are only a few things you should look for. [Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.](#)

### **What You Need To Know About Franchising Generally**

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

**Business model can change.** The franchise agreement may allow the franchisor to change its Operations 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, 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 a 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 agreement 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 D.

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

---

### **Special Risks to Consider About *This* Franchise**

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

- 1. Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Englewood, Colorado. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
- 2. Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**NOTICE 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 ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this Act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any claims.
- (c) A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.
- (d) A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of 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 license.
- (e) A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:
- i. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.
  - ii. The fact that the proposed transferee is a competitor of the Franchisor.
  - iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.



iv. The failure of the franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value of the assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in Subdivision (c).

(i) A provision which permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

**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 OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 WILLIAMS BLDG., LANSING, MICHIGAN 48913, (517) 373-7117. THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Area Development Agreement and Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

**AMAZING LASH FRANCHISE, LLC**

**Franchise Disclosure Document**

**TABLE OF CONTENTS**

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	1
ITEM 2 BUSINESS EXPERIENCE .....	4
ITEM 3 LITIGATION .....	5
ITEM 4 BANKRUPTCY .....	8
ITEM 5 INITIAL FEES .....	8
ITEM 6 OTHER FEES .....	9
ITEM 7 ESTIMATED INITIAL INVESTMENT .....	13
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	19
ITEM 9 FRANCHISEE'S OBLIGATIONS .....	22
ITEM 10 FINANCING .....	22
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING .....	24
ITEM 12 TERRITORY .....	34
ITEM 13 TRADEMARKS .....	37
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....	39
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	41
ITEM 16 RESTRICTONS ON WHAT THE FRANCHISEE MAY SELL .....	42
ITEM 17 RENEWAL TERMINATION TRANSFER AND DISPUTE RESOLUTION .....	43
ITEM 18 PUBLIC FIGURES .....	48
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....	48
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....	50
ITEM 21 FINANCIAL STATEMENTS .....	56
ITEM 22 CONTRACTS .....	56
ITEM 23 RECEIPTS .....	56

<u>ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....</u>	<u>12</u>
<u>ITEM 2. BUSINESS EXPERIENCE .....</u>	<u>16</u>
<u>ITEM 3. LITIGATION .....</u>	<u>17</u>
<u>ITEM 4. BANKRUPTCY .....</u>	<u>11</u>
<u>ITEM 5. INITIAL FEES .....</u>	<u>11</u>
<u>ITEM 6. OTHER FEES .....</u>	<u>13</u>
<u>ITEM 7. ITEM 7 YOUR ESTIMATED INITIAL INVESTMENT .....</u>	<u>24</u>
<u>ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....</u>	<u>33</u>
<u>ITEM 9. FRANCHISEE'S OBLIGATIONS .....</u>	<u>37</u>
<u>ITEM 10. FINANCING .....</u>	<u>23</u>
<u>ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING... ..</u>	<u>24</u>
<u>ITEM 12. TERRITORY .....</u>	<u>37</u>
<u>ITEM 13. TRADEMARKS .....</u>	<u>42</u>
<u>ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....</u>	<u>44</u>
<u>ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....</u>	<u>47</u>
<u>ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....</u>	<u>48</u>
<u>ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....</u>	<u>49</u>

ITEM 18. PUBLIC FIGURES .....	1
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS .....	1
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION .....	6
ITEM 21. FINANCIAL STATEMENTS.....	56
ITEM 22. CONTRACTS.....	56
ITEM 23. RECEIPTS .....	56

## EXHIBITS

- ~~A.~~—Franchise Agreement
- A. ~~B.~~—~~Software Use~~ and ~~License Agreement~~[Exhibits](#)
- B. ~~C.~~—Area Development Agreement [and Exhibits](#)
- C. ~~D.~~—Table of Contents of Confidential Operations Manual
- D. ~~E.~~—List of State Administrators and Agents for Service of Process
- E. ~~F.~~—Financial Statements
- ~~G.~~—~~Sample General Release~~
- F. ~~H.~~—State-~~Specific~~ Addenda [to the Disclosure Document and Franchise Agreement](#)
- G. ~~I.~~—Agreement and Conditional Consent to Transfer [\(including Sample of Release of Claims\)](#)
- ~~H.~~ ~~J.~~—[Form of Renewal Addendum \(including Sample of Release of Claims\)](#)
- ~~H.~~~~I.~~—List of Current Franchisees
- ~~I.~~~~J.~~—~~K.~~—List of Former Franchisees
- ~~J.~~~~K.~~—~~L.~~—Receipts

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

**The Franchisor** ~~is Amazing Lash Franchise, LLC, referred to~~

To simplify the language in this Franchise Disclosure Document ~~as~~ (“Disclosure Document”), “we,” “us” ~~or~~,” “our.” ~~We refer to the person interested in buying a franchise as “you” or “your”. If you are a,~~ “Franchisor,” or “Amazing Lash Studio” means Amazing Lash Franchise, LLC. “You,” “your,” or “Franchisee” means the person or legal entity (including an individual, corporation, partnership, limited liability company, or other entity, ~~certain provisions of the Franchise Agreement and Area Development Agreement will also apply to your~~ legal entity, and its owners, officers, and directors) buying the franchise. If you are a legal entity, your direct and indirect owners will have to guarantee your obligations and be bound by the provisions of the franchise agreement and other agreements as described in this Disclosure Document.

### **The Franchisor, and Any Parents, Predecessors and Affiliates**

~~The Franchisor.~~ We are a limited liability company formed in the state of Delaware in June 2018. Our principal business address is 9780 South Meridian Boulevard, Suite 400, Englewood, ~~Colorado~~ CO 80112. We ~~do~~ conduct business under our ~~legal~~ company name and ~~the name “Amazing Lash Studio.” We have no prior business activities. Although, currently, we do not directly own or operate any Amazing Lash Studios, as of December 31, 2018, our wholly owned subsidiaries own and operate 7 Amazing Lash Studios. We disclose our~~ others.

~~Our~~ agents for service of process ~~and their principal business addresses in~~ are listed on ~~Exhibit E. We have offered franchises for the establishment and operation of~~ D to this Disclosure Document.

### **Our Business Activities**

Franchise Program. We sell franchises to own and operate Amazing Lash Studio® locations (“Studios”). The Amazing Lash Studio franchise system is a unique and comprehensive system offering retail salon businesses specializing in luxury semi-permanent and temporary eyelash services, eyebrow services, facial hair removal, facial and body beauty treatments, and related products and services (~~each an~~ the “Franchise System”).

We will enter into the franchise agreement attached as Exhibit A (the “Franchise Agreement”), which will grant to you a license to use the service mark “Amazing Lash Studio”) for the purpose of owning and operating a Studio.

If we offer you the right to enter into an Area Development Agreement (the “Area Development Agreement”), you will acquire a specified number of franchises and open, according to a specified schedule (the “Development Schedule”), a corresponding number of Studios, each under a separate Franchise Agreement, within a specifically described geographic territory (the “Development Area”). The form of Area Development Agreement you would sign is attached as Exhibit B to this Disclosure Document. For each Studio you develop, you must sign our then-current form of Franchise Agreement, which may be different than the form we were using when you signed the Area Development Agreement.

Although, currently, we do not directly own or operate any Studios, as of December 31, 2019, our wholly owned subsidiaries own and operate seven Studios. As further explained in the section marked “Predecessor” below, we have offered franchises in the line of business disclosed in this Disclosure Document since ~~September 2018~~ 2018, and we have not offered franchises in any other line of business or conducted any other ~~business~~ Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,

## Our Parents, Predecessors and Affiliates

*Parents.* ~~We are a wholly owned subsidiary of~~ Our parent is WBZ Investment LLC (“WBZ”), which is wholly owned by WBZ Holdings II, LLC (“Holdings II”). Holdings II is owned by the following: KSL Capital Partners III, L.P., KSL Capital Partners III TE, L.P., KSL Capital Partners III TE-A, L.P. and KSL Capital Partners III FF, L.P., which are our ultimate parents. ~~WBZ shares our principal business address. The principal business address for the other parent companies described in this paragraph is 100 Fillmore Street, Suite 600, Denver, Colorado 80206.~~

*Predecessor.* On September 12, 2018 (the “Closing Date”), we and our affiliate, Wellness and Vitality Exchange, LLC (“WAVE”), purchased substantially all of the assets of the ~~Amazing Lash Studio franchise system~~ Franchise System, including all franchise agreements, trademarks, service marks and other intellectual property that comprise the ~~Amazing Lash Studio franchise system~~ Franchise System and the Amazing Lash Studio brand from Amazing Lash Studio Franchise, LLC (“ALSF”) and certain of its affiliates and owners (the “Transaction”). As a result, we became the franchisor of the ~~Amazing Lash Studio franchise system~~ Franchise System and we now offer and sell franchises for Amazing Lash Studios. ALSF had never operated an Amazing Lash Studio. ALSF offered Amazing Lash Studio franchises from May 2013 to the Closing Date and Amazing Lash Studio area representative franchises from May 2013 to April 2017. Under the area representative franchise program, ALSF offered franchises in which the area representative (sometimes referred to as a “regional developer”) acted as a sales representative within a defined geographic area to solicit and identify prospective Amazing Lash Studio franchisees and provided certain pre- and post-opening services to those franchisees. As of December 31, ~~2018~~2019, there were ~~191~~ area ~~representatives~~ representative agreements covering ~~2612~~ states and the District of Columbia. Area representatives do not have management responsibility relating to the sale or operation of Amazing Lash Studio franchises. ALSF had its principal business address at ~~2470 Gray Falls~~9383 E. Bahia Drive, Suite ~~285,~~ Houston, Texas ~~77077~~100, Scottsdale, Arizona 85260. We do not currently offer area representative franchises, but we may do so in the future.

*Affiliates.* ~~We have the following affiliates that are required to be disclosed in this Item 1:~~

WAVE is the sole designated supplier for certain items, including the private-label products that franchisees must offer for sale at their Amazing Lash Studios.

*Elements Massage Franchise Program.* Our affiliate, Elements Therapeutic Massage, LLC (“ElementsETM”), offers and sells franchises to operate Elements Massage® studios. ElementsETM began offering and selling Elements Massage franchises in 2006. As of December 31, ~~2019~~2018, there were

~~237 franchised 250~~ Elements Massage studios in the United States. ~~From October 2006 to October 2008 and again from December 2013 to December 2017, Elements offered franchises for area director businesses in which the area director acts as a sales representative within a defined geographic area to solicit and identify prospective Elements franchisees, to assist in locating and securing sites for Elements studios within that territory, and to provide additional support before, during, and after the Elements studios open. As of December 31, with seven operated by ETM’s subsidiaries. 2018, there was 1 Elements area director franchise operating in 1 state.~~

Our affiliate, Elements Massage Franchise Canada Ltd. (“EMFC”), operates under an Intellectual Property License Agreement with ElementsETM to sell franchises to own and operate Elements Massage studios in Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,

Canada. EMFC as offered franchises for Elements [Massage](#) studios in Canada since November 11, 2013. As of December 31, ~~2019~~2018, there was 1 franchised Elements ~~Studio~~[Massage studio](#) in Canada.

*Fitness Together Franchise Programs.* Our affiliate, Fitness Together Franchise, LLC (“FTF”), is the franchisor of the Fitness Together® one-on-one personal training studio system. FTF began offering franchises in 1996. As of December 31, ~~2019, there were 143 Fitness Together studios, with one operated by FTF’s subsidiary.~~ 2018, there were 142 franchised Fitness Together studios. ~~From December 2002 to May 2009 and again from July 2014 to December 2017, FTF offered franchises for area director businesses in which the area director acts as a sales representative within a defined geographic area to solicit and identify prospective Fitness Together franchisees, to assist in locating and securing sites for Fitness Together studios within that territory, and to provide additional support before, during, and after the Fitness Together studios open. As of December 31, 2018, there were no Fitness Together area director franchises.~~

[Our affiliate, FTHC Operating Company \(“FTHC”\), provides services in connection with ETM’s gift card program.](#)

[Our affiliate, WAVE, Elements is the sole designated supplier of the following categories of items: \(i\) all products used in connection with providing services at Studios, including but not limited to equipment and other essential items, inventory, tables, stools and workstation lights; and \(ii\) all products that Studios must offer for sale.](#)

[WBZ, WAVE, ETM, EMFC, FTHC, and FTF each has its principal business address at the same address as ours. The principal business address for the other parent companies described in this Item 1 is 100 Fillmore Street, Suite 600, Denver, Colorado 80206. Other than as described above, none of our parent companies, predecessors, nor any affiliates required to be disclosed in this Item 1 directly offers franchises in any line of business or otherwise conducts business of the type being offered to you in this Disclosure Document.](#)

### **The Franchises Offered**

#### **Description of the Franchised Business**

~~We offer qualified applicants franchises for Amazing Lash Studios. To acquire~~[grant to each franchisee a franchise for an](#) license to use the “Amazing Lash Studio,~~you must sign the Franchise Agreement attached as Exhibit A to this Disclosure Document (the “Franchise Agreement”), which gives you the right to establish and-~~” service mark, together with other trademarks, service marks, and commercial symbols (collectively, the “Marks”) and certain patents (described further in Item 14) (the “Patents”) for use in identifying and operating the Studio. You will sell and provide various forms of luxury semi-permanent and temporary eyelash services, eyebrow services, hair removal, facial and body treatments, and related products and services that may be offered in the future. You will operate one Amazing Lash Studio at a specified location within a Protected Area (which is described more fully in Item 12).

~~If we offer you the right to develop multiple Amazing Lash Studios, you must sign our Area Development Agreement attached as Exhibit C to this Disclosure Document (the “Area Development Agreement”). Your Area Development Agreement will require you to develop and open a specified number of Amazing Lash Studios, the Studio according to a specified schedule (the “Development Schedule”) within a specifically described geographic territory (the “Development Area”). For each Amazing Lash Studio you develop, you must sign our then current form of Franchise Agreement, which may be different than the form we were using when you signed the Area Development Agreement.~~

~~[Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le \(Case No. CV2017-013573,](#)~~

~~All Amazing Lash Studios must be developed and operated in accordance with our mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for Amazing Lash Studios, as we periodically modify and supplement them (the “System Standards”). We and our affiliates own and license to others certain trade names, service marks, trademarks, logos, emblems and indicia of origin to identify, operate and promote Amazing Lash Studios (the “Marks”) and also certain patents (described further in Item 14) (the “Patents”), all of which we may develop, substitute, modify or add to from time to time. Amazing Lash Studios will offer the services and goods we authorize, and use our distinctive~~ The distinguishing characteristics of the Franchise System include the business formats, business system, methods, procedures, signs, ~~(and together with other fixtures, furniture, equipment, and required computer hardware and software (the “Operating Assets”)), designs, layouts, standards, specifications, the Operations Manual (as defined in Item 11) and the Marks, all of which we may develop or modify (collectively, the “System”); improve, further develop, or otherwise modify from time to time. In addition to individual eyelash and eyebrow services, Studios offer a membership program under which members, for a monthly fee, receive eyelash services at least once a month at a discounted rate and other benefits as determined by Studios.~~

~~You must offer and sell rights of access or service packages to your Amazing Lash Studio (each a “Membership”) as we require. You must comply with our System Standards regarding Memberships. All Memberships must be evidenced by a written agreement and may not be for a term that extends beyond the expiration of your Franchise Agreement (a “Membership Agreement”).~~

### **General**~~The Market and Competition~~

~~Amazing Lash Studio businesses~~ Studios cater primarily to ~~individuals~~ women in the 20 to 65 age range. The market for eyelash application extensions is still developing and is becoming increasingly competitive. Salons offering ~~eye-lash~~ eyelash services generally compete on the basis of factors such as price, quality and variety of services and products, salon appearance and salon location. You must expect to compete with businesses specializing in ~~eye-lash~~ eyelash services as well as other salons and beauty businesses that offer ~~eye-lash~~ eyelash services as one component of a larger service menu. Additionally, you may find that there is competition for attractive commercial real estate sites suitable for salon locations and competition for employees and management personnel. Temporary and semi-permanent lash services, eyebrow services, hair removal, and facial and body treatments are luxury lifestyle purchases and may be affected by other factors, such as changes in consumer taste, economic conditions, population, and travel patterns.

### **Licenses, Permits, and Industry-Specific Regulations**

A number of states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your ~~Amazing Lash Studio business~~, including those ~~which~~ that (1) establish licensing and certification requirements for businesses in general, (2) establish general standards, specifications and requirements for the construction, design and maintenance of the ~~studio~~ Studio location; (3) establish licensing and certification requirements for ~~technicians~~ stylists (such as requirements that ~~technicians~~ stylists be certified health professionals, licensed as either an esthetician, cosmetologist, or nurse), (4) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirement for salons; (5) set standards pertaining to employee health and safety, (6) set standards and requirements for fire safety and general emergency preparedness, and (7) regulate the proper use, storage and disposal of waste and other hazardous materials. For example, in Texas you must obtain an eyelash extension salon license/beauty salon license from the Texas Department of License and Regulations before beginning operation of your ~~Amazing Lash studio business~~ Studio. It is important to note that most states require ~~technicians~~ stylists who provide permanent makeup services be certified health professionals, licensed as an esthetician, cosmetologist, or nurse. ~~In addition, some states impose a similar minimum certification or license requirement on~~ LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,

~~technicians~~stylists who apply eyelash extensions. You are solely responsible for investigating the license/permit requirements in your state.

You must also comply with all other local, state, and federal laws that apply to your operations, including health, sanitation, smoking, EEOC, OSHA, [the Health Insurance Portability and Accountability Act of 1996 \("HIPAA"\)](#), discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must also obtain real estate permits, licenses, and operational licenses for your business and employees and ~~technicians~~stylists.

You must comply with all payment card infrastructure ("PCI") industry and government security standards and requirements designed to protect cardholder data. PCI standards apply to both technical and operational aspects of credit card and other payment card transactions and apply to all organizations which store, process or transmit cardholder data.

We recommend that you consult with legal counsel or other professional advisors to help you investigate and understand all laws applicable to your business before you purchase a franchise. It is your sole responsibility to thoroughly investigate which regulations and/or licensing requirements are imposed by your state and local government authorities.

## ITEM 2. BUSINESS EXPERIENCE

### Jeremy Morgan, Chief Executive Officer (WellBiz)

Mr. Morgan has been Chief Executive Officer of WellBiz Brands, Inc. ("WellBiz"), WBZ, WBZ Holdings, Inc. ("Holdings"), WAVE, FTF, and FTHC ~~Operating Company ("FTHC")~~ in Englewood, Colorado, since May 2019. ~~Mr. Morgan has been ETM's Manager and EMFC's Director in Englewood, Colorado since January 2020.~~ In addition, since May 2019, Mr. Morgan has been the Manager of FTF and the Director of FTHC. From March 2019 to May 2019, Mr. Morgan served as President of WellBiz. From October 2017 to May 2019, Mr. Morgan served as Director for EMFC. From February 2017 to March 2019, Mr. Morgan was ~~Elements~~ETM's and EMFC's Chief Executive Officer, in Englewood, Colorado. From July 2014 to February 2017, he was the Chief Executive Officer for Tava Kitchen in San Francisco, California. ~~2017, he was the Chief Executive Officer for Tava Kitchen in San Francisco, California. From June 2011 to July 2014, Mr. Morgan was the Senior Vice President of Marketing and Consumer Insights for Smashburger in Denver, Colorado.~~

### Heather Elrod, Manager & Chief Executive Officer

Heather Elrod has served as our Chief Executive Officer since September 12, 2018. In addition, since May 2019, Ms. Elrod has been our Manager. From May 2016 to September 12, 2018, she served in various roles for ALSF in Scottsdale, Arizona, including President from July 2017 to September 12, 2018, and Chief Operating Officer from May 2016 to September 12, 2018. Before joining ALSF, from September 2008 to May 2016, she served as the owner and Chief Executive Officer of SkinPhD, Inc. in Franklin, Tennessee. Ms. Elrod still owns an interest in SkinPhD, Inc. but has stepped down as its CEO to devote herself full-time to Amazing Lash Studio. Ms. Elrod serves in her present capacity in Scottsdale, Arizona.

*Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,*



#### **Robert Bell, Chief Financial Officer**

Mr. Bell has been our Chief Financial Officer, and has held the same position at WellBiz, WBZ, Holdings, WAVE, [ElementsETM](#), EMFC, FTF, and FTHC since May 2019, each in Englewood, Colorado. From March 2019 to May 2019, Mr. Bell served as our Senior Vice President of Finance and held the same position at WellBiz, WBZ, Holdings, WAVE, [ElementsETM](#), EMFC, FTF, and FTHC. From September 2018 to February 2019, Mr. Bell served as our Vice President of Finance ~~and~~. [He](#) held the same position at WellBiz, WBZ, Holdings, WAVE, [ElementsETM](#), EMFC, FTF, and FTHC from April 2018 to February 2019. From April 2018 to November 2018, Mr. Bell served as Vice President for our former affiliate Fit 36, LLC ("Fit 36") in Englewood, Colorado. From October 2015 to April 2018, Mr. Bell was Vice President of Finance for Raising Cane's Franchising LLC in Plano, Texas. From October 2011 to September 2015, Mr. Bell served as Director of Finance for Smashburger Franchising LLC in Denver, Colorado.

#### **Trever Ackerman, Chief Marketing Officer**

Since September 12, 2018, Mr. Ackerman has been our Chief Marketing Officer, and he has held the same position at WellBiz, FTF, [ElementsETM](#), and EMFC, each in Englewood, Colorado, since April 2017. From April 2017 to November 2018, Mr. Ackerman served as Chief Marketing Officer for Fit 36, in Englewood, Colorado. From December 2013 to March 2017, Mr. Ackerman was the Vice President of Marketing and Chief Marketing Officer for Les Mills US in Chicago, Illinois.

#### **Matt Stanton, Chief Development Officer**

Since September 12, 2018, Mr. Stanton has been our Chief Development Officer, and has held the same position at WellBiz, FTF, [ElementsETM](#), and EMFC, each in Englewood, Colorado, since December 2017. From December 2017 to November 2018, Mr. Stanton served as Chief Development Officer for Fit 36, in Englewood, Colorado. From June 2016 to December 2017, Mr. Stanton served as Vice President, Development, for Taco Bueno Restaurants in Dallas, Texas. From November 2011 to April 2016, Mr. Stanton served as Vice President, Strategy and Development, for Smashburger Franchising LLC in Denver, Colorado.

#### **Jordan A. Levine, Vice President of Operations**

Since January 2019, Mr. Levine has been our Vice President of Operations, serving from Scottsdale, Arizona. From November 2016 to December 2018, Mr. Levine was self-employed as a consultant in Phoenix, Arizona, and he provided consulting services for [ElementsETM](#) and WellBiz from December 2017 to December 2018. From June 2011 to November 2016, Mr. Levine was Senior Director of International Operations for Massage Envy in Scottsdale, Arizona.

### **ITEM 3. LITIGATION**

#### **Franchisor-initiated Litigation against Franchisees:**

*Suit to Enjoin Trademark Infringement and Seek Damages for Trademark Infringement, Unfair Competition, Misappropriation of Trade Secrets, and Breach of Franchise Agreements*

*[Amazing Lash Franchise, LLC v. Scott D. Nguyen, 2621 Amazing River Oaks, LLC, 1923 Amazing Sawyer Heights, LLC, 1415 Amazing Voss, LLC, 9650 Amazing Woodlake, LLC, 10927 Amazing Vintage Park, LLC, and 6501 Amazing Grand Lakes Katy, LLC v. Amazing Lash Studio Franchise v.](#)*

*[Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le \(Case No. CV2017-013573,](#)*

Amazing Lash Franchise, LLC (Case No. 4:18-cv-04671, United States District Court for the Southern District of Texas – Filed December 11, 2018). Case has now been administratively closed.

**The following matters involve us and our predecessor:**

Regions Bank v. Lashmax, LLC, et al., AND Lan Ai Nguyen v. Scott Nguyen and Hawthorne Heights, LLC, AND Trung Quy Nguyen v. Chau Ngoc Le, Cy Nguyen, Amazing Lash Studio Franchise, LLC, Edward Le, and Jessica Le AND Amazing Lash Studio Franchise, LLC v. Scott Nguyen, et al. (Case No. 2018-21894, in the 129th Judicial District Court of Harris County, Texas – Filed April 2, 2018-~~7~~) (“Regions Bank Case”). This matter involves the ownership and transfer of six Amazing Lash ~~studios~~ Studio locations in the Houston, Texas area (the “Six Studios”), which were owned by certain franchisees of the Amazing Lash franchise system (the “Lashmax Companies”). The Lashmax Companies were ~~originally~~ owned by Lan Ai Nguyen, Trung Quy Nguyen (“Trung”), Ha Thi Le, and Cy Nguyen. In September 2017, ALSF sent the Lashmax Companies and its owners a notice of termination of the Lashmax Companies’ franchise ~~agreement~~ agreements for selling unauthorized products in the Six Studios and failing to cure said default after notice, and granted them 30 days to transfer their interests in the Six Studios to an approved third party. ~~Trung~~ In addition, in or around that time, Trung had purportedly conveyed his interests in the Six Studios to his former spouse, Chau Ngoc Le (“Mindy”). In November 2017, Mindy, Ha Thi Le, and Lan Ai Nguyen provided ALSF with sale documents purportedly selling the ~~Lashmax Companies Six Studios~~ to Scott Nguyen and an entity owned by him, Hawthorne Heights, LLC (“Hawthorne Heights”). ~~On~~ In reliance on the terms of the sale agreements and representations made by the sellers and buyers, ALSF approved the sale and signed transfer agreements with the sellers and buyers and new franchise agreements with entities wholly owned by Hawthorne Heights. Then, on April 2, 2018, Regions Bank filed a lawsuit against the Lashmax Companies, Ha Thi Le, Trung, Lan Ai Nguyen, and certain other parties alleging breach of a promissory note, loan agreement, and ~~guaranty by the Lashmax Companies~~ personal guaranties based on the ~~alleged~~ transfer of the Six Studios, ~~and failure to pay off a loan Regions Bank had made to the Lashmax Companies.~~ On August 6, 2018, Trung and the Lashmax Companies filed various cross-claims, ~~including~~ asserting (i) a cross-claim against Scott Nguyen and Hawthorne Heights alleging fraud, negligent misrepresentation, breach of contract, and breach of fiduciary duty arising from Scott Nguyen’s and Hawthorne Heights’ alleged actions in connection with the purported transfer of Trung’s interests to his former spouse, Mindy, and the purchase of the franchises owned by the Lashmax Companies; and (ii) a cross-claim against ALSF, its owners, and certain other individuals alleging that they colluded to induce Trung to divest himself of his interests in the Lashmax Companies and to enable Scott Nguyen to gain ownership of the Six Studios through a transfer of the applicable franchises franchise rights based on false representations and other wrongful conduct. Trung seeks an unspecified amount of actual damages, attorneys’ fees, forfeiture of profits, the declaration of a constructive trust, the appointment of a receiver, injunctive relief, exemplary damages, interest, and costs of suit. ~~On September 7, Trung has filed amended cross claims several times, including on 2018, ALSF filed its answer and vigorously denies Trung’s allegations of collusion with Scott Nguyen. On~~ April 17, 2019, when Trung filed amended cross-claims to add us as a party ~~and alleges an alleged successor to ALSF. Trung alleges~~ breach of contract claims involving the termination of the Lashmax Companies’ franchise agreements and ~~allege~~ tortious interference with the Lashmax Companies’ and certain other parties’ rights under a promissory note and loan agreement. ~~We intend to vigorously defend~~ On May 11, 2018, Lan Ai Nguyen filed cross claims against Scott Nguyen and Hawthorne Heights and ALSF, and subsequently amended the cross claims on, among other dates, July 12, 2019, and added us as a defendant (presumably under a theory of successor to ALSF for most of the allegations). Lan asserts claims against Scott Nguyen and Hawthorne Heights for breach of contract, promissory estoppel, negligent misrepresentation, fraud and conspiracy to commit fraud, arising out of their failure to pay off the Regions Bank loan. Lan Ai Nguyen asserts claims against ALSF and us for tortious interference with contract, breach of contract and breach of the duty of good faith and fair dealing, negligent misrepresentation, and ~~conspiracy to commit fraud~~ related to the approval of the sale to Scott Nguyen and LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,

Hawthorne Heights and alleged refusal to sign papers related to Scott Nguyen's efforts to gain re-financing through another bank. On August 15, 2019, Scott Nguyen, Hawthorne Heights and the entities who are party to the current franchise agreements filed a cross claim from Trung's claims and an "original counterclaim" against ALSF, us and WellBiz Brands, Inc. ("WellBiz"), an affiliate of ours. As referenced below, Scott asserts claims for breach of contract, tortious interference, and conversion against us and tortious interference against WellBiz, all arising out of the requirement that the current franchisees participate in the Houston area co-op and the termination of the six franchise agreements in December 2018 due to the current franchisees' refusal to participate in the Houston area co-op. We intend to vigorously defend each claims asserted against us in this action.

**The following matters involve our predecessor:**

2621 Amazing River Oaks, LLC, 1923 Amazing Sawyer Heights, LLC, 1415 Amazing Voss, LLC, 9650 Amazing Woodlake, LLC, 10927 Amazing Vintage Park, LLC, and 6501 Amazing Grand Lakes Katy, LLC v. WellBiz, WellBiz Brands, Inc. and Amazing Lash Studio Franchise, LLC (Case No. 1123812, County Court at Law No. 3, Harris County, Texas – Filed December 12, 2018). The plaintiffs, former franchisees, filed this lawsuit alleging that the defendants improperly terminated the franchise agreements and shut down the plaintiffs' point-of-sale system, deactivated their email accounts, and encouraged customers to take their business to competing studios. The plaintiffs ~~seek~~sought a temporary restraining order, temporary injunction, and permanent injunction against the defendants to reactivate plaintiffs' studios, restore membership records, and notify members to return the plaintiffs' studios. A ~~negotiated~~ temporary injunction was entered ~~and~~. Plaintiffs subsequently filed a voluntary non-suit dismissing the case is pending on and by agreement asserted the merits same claims in the Regions Bank case. Plaintiffs also seek unspecified compensation for any damages and attorneys' fees arising from this dispute.

2621 Amazing River Oaks, LLC, 1923 Amazing Sawyer Heights, LLC, 1215 Amazing Voss, LLC, 9650 Amazing Woodlake, LLC, 109 Amazing Vintage Park, LLC, and 6501 Amazing Grand Lakes Katy, LLC v. Amazing Lash Studio Franchise, LLC, Edward Le, and Jessica Le (Case No. 1114021, County Court at Law No. 2, Harris County, Texas – Filed July 24, 2018). This request for declaratory judgment was filed by a franchisee group that owns and operates six Amazing Lash Studios. The complaint alleges, among other things, the defendants induced the plaintiffs to purchase its franchises by agreeing to waive the requirement that the plaintiffs join the local marketing cooperative in their geographic area, despite the terms of the franchise agreements signed by plaintiffs, which contained no such waiver or exemption from local marketing cooperative participation. Plaintiffs ~~now~~ seek a declaratory judgment from the court stating that they are not required to participate in any local advertising cooperative, and that any provision in their franchise agreements stating otherwise are unenforceable. Plaintiffs also seek compensation for any damages and attorneys' fees arising from this dispute. Plaintiffs filed a voluntary non-suit dismissing the case and by agreement asserted the same claims in the Regions Bank case.

Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS L.L.C., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,

*Desert Lash I Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS LLC, and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le* (Case No. CV2017-013573, Superior Court for the State of Arizona, Maricopa County – Filed November 14, 2017). This lawsuit was filed by four Amazing Lash Studio franchisees and an area representative in Arizona, who is also an Amazing Lash Studio franchisee, against our predecessor ALSF and its respective owners. These claims are based on plaintiffs' allegations that ALSF and its owners breached the franchise agreement and their obligations of good faith and fair dealing by requiring franchisees to purchase and use defective lash glue. Plaintiffs also brought claims of fraud, negligent misrepresentation, violation of the Consumer Fraud Act, negligence, and civil conspiracy on the basis of certain statements purportedly made by ALSF and its owners about the quality and safety of the lash glue. Plaintiffs' claims sought monetary damages, declaratory relief that they be permitted to purchase other lash glue, injunctive relief, punitive damages, and attorneys' fees. On or about November 14, 2017, the parties entered into a Tolling Agreement, under which plaintiffs agreed to toll their claims against the defendants until January 1, 2019, during which time the defendants had the right, but not the obligation, to purchase the plaintiffs' unit and area representative franchises. On September 5, 2018, the parties entered into an asset purchase agreement and settlement agreement that contemplated the defendants' purchase of the franchises for an aggregate purchase price of \$5.4 million and a final and permanent settlement of all claims between the plaintiffs and the defendants. The purchase transaction closed on September 12, 2018, and the plaintiffs' respective franchise agreements were terminated. On November 19, 2018, the court entered an order dismissing the case with prejudice.

*Leonesio Lawsuit 1: The Leonesio Group, LLC, Redline Athletics Franchising, LLC, United Club Services, LLC, John Leonesio and Ron Record v. Amazing Lash Studio Franchise, LLC* (Cause No. CV2016-002092 in the Superior Court of Arizona for Maricopa County, filed March 15, 2016; subsequently removed to the U.S. District Court for Arizona, Cause No. 2:16-cv-02295).

*Leonesio AAA Arbitration: The Leonesio Group, LLC and John Leonesio (Claimants) v. Amazing Lash Studio Franchise, LLC (Respondent) v. The Leonesio Group, LLC, John Leonesio, Ron Record, Ron Record Jr., Redline Athletics Franchising, LLC; United Club Services, LLC, The Hammer & Nails Salon Group, LLC, LTLX2, LLC, and TAZ Partners, LLC (Third-Party Respondents)* (Case No. 01-16-0000-8819 before the American Arbitration Association, Houston, TX, filed March 15, 2016)

*Leonesio Lawsuit 2: Redline Athletics Franchising, LLC, United Club Services, LLC, The Hammer and Nails Salon Group, LLC, LTLX2, LLC, TAZ Partners, LLC, Ron Record, and Ron Record Jr. v. Amazing Lash Studio Franchise, LLC* (Cause No. CV2016-006190 in the Superior Court of Arizona for Maricopa County; filed May 5, 2016; consolidated into Lawsuit 1 on May 10, 2016).

*Summary of the Three Leonesio Proceedings:* A business contract dispute arose in March 2016 between our predecessor ALSF and The Leonesio Group, LLC ("TLG"), concerning the parties' joint venture agreement, lease/sublease arrangements, business relationship and TLG's membership interest in ALSF. TLG alleged that ALSF wrongfully rescinded the parties' joint venture agreement and TLG's equity interests in ALSF. During the course of litigation and arbitration, additional affiliated entities and individuals related to ALSF and TLG were also named as parties in the proceedings. By written agreement dated December 16, 2016 (and as amended and restated by the parties on February 13, 2017), and without any admission of liability by any party, ALSF and TLG mutually achieved a global settlement to resolve all claims and controversies involving all parties in the litigation and arbitration. The material settlement terms include ALSF paying \$7,500,000 to TLG (including consideration for acquisition of TLG's entire membership interest in ALSF), which amount is subject to an installment plan with the final payment due on or before June 15, 2019. As a result of the settlement, all claims in the litigation were jointly dismissed, with prejudice, on December 19, 2016. As security for ALSF's payment obligations under the settlement payment installment plan, the parties stipulated to the entry of an arbitration award in favor of TLG and against ALSF in the amount of \$7,500,000, which award may be enforced by TLG only if ALSF fails to timely satisfy its settlement payment obligations. As further security for ALSF's settlement payment obligations, Jessica Le (managing member of ALSF) and Edward Le (CEO and President of ALSF) personally guaranteed

ALSF's performance of the settlement terms. All parties paid their own legal costs and litigation/arbitration expenses.

Other than the actions disclosed above, no litigation is required to be disclosed in this Item.

#### ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

#### ITEM 5. INITIAL FEES

Initial Franchise Fee. ~~You must pay~~ Unless you are signing a Franchise Agreement under an Area Development Agreement, when you sign a Franchise Agreement to develop a single Studio, you must pay us an initial franchise fee (the "Initial Franchise Fee") of \$39,000 ~~when you sign a~~ 900. You must pay the Initial Franchise Agreement Fee as a lump sum by wire transfer. The Initial Franchise Fee is fully earned by us when paid by you, and is not refundable ~~in whole or in part under any circumstances.~~

Development Fee. If we grant you the right to develop ~~multiple Amazing Lash~~ two or more Studios under an Area Development Agreement, you must pay us a one-time development fee (the "Development Fee") upon executing your Area Development Agreement. Your Development Fee will depend on the number of Studios we grant you the right to develop within the Development Area and is calculated as follows:

- (1) ~~\$39,000 multiplied by each Studio you agree to develop~~ 79,800 if you sign an Area Development Agreement in which you agree to develop ~~2 Amazing Lash~~ two Studios;
- (2) ~~\$34,000~~ 900 multiplied by each Studio you agree to develop if you sign an Area Development Agreement in which you agree to develop ~~3~~ three to ~~5 Amazing Lash~~ five Studios; and
- (3) ~~\$29,000~~ 900 multiplied by each Studio you agree to develop if you sign an Area Development Agreement in which you agree to develop ~~6~~ six or more ~~Amazing Lash~~ Studios.

Typically, an area developer ~~would be~~ is expected to develop ~~2~~ two to 10 ~~Amazing Lash~~ Studios and the range of the Development Fee in that case would be ~~\$78,000~~ 79,800 to ~~\$290~~ 299,000. You will be required to enter into our then-current form of Franchise Agreement for each ~~Amazing Lash~~ Studio you wish to develop under your Area Development Agreement, but you will not be required to pay an Initial Franchise Fee at the time you execute each of these Franchise Agreements.

The Development Fee is due in a lump sum when you sign your Area Development Agreement. The Development Fee is fully earned by us upon your execution of the Area Development Agreement, and is not refundable ~~in whole or in part under any circumstances.~~

*Veteran's and Active-Duty Military Discount.* We offer a 20% discount on the Initial Franchise Fee (or the Development Fee if you sign the Area Development Agreement) for veterans and active-duty members of the United States armed forces who meet our program requirements.

We reserve the right to waive or reduce the Initial Franchise Fee for other franchisees. In the fiscal year ended December 31, 2019, we received Initial Franchise Fees in amounts ranging from \$0 to \$39,000.

**Other Initial Payments.** Before you open your Studio, you may be required to pay us the fees stated below:

**Initial Studio Inventory/ & Supplies.** Before opening your ~~Amazing Lash Studio business~~, you must purchase ~~your furniture and your certain~~ initial inventory/supplies, including ~~eye lash extensions~~ but not limited to all products used in connection with providing services at your Studio, from our affiliate WAVE. The cost of this ~~initial studio inventory/ & supplies and furniture~~ from WAVE will range from ~~\$22,300 to \$27,600~~ \$20,843 - \$21,598, depending on the size of your particular ~~Amazing Lash Studio~~. This amount is payable in one lump sum payment, is fully earned and nonrefundable upon receipt. The total estimated range of initial studio inventory and supplies is \$23,800 - \$29,200 (see Item 7).

**Furniture, Décor, Lighting & Other Equipment.** Before opening your Studio, you must purchase certain furniture, fixtures, and equipment from our affiliate WAVE. The cost of this furniture, fixtures, and equipment from WAVE will range from \$11,895 - \$18,380, depending on the size of your particular Studio. This amount is payable in one lump sum payment, is fully earned and nonrefundable upon receipt. The total estimated range of furniture, décor, lighting & other equipment is \$12,900 - \$21,300 (see Item 7).

**Additional Attendees for ~~Initial Training Program~~.** We currently require only you or your ~~Key Personnel~~ Operating Partner (as defined in Item 11) and your Designated Manager (if applicable) (as defined in Item 11) to attend the Training Program (as defined in Item 11) before opening your ~~Amazing Lash Studio~~. You may invite additional employees to attend the Training Program if space allows, but we will charge you our then-current training fee (currently, \$500 per attendee, plus costs). ~~All training fees are fully earned and nonrefundable upon receipt, and are imposed uniformly on franchisees.~~ We do not expect or require you to send additional persons to the Training Program, and we may limit the number of attendees, so we currently estimate your cost for additional attendees will be \$0.

~~Monthly Software and Technology Licensing and Support Fee. We currently charge a "Software and Technology Licensing and Support Fee" of \$175 per month for the time period between when you sign your Franchise Agreement and your Opening Date (as defined in Item 11). We estimate it will take you 150 to 240 days to open your Amazing Lash Studio, so the total amount of Software and Technology Licensing and Support Fees you must pay before opening will range from approximately \$875 to \$1,400. The Software and Technology Licensing and Support Fee is fully earned and nonrefundable upon receipt.~~

**Pre-Opening Waxing/Tinting Training Fee.** Before opening your Studio, if you are legally capable of offering certain waxing and tinting services at your Studio, you must pay to us a non-refundable waxing and tinting training fee equal to \$1,500, in the form of a lump sum payment by ACH, for us to provide training for such services on-site at your Studio in conjunction with the opening assistance we provide (see Item 11).

**Software Transfer Fee and Technology Fees.** You are required to pay us the technology fee for the two months before opening (\$605 per month). If you are purchasing an existing Studio, you are required to pay us a \$350 software transfer fee for the set-up of certain required software programs.

**Site Survey Fee.** No later than 10 days after the date that you sign an approved lease for your Studio's specific address and location (the "Premises"), you must pay to us a non-refundable site survey fee equal to \$2,500, in the form of a lump sum payment by ACH (the "Site Survey Fee").

**Construction Management Fee.** If we approve an exception to the requirement that you use our designated service provider of construction-management services, you are required to pay us a construction management fee of \$5,000.

**Referral Fee Program.** If an existing franchisee refers a prospective franchisee to us who ultimately purchases a franchise for a Studio, we currently pay the referring franchisee a referral fee which ranges from \$0 to \$15,000. We may discontinue this referral program or change the amount of the referral fee at any time.

Except as otherwise noted, the initial fees described above are not refundable under any circumstances.

## ITEM 6. OTHER FEES

### OTHER FEES

Type of Fee <sup>(4)</sup>	Amount	Due Date	Remarks
<a href="#">Royalty</a>	6% of Gross Receipts	5 <sup>th</sup> day of each month	<a href="#">See Note 1</a>
<a href="#">Brand Marketing Fund</a>	2% of Gross Receipts	5 <sup>th</sup> day of each calendar month	<a href="#">See Note 2</a>
<a href="#">Local Marketing Spend Requirement</a>	The greater of (i) \$1,750 per month or (ii) 4% of Gross Receipts (subject to our right to increase)	As incurred	<a href="#">See Note 3</a>
<a href="#">Default Fee</a>	\$250	Upon receipt of statement	<a href="#">See Note 4</a>
<a href="#">Dishonored Check or Insufficient Funds Fee</a>	\$150	Upon receipt of statement	<a href="#">See Note 5</a>
<a href="#">Interest on Late Payments</a>	1.5% per month or highest commercial rate	Upon receipt of statement	<a href="#">See Note 6</a>
<a href="#">Monthly Management Fee (in event of your abandonment, default, or termination)</a>	Up to \$7,500 per month plus direct out-of-pocket expenses	1 <sup>st</sup> day of each month upon occurrence	<a href="#">See Note 7</a>
<a href="#">Replacement Training</a>	Then-current fee, currently \$500 per attendee, plus costs and expenses	Before replacement training	<a href="#">See Note 8</a>
<a href="#">Additional Training</a>	Then-current fee, currently \$350 per day per trainer or attendee (as applicable to the training program), plus costs and expenses	Before additional training	<a href="#">See Note 9</a>
<a href="#">Annual Meeting Registration Fees</a>	Then-current annual meeting registration fees for at least one attendee (currently, \$499 per person), plus costs and expenses. Default fee applies for non-attendance.	Before annual meeting	<a href="#">See Note 10</a>
<a href="#">Advanced Manager Training Program</a>	Not currently charged, but if implemented, our then-current fee, which we estimate to be \$99 per attendee, plus costs and expenses	Before you attend training program	<a href="#">See Note 11</a>
<a href="#">Technology Fee</a>	\$605 per month	1 <sup>st</sup> day of each calendar month	<a href="#">See Note 12</a>
<a href="#">Software Transfer Fee</a>	\$350	Upon receipt of statement	<a href="#">See Note 12</a>
<a href="#">Additional Software Support</a>	Not currently charged, but if implemented, our then-current fee (which we estimate to be between \$100 to \$200 per hour)	On demand	<a href="#">See Note 12</a>

<b>Type of Fee<sup>(4)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
<a href="#">Marketing Cooperatives</a>	As established (Existing marketing cooperatives charge 2% of Gross Receipts)	<a href="#">As established</a>	<a href="#">See Note 13</a>
<a href="#">Successor Franchise Fee</a>	<a href="#">\$10,000</a>	<a href="#">Upon renewal</a>	<a href="#">See Note 14</a>
<a href="#">Transfer Fee – Franchise Agreement</a>	50% of the then-current Initial Franchise Fee	<a href="#">Upon signing the consent to transfer</a>	<a href="#">See Note 15</a>
<a href="#">Transfer Fee – Area Development Agreement</a>	<a href="#">\$10,000</a>	<a href="#">Upon signing the consent to transfer</a>	
<a href="#">Transfer Fee Deposit</a>	<a href="#">\$5,000</a>	<a href="#">Upon signing the consent to transfer</a>	<a href="#">See Note 16</a>
<a href="#">Inventory</a>	<a href="#">Varies according to products purchased</a>	<a href="#">At the time of purchase</a>	<a href="#">See Note 17</a>
<a href="#">Royalty Underpayments (audit)</a>	<a href="#">Varies. Difference between amount reported and correct amount, plus applicable interest (and if understated amount is more than 2%, plus our costs (including attorneys' and accountants' fees)).</a>	<a href="#">Time of audit</a>	<a href="#">See Note 18</a>
<a href="#">Defense or Enforcement Costs</a>	<a href="#">All costs including attorneys' fees (variable)</a>	<a href="#">Upon settlement or conclusion of a claim or other legal action</a>	<a href="#">See Note 19</a>
<a href="#">Indemnification</a>	<a href="#">All costs including attorneys' fees (variable)</a>	<a href="#">Upon settlement or conclusion of a claim or other legal action</a>	<a href="#">See Note 20</a>
<a href="#">Collection Costs</a>	<a href="#">Actual costs and expenses to collect past due or other amounts</a>	<a href="#">Upon settlement or conclusion</a>	<a href="#">See Note 21</a>
<a href="#">Arbitration and Proceeding Costs</a>	<a href="#">Our arbitration or other court costs plus attorneys' fees and costs if we prevail in the arbitration or proceeding</a>	<a href="#">Upon conclusion of arbitration or proceeding</a>	<a href="#">See Note 22</a>



Type of Fee <sup>(4)</sup>	Amount	Due Date	Remarks
<del>Royalty Fee</del> <u>Liquidated Damages</u>	<del>6% of the Amazing Lash Studio's Gross Sales</del> An amount equal to the combined monthly average of <u>Royalties, Brand Marketing Fund contributions, and any other fees under this Agreement (without regard to any fee waivers, or other reductions) payable during the 36 months preceding the date of early termination, multiplied by the lesser of (i) 36 or (ii) the number of full months remaining in the Term. The present value of the total calculated at a discount rate of 8%, assuming payment at the end of each month, will be our Liquidated Damages.</u>	<del>On the 1st and 16th day of each month.</del> <u>Upon termination of Franchise Agreement by you without cause or because of your default</u>	<del>See Note 2 for the definition of Gross Sales. We require you to pay the royalty fees by electronic funds transfer. Royalties accrued from the 1st to 15th of each month are debited from your account via electronic funds transfer on the next business day following the end of the period. Royalties accrued from the 16th through the end of the month are debited from your account via electronic funds transfer on the first business day of the following month. We may change the date or intervals we use for royalty payments with 30 days prior notice to you.</del> <u>See Note 23</u>
<del>Local Supplier Evaluation Advertising</del> <u>Alternative Supplier Advertising</u>	<del>The greater of (i) \$1,750 per month or (ii) four percent (4%) of your Amazing Lash Studio's Gross Sales (subject to our right to increase).</del> <u>Not currently charged, but if implemented, our then-current fee which we estimate to be costs for time and resources we spend in evaluating the proposed supplier</u>	<del>Payments for local advertising are due when billed by the local advertiser.</del> <u>On demand</u>	<del>If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area.</del> <u>See Note 24</u>

\* Except as otherwise noted, all fees are uniformly imposed on all franchisees and collected by, and payable to, us (or our designated affiliate). Any fees paid to us are non-refundable unless otherwise noted. Your costs for certain items listed above may differ depending on the suppliers used, local costs, and other factors. We will auto-debit your bank account (known as "ACH") for all fees you are required to pay to us under the Franchise Agreement. We will ACH your bank account for the amounts due based on your gross monthly receipts from the previous month, as obtained by us from our approved computer system used by you to record receipts. Your ACH will remain in effect throughout the term of the

Franchise Agreement. You must ensure that funds are available in your bank account to cover our withdrawals. Some banks charge fees for us to ACH your account; you must pay those fees. We may require you to pay any amounts due under the Franchise Agreement or otherwise by means other than ACH (e.g., by check or credit card) whenever we deem appropriate, and you must comply with our payment instructions. If you fail to comply with our payment instructions, we reserve the right to exclude you from participating in certain programs. In addition, your failure to comply with our payment instructions will be considered a default under the Franchise Agreement.

**NOTES:**

Type of Fee <sup>(4)</sup>	Amount	Due Date	Remarks
Cooperative	<del>If established, you must contribute to the Cooperative the amounts required by the Cooperative's governing documents, which will be at least 2% of Gross Sales (but will not exceed your local advertising expenditure)</del>	<del>As established</del>	<del>We may designate any geographic area in which two or more company owned or franchised Amazing Lash Studios are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). Any amounts you contribute to your Cooperative will be applied to satisfy a portion of your local advertising expenditure. Subject to your required local advertising expenditure, decisions of a Cooperative regarding contribution levels will require the affirmative vote of at least 51% of all Amazing Lash Studios who are members of the Cooperative (including those that we and our affiliates operate, if any), with each Amazing Lash Studio receiving 1 vote.</del>
Advertising Fund	<del>Currently, 1% of your Amazing Lash Studio's Gross Sales; which will be increased to 2% beginning on August 1, 2019 (we may modify this amount upon not less than thirty days' notice but may only increase to a maximum of 2% of Gross Sales)</del>	<del>On the 1st and 16th day of each month</del>	<del>The Advertising Fund (as defined in Item 11) contribution is in addition to the local advertising requirement. Advertising Fund contributions will be due and payable at the same time and in the same manner that royalty fee payments are due and payable.</del>
Equipment and private-label products	<del>Varies according to the items purchased</del>	<del>At the time of purchase</del>	<del>Currently, our affiliate, WAVE, is the only approved supplier of the following categories of items: (i) all products used in connection with providing services at your Amazing Lash Studio business, including equipment, lash extensions and other essential items and inventory, tables, stools and workstation lights; and (ii) all private-label products that you must offer for sale at your Amazing Lash Studio.</del>

Interest	<del>The lesser of 18% per year or the maximum lawful rate</del>	On demand	<del>We will charge interest on all overdue amounts.</del>
Non-Payment Fee	\$100 plus any service or bank fees we incur	On demand	<del>We may charge a fee for each time your payment method fails, including by reason of you having insufficient funds in your account.</del>

Type of Fee <sup>(†)</sup>	Amount	Due Date	Remarks
Default Fee	\$250	On demand	If you breach the Franchise Agreement, in addition to any other right or remedy available to us, we may require you to pay us a default fee.
Replacement Training	Then current <del>fee</del> , currently \$500 per attendee, plus costs.	Before replacement training	Any successor or replacement Principal Owner (defined in Item 15) or General Manager (defined in Item 15) must successfully complete the Training Program no more than 30 days after being appointed (see Item 11).
Additional Training	Then current <del>fee</del> , currently \$350 per day per trainer, plus costs.	Before <del>additional</del> training	If we require any of your Key Personnel to attend additional training, or you request additional training for any of your Key Personnel and we agree to provide it, all training will incur our then current fee.
Software and Technology Licensing and Support Fee	Then current <del>fee</del> , currently \$175 per month before the date you first open your Amazing Lash Studio for business, and \$350 per month after you open your Amazing Lash Studio.	The <del>10th</del> day of each month	Upon signing a franchise agreement, you must sign the Software Use and License Agreement attached as Exhibit B to this Disclosure Document. We may increase or otherwise modify the amount or intervals of the Software and Technology Licensing and Support Fee upon 30 days' prior written notice to you.
Software Support (during non-business hours)	Not currently charged, but if implemented, our then current fee (which we estimate to be between \$100 to \$200 per hour)	On demand	If you request additional software support during non-business hours, we may, but are not obligated to, provide such additional support at <del>an additional fee to you.</del>
Late Fee (Software Use and License Agreement)	\$5.00 per day until overdue fees are paid in full	As incurred	Any fees due under the Software Use and License Agreement not received by their due date will be assessed a late fee penalty of \$5.00 per day until such fees are paid in full.
Annual Conference Fees	Then current <del>annual</del> conference registration fees for at least two people <del>(currently, \$499 per person)</del> , plus \$1,500 for failure to <del>attend</del>	On demand	If we schedule an annual franchise conference, we will require you and your manager to attend and pay registration fees. If you and your manager do not attend, we will charge you registration fees for a minimum of two people along with a \$1,500 fee for failing to attend.

Type of Fee <sup>(†)</sup>	Amount	Due Date	Remarks
Transfer Fee (Franchise Agreement)	<del>50% of our then-current initial franchise fee</del>	<del>On or before transfer</del>	<del>You must pay us a transfer fee upon a transfer of your Amazing Lash Studio or any ownership in you, except that if you are transferring to a wholly owned business entity formed for convenience of ownership, the transfer fee will be an amount equal to the out-of-pocket costs and expenses incurred by us in connection with such transfer (including legal and accounting fees).</del>
Transfer Fee (Area Development Agreement)	\$10,000	<del>On or before transfer</del>	
Renewal Fee	\$10,000	<del>Upon renewal of the Franchise Agreement</del>	<del>To acquire a successor Franchise Agreement you must, among other things, pay us the renewal fee in a lump sum payment.</del>
Manuals Fee	\$500	When billed	We provide our Manuals electronically, and will charge a fee of \$500 for any hard copy of the Manuals that we agree to provide you.
Inspection and Testing	<del>Our actual costs of inspection and testing.</del>	When billed	<del>Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities (including our administrative expenses). The costs for testing/inspection of a product will vary based on the testing required for the particular product.</del>
Indemnification	<del>Varies according to loss</del>	On demand	<del>You must indemnify us when certain of your actions result in loss to us.</del>
Audit Fee	Cost of audit	When billed	Payable if: (1) an examination or audit of your financial records shows you have understated any amount owed to us by 2% or more, or (2) we conduct any audit of your data security and privacy practices.
Interim Management Fee	<del>Then current fee, (currently, \$7,500 per month) plus all costs and expenses</del>	When billed	<del>We will charge you this fee if we assume management of your Amazing Lash Studio because you fail to comply with your Franchise Agreement or abandon your Amazing Lash Studio, or we are determining whether to acquire your Amazing Lash Studio.</del>
Insurance Fees	<del>Our actual expenses for the required coverages, plus reasonable fee</del>	On demand	<del>If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee equal to our actual expenses for obtaining and maintaining the required coverages.</del>

~~Desert Lash Inc., Cole Family Enterprises, LLC, CE Lashes LLC, BCBS LLC., and Wink Arizona Studio, LLC v. Amazing Lash Studio Franchise LLC, Edward Le and Jessica Le (Case No. CV2017-013573,~~

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Deficiency Fees	<del>Our actual expenses for the required coverages, plus reasonable fee</del>	<del>On demand</del>	<del>If you fail to correct any deficiencies at your Amazing Lash Studio within a reasonable time, we may (but need not) correct such deficiencies and charge you a reasonable fee (including re-inspections and other direct costs for such actions);</del>
Enforcement Costs	<del>Will vary</del>	<del>As incurred</del>	<del>You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Franchise Agreement.</del>
Lost Revenue Damages	<del>Net present value of the royalties and contributions to the Advertising Fund and Cooperative from the date of termination to the earlier of: (a) two years following the termination, or (b) the scheduled expiration of your Franchise Agreement.</del>	<del>Within 15 days after termination</del>	<del>If we terminate your Franchise Agreement for your breach, or you terminate the Franchise Agreement without cause, you must pay us these damages. For the purpose of calculating damages, royalties and contributions to the Advertising Fund and Cooperative will be calculated based on the average monthly Gross Sales of your Amazing Lash Studio during the 12 full calendar months immediately preceding the termination; or if your Amazing Lash Studio has not been operating for at least 12 months, based on the average monthly Gross Sales of all Amazing Lash Studios during the our immediately preceding fiscal year.</del>

**Notes:**

(1) Except as otherwise noted, all fees are uniformly imposed on franchisees and are payable to us or our affiliates. All fees are non-refundable unless otherwise noted.

1. (2) "Gross Sales" is all income, revenue or consideration of every other kind and nature that you receive from operating your Amazing Lash Studio, whether for cash or credit and regardless of collection in the case of credit, prior to and not reduced by any Royalty. You must pay us a monthly royalty on the 5th day of each month starting with the 1st full calendar month after opening the Studio. We reserve the right to collect royalties on a weekly, rather than monthly, basis upon notification to you.

If we are unable to access information from your Computer System (as defined in Item 11), and you fail to report your Studio's Gross Receipts when due, then for each payment due under the Franchise Agreement that is calculated based on Gross Receipts, we may debit your business account 110% of the average of your last three applicable refunds, discounts or credits. Gross Sales includes: (a) all proceeds from the sale of coupons, gift cards/certificates, group-bought deals, or vouchers payments that we debited. If the amounts that we debit from your business account are less than the amounts you actually owe us (once we have determined your Studio's true and correct Gross Receipts), we will debit your business account for the balance on the day we specify. If the amounts we debit from your business account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date.

Despite any installment plan, the parties stipulated to the entry of an arbitration award in favor of TLC and against AL-SE in the amount of \$7,500,000, which award may be enforced by due indebtedness to us or our affiliates.

“Gross Receipts” include all of your revenue and receipts, including those taken by cash, credit card, debit card, check, electronic funds transfer, ACH, trade, barter or exchange. Gross Receipts also include: (a) any other means of revenue derived from the operations of your Studio, including the sale of memberships, merchandise, or any products or services that are sold by you, whether sold at the Premises or from an off-Premises location; (b) all revenue from the sale or redemption of gift cards, in accordance with our then-current guidelines for calculating Gross Sales for such revenue; (b) your share of revenues from any vending machines or other equipment, machines or devices installed in your Amazing Lash Studio System Standards; and (c) the ~~proceeds~~ gross amount of any business interruption or similar insurance payments. Gross Sales does not include Receipts exclude: (i) sales, use or privilege taxes you collect from customers of your Amazing Lash Studio, if the taxes are actually transmitted in a timely manner paid to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Premises; and (iii) tips received from clients for payment to your employees by customers of the Premises. The “Premises” is the specific location of your Studio that we approve.

2. **Brand Marketing Fund.** You must make contributions to an advertising and marketing fund (the “Brand Marketing Fund”) of 2% of the Gross Receipts of your Studio, which we will spend on preparing marketing, recruiting, advertising, and promotional materials and programs that will be used nationally, regionally, multi-regionally, or locally. You must also satisfy the Grand Opening Spend Requirement (see Item 7) and the Local Marketing Spend Requirement described below.
3. **Local Marketing Spend Requirement.** You must spend the greater of (i) \$1,750 per month or (ii) four percent (4%) of the Gross Receipts of your Studio toward approved advertising, marketing and promotional programs for your Studio within an area reasonably surrounding your Studio (the “Local Marketing Spend Requirement”). We may increase or otherwise modify the amount or intervals of the Local Marketing Spend Requirement upon 30 days’ written notice to you. Your Local Marketing Spend Requirement excludes any contributions you make to the Brand Marketing Fund, but any contributions you make to a Marketing Cooperative will count toward your Local Spend Amount. Your required Marketing Cooperative contributions could, by themselves, exceed the Local Spend Amount. We or our affiliates may be a designated supplier of local advertising, marketing and promotional programs for your Studio.
4. **Default Fee.** If you are in default of the Franchise Agreement and we send you a default notice, you must pay us a default fee.
5. **Dishonored Checks or Insufficient Funds Fee.** If you write us a check that is returned, cancelled or dishonored, or if we ACH your bank account (in accordance with the terms of the Franchise Agreement) and your account has insufficient funds or is inaccessible, you must pay us an insufficient funds fee.
6. **Interest on Late Payments.** All amounts that you owe us for any reason will bear interest accruing as of their original due date at 1.5% per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for transaction charges and interest.
7. **Monthly Management Fee (in the event of your abandonment, default, or termination).** If: (1) you abandon or fail actively to operate your Studio; (2) you fail to comply with any provision of the Franchise Agreement or any System Standard and do not cure the failure within the applicable cure period; or (3) the Franchise Agreement is terminated and we are deciding whether to exercise our option to purchase the Studio, we have the right (but not the obligation): (i) to enter the Premises to make any modifications we deem necessary to protect the Operating Assets; (ii) to remove any equipment, signage, or other materials featuring the Marks; (iii) to cure any defaults under the lease; and (iv) to assume all of your rights under the lease. We additionally have the right (but not the obligation) to enter the Premises and assume your Studio’s management for any period of time we deem appropriate. If we (or a third party we designate) assume your Studio’s management, you must pay us our then-current monthly management fee, plus our (or the third party’s) direct out-of-pocket costs and expenses. These

amounts are in addition to any Royalty, Brand Marketing Fund contributions, and other amounts which may be due to us or our affiliates.

8. **Replacement Training Fee.** Any successor or replacement Operating Partner (defined in Item 15) or Designated Manager (defined in Item 15) may be required to complete the Training Program no more than 90 days after being appointed (see Item 11). You are responsible for travel and living expenses, including wages, transportation, food, lodging, and workers' compensation insurance incurred by you or your personnel to attend such training.
9. **Additional Training-Amazing Lash Fee.** If we require you, your Operating Partner, your Designated Manager, and/or any other personnel to attend additional training, or you request additional training for any of your personnel and we agree to provide it, you may be required to pay us our then-current training fee. You are responsible for travel and living expenses, including wages, transportation, food, lodging, and workers' compensation insurance incurred by you or your personnel to attend such training. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Studio to conduct training, including food, lodging and transportation.
10. **Annual Meeting Registration Fees.** You (or your Operating Partner) and any applicable Designated Manager are required to attend any scheduled annual meeting of franchise owners. You will be required to pay our then-current registration fee. If you do not attend, we will charge you the default fee for failing to attend. You are responsible for travel and living expenses, including wages, transportation, food, lodging, and workers' compensation insurance incurred by you or your personnel to attend such training.
11. **Advanced Manager Training Program Fee.** After you have opened your Studio for business, we may offer you (or your Operating Partner) and any applicable Designated Manager, based on the factors that we determine, the opportunity to attend an advanced manager training program. If you elect to attend such training, you may be required to pay us our then-current training fee. You are responsible for travel and living expenses, including wages, transportation, food, lodging, and workers' compensation insurance incurred by you or your personnel to attend such training.
12. **Technology Fee, Software Transfer Fee & Additional Software Support.** We require you to pay a fee to us, or a service provider we designate (which may be one of our affiliates), for technology-related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Computer System and/or any Franchise System Website (a "Technology Fee"). The Technology Fee is payable monthly, which we will ACH from your bank account on the 1st day of each month beginning 60 days before your Studio opens. The email portion of the Technology Fee includes up to four users. If you want access to technologies other than email before opening, then the Technology Fee will accrue at the monthly rate from such time. If we travel to your Studio to provide any technological support and/or installation services, you must also reimburse us for the costs we incur for such site visit, including travel, food, and lodging. We may periodically modify the Technology Fee. If you purchase an existing Studio, you will be required to pay us a software transfer fee of \$350, payable by ACH. If you request additional software support during non-business hours, we may, but are not obligated to, provide such additional support at an additional fee to you.
13. **Marketing Cooperatives.** We may establish a marketing cooperative in a geographic area in which three or more Studios are located ("Marketing Cooperative"). The Marketing Cooperative's members will include all Studios operating in the geographic area, including us and our affiliates, if applicable. Any Studio we or our affiliates own will have the same voting power as franchised Studios. We may also require that you join an existing Marketing Cooperative operating in a geographic area encompassing or near your Studio. We may collect Marketing Cooperative fees and transfer those fees to the Marketing Cooperative, or the Marketing Cooperative may collect the fees directly, as we determine. We may designate, approve or develop standards and specifications for Marketing Cooperative suppliers. We will determine how any Marketing Cooperative is organized and governed, but the Marketing Cooperative's members are responsible for its administration and determination of



contribution levels. All Marketing Cooperatives will be governed by written documentation we designate or approve. Such documentation is available for Marketing Cooperative member review. We may form, modify, change, dissolve, or merge Marketing Cooperatives. As of the date of this Disclosure Document, there are Marketing Cooperatives in existence in certain geographic areas. The estimate provided in the table is what these existing Marketing Cooperatives currently charge their members, but your Marketing Cooperative will determine your contribution level, so it could exceed this range.

14. **Successor Franchise Fee.** If you are approved to acquire a successor franchise upon the expiration of your Franchise Agreement, you will sign our then-current forms of renewal addendum and franchise agreement (which may contain terms and conditions materially different from those in the form of Renewal Addendum and Franchise Agreement attached to this Disclosure Document) and pay us a successor franchise fee. The successor franchise fee is due upon the execution of the successor franchise agreement and is payable by wire transfer.
15. **Transfer Fee.** You must pay us a transfer fee if you sell or transfer ownership of your Studio, or if you assign or sell your controlling interest in the Studio to another party. You must pay us this transfer fee in a lump sum by wire transfer at the time you sign the conditional consent to transfer. If the transferee is referred to you by a broker, you must also pay the broker's fees. You do not have to pay a transfer fee if you transfer your individual interest in the Franchise Agreement to a corporation, limited liability company, partnership or similar entity in which you own a controlling interest. If we terminate our conditional consent to the transfer or the transferee's franchise agreement for certain reasons (for instance, if the transfer does not occur or the transferring parties fail to meet the conditions to our consent), and the transferring parties sign a general release, then we will refund the transfer fee. However, if the transferee has already attended any portion of initial training, we will only refund 50% of the transfer fee.
16. **Transfer Fee Deposit.** In the event of a transfer, you must pay us a fee deposit of \$5,000 when you sign the conditional consent to transfer. We will refund the deposit to you, less any amounts which may be due under the Franchise Agreement, within 30 days following the effective date of the transfer or the date on which you and the transferee have complied with all terms in our agreement and conditional consent to transfer, whichever is later.
17. **Inventory.** Currently, our affiliate, WAVE, is the sole designated supplier of the following categories of items: (i) all products used in connection with providing services at Studios, including but not limited to equipment and other essential items, inventory, tables, stools, and workstation lights; and (ii) all products that you must offer for sale at your Studio.
18. **Royalty Underpayments (audit).** If an examination or audit of your books and records reveals that any payments due or made to us were based upon understated amounts, then within fifteen (15) days after receiving the examination report, you must pay us an amount equal to the payment that would have been due or paid in the absence of understated amounts, minus the payment actually due or made, plus applicable interest, calculated on an annual basis, from the date the disputed amount was originally due until the correct amount is paid to you and turned over by you to your employees in lieu of direct tips or gratuities; and (iii) returns to shippers or manufacturers. If the understatement is 2% or more, then you will also reimburse us for any costs and expenses, including accounting and attorneys' fees, in connection with the examination or audit.
19. **Defense or Enforcement Costs.** If we are successful in any action based on your breach of the Franchise Agreement, we will be entitled to have you pay our reasonable attorneys' fees, court costs, expenses of litigation and all other costs associated with any other appropriate remedies.
20. **Indemnification.** You must indemnify us and our affiliates from all claims related to your Studio, the Franchise Agreement or your breach of the Franchise Agreement; ~~settlement payment installment plan, the parties stipulated to the entry of an arbitration award in favor of TLG and against ALSF in the amount of \$7,500,000, which award may be enforced by~~

21. **Collection Costs.** If you withhold amounts owed to us and we pursue collection of such amounts, you must pay to us all of our costs and expenses, including arbitration and court costs, attorneys' fees, the value of our employees' time, witness fees and travel expenses in connection with our collection efforts.
22. **Arbitration and Proceeding Costs.** The prevailing party of any arbitration or litigation shall be entitled to recover from the other party all costs and expenses, including arbitration and court costs, witness fees, and reasonable attorneys' fees.
23. **Liquidated Damages.** You will be required to pay us the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties, Brand Marketing Fund contributions, and Marketing Cooperative contributions, less any cost savings, through the remainder of the term of this Agreement (the "Liquidated Damages") if we terminate the Franchise Agreement based on your default or if you terminate the Franchise Agreement without cause before its expiration. Liquidated Damages will be equal to the combined monthly average of Royalties, Brand Marketing Fund contributions, and any other fees under this Agreement (without regard to any fee waivers, or other reductions) payable during the 36 months preceding the date of early termination, multiplied by the lesser of (i) 36 or (ii) the number of full months remaining in the term. The present value of the total calculated at a discount rate of 8%, assuming payment at the end of each month, will be our Liquidated Damages. In addition to Liquidated Damages, we reserve all other remedies we have under the Franchise Agreement.
24. **Alternative Supplier Evaluation.** If you would like us to consider approving a supplier that is not then approved, you must submit your request in writing before purchasing any items or services from that supplier. We will not be obligated to respond to your request, and we may require that you pay us a fee to compensate us for the time and resources we spend in evaluating the proposed supplier. Approval of a supplier may be conditioned on any factors we determine, including requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, and standards of service.

**ITEM 7. YOUR ESTIMATED INITIAL INVESTMENT**

**~~YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)~~**

~~settlement payment installment plan, the parties stipulated to the entry of an arbitration award in favor of TLG and against ALSF in the amount of \$7,500,000, which award may be enforced by~~

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial franchise fee <sup>(1)</sup>	\$39,000	Lump sum	Upon signing franchise agreement	Us
Lease review <sup>(2)</sup>	\$3,000 – \$5,000	As arranged	As arranged	Third-party professional
Leasehold Improvements (net of landlord tenant allowances) <sup>(3)</sup>	\$68,534 – \$249,977	As arranged	As arranged	Landlord, approved suppliers and contractors
Cabinetry & millwork <sup>(4)</sup>	\$17,200 – \$29,900	As arranged	As arranged	Approved suppliers
Furniture, décor, lighting & other equipment <sup>(4)</sup>	\$14,600 – \$21,400	As arranged	As incurred	Approved suppliers
Monthly Software and Technology Licensing and Support Fee <sup>(5)</sup>	\$875 to \$1,400	Electronic funds transfer	Monthly	Us
Computer hardware & software <sup>(6)</sup>	\$19,300 – \$24,300	As arranged	As incurred	Approved suppliers
Initial training costs (for you or your Principal Owner) <sup>(7)</sup>	\$250 – \$3,000	As arranged	Before opening	Hotels, restaurants, airlines, car rental providers, and other travel-related service providers
Security deposits <sup>(8)</sup>	\$2,250 – \$8,426	As arranged	As incurred	Third-party suppliers & landlord
Architectural plans & design (incl. site plan & design fees) <sup>(9)</sup>	\$3,100 – \$9,025	As arranged	As incurred	Approved vendors
Signage <sup>(10)</sup>	\$10,000 – \$15,000	As arranged	As incurred	Approved suppliers
Initial studio inventory & supplies <sup>(11)</sup>	\$22,300 – \$27,600	As arranged	As incurred before opening	Our affiliate
Grand opening marketing (minimum spend) <sup>(12)</sup>	\$10,000	As arranged	Between 10 days before and 60 days after opening	Advertisers and third-party suppliers
Business supplies <sup>(13)</sup>	\$250 – \$1,500	As arranged	As incurred	Approved suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Business permits & licenses <sup>(14)</sup>	\$500 – \$2,000	As required by government authorities	As required by government authorities	Applicable government authorities
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee <sup>(1)</sup>	\$39,900	Lump sum	Upon signing franchise agreement	Us
Lease Review <sup>(2)</sup>	\$3,000 - \$5,000	As arranged	As arranged	Third-party professional
Leasehold Improvements (net of landlord tenant allowances) <sup>(3)</sup>	\$71,600 – \$264,600	As arranged	As arranged	Us, landlord, approved suppliers and contractors
Cabinetry & Millwork <sup>(4)</sup>	\$19,200 - \$31,300	As arranged	As arranged	Approved suppliers
Furniture, Décor, Lighting & Other Equipment <sup>(4)</sup>	\$12,900 - \$21,300	As arranged	As incurred	Our affiliate WAVE and approved suppliers
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Technology Fee <sup>(5)</sup>	\$1,210 (\$605/mo. for two months before opening)	Electronic funds transfer	Monthly, beginning two months before opening	Us
Computer System <sup>(6)</sup>	\$19,300 - \$24,300	As arranged	As incurred	Approved suppliers
Training Program Costs <sup>(7)</sup>	\$250 - \$3,000	As arranged	Before opening	Hotels, restaurants, airlines, car rental providers, and other travel-related service providers
Real Property & Utility Security Deposits <sup>(8)</sup>	\$2,300 - \$8,200	As arranged	As incurred	Third-party suppliers & landlord

<a href="#">Architectural Plans &amp; Design<sup>(9)</sup></a>	<a href="#">\$3,000 - \$8,000</a>	<a href="#">As arranged</a>	<a href="#">As incurred</a>	<a href="#">Approved vendors</a>
<a href="#">Signage<sup>(10)</sup></a>	<a href="#">\$11,000 - \$15,000</a>	<a href="#">As arranged</a>	<a href="#">As incurred</a>	<a href="#">Approved suppliers</a>
<a href="#">Initial Studio Inventory &amp; Supplies<sup>(11)</sup></a>	<a href="#">\$23,800 - \$29,200</a>	<a href="#">As arranged</a>	<a href="#">As incurred before opening</a>	<a href="#">Our affiliate WAVE and approved suppliers</a>
<a href="#">Grand Opening Spend Requirement<sup>(12)</sup></a>	<a href="#">\$15,000; \$5,000 if you are purchasing an existing Studio</a>	<a href="#">As arranged</a>	<a href="#">Between 60 days before and 30 days after opening; within 60 days of purchasing existing Studio</a>	<a href="#">Advertisers and third-party suppliers</a>
<a href="#">Business Supplies<sup>(13)</sup></a>	<a href="#">\$250 - \$1,500</a>	<a href="#">As arranged</a>	<a href="#">As incurred</a>	<a href="#">Approved suppliers</a>
<a href="#">Business Licenses &amp; Permits<sup>(14)</sup></a>	<a href="#">\$500 - \$2,000</a>	<a href="#">As required by government authorities</a>	<a href="#">As required by government authorities</a>	<a href="#">Applicable government authorities</a>
<a href="#">Insurance<sup>(15)</sup></a>	<a href="#">\$1,000 - \$3,000</a>	<a href="#">As required by insurance carrier</a>	<a href="#">Before opening</a>	<a href="#">Insurance carriers</a>
<a href="#">Professional fees<sup>(16)</sup></a>	<a href="#">\$2,500 – \$5,000</a>	<a href="#">As arranged</a>	<a href="#">As arranged</a>	<a href="#">Third-party professionals (accountants, legal, etc.)</a>
<a href="#">Additional funds (3-months)<sup>(17)</sup></a>	<a href="#">\$10,000 – \$27,000</a>	<a href="#">As arranged</a>	<a href="#">First 3 months of operation</a>	<a href="#">Third-party suppliers &amp; vendors</a>
<b>Total<sup>(18)</sup></b>	<b><a href="#">\$224,659 – \$482,528</a></b>			

#### Notes:

<a href="#">Professional Fees<sup>(16)</sup></a>	<a href="#">\$2,500 - \$5,000</a>	<a href="#">As arranged</a>	<a href="#">As arranged</a>	<a href="#">Third-party professionals (accountants, legal, etc.)</a>
<a href="#">Type of Expenditure</a>	<a href="#">Amount</a>	<a href="#">Method of Payment</a>	<a href="#">When Due</a>	<a href="#">To Whom Payment is to be Made</a>
<a href="#">Site Survey Fee<sup>(17)</sup></a>	<a href="#">\$2,500</a>	<a href="#">Lump sum</a>	<a href="#">10 days after you sign a lease</a>	<a href="#">Us</a>
<a href="#">Pre-Opening Waxing/Tinting Training Fee<sup>(18)</sup></a>	<a href="#">\$0 - \$1,500</a>	<a href="#">Lump sum</a>	<a href="#">Before training</a>	<a href="#">Us</a>

<u>Additional Funds (3 months)<sup>(19)</sup></u>	<u>\$10,000 - \$27,000</u>	<u>As arranged</u>	<u>First 3 months of operation</u>	<u>Third-party suppliers &amp; vendors</u>
<u>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(20)</sup></u>	<u>\$239,210 – \$508,510</u>			

#### **NOTES:**

##### **Initial**

1. Note 1, Franchise Fee. When you sign a Franchise Agreement to develop a single Studio, you must pay us an Initial Franchise Fee of \$39,000~~900~~. You must pay the Initial Franchise Fee as a lump sum by wire transfer. The Initial Franchise Fee is fully earned by us when paid by you.

If you are signing the Franchise Agreement under an Area Development Agreement under which you or your affiliate previously paid a Development Fee, then, as described in Item 5, you may not be required to pay an Initial Franchise Fee at the time you execute the Franchise Agreement.

2. Note 2 Lease Review. Before signing any lease, sublease, or other agreement to secure possession of any site (a "Lease"), you must ~~also submit a final complete copy of the proposed Lease to us, obtain our written approval.~~ The Lease must contain certain provisions we require, pursuant to the form of ~~lease rider~~ Lease Rider attached to the Franchise Agreement as Exhibit F ~~(the "Lease Rider")~~. It is your sole responsibility to obtain a fully executed Lease Rider ~~in connection with~~ when executing your Lease. ~~Our approval of your Lease is subject to our receipt of the Lease Rider in the form attached as Exhibit F to the Franchise Agreement, without modification or negotiation, executed by you and the landlord.~~ We recommend you have an attorney or other professional help you review and negotiate your Lease.

~~Note 3. Amazing Lash Studio businesses are typically located in commercially zoned shopping or entertainment areas. Due to the Leasehold Improvements (net of landlord tenant allowances). The cost of land acquisition and new construction, we anticipate that our franchisees will lease the premises for their Amazing Lash Studio businesses. These amounts reflected above assume that you will lease the build-out before occupying the leased premises for your Amazing Lash Studio Studio, including the cost of design and architectural services and do not include costs of land acquisition and services performed by one of our designated suppliers for construction of a building services, will vary depending on the size of your Studio, the state, city or area in which your Studio is located, the specific location and condition of the premises, the demand for the premises among prospective lessees, the site's previous use, and the nature and extent of improvements required.~~ The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans to a facility containing approximately 1,200 to 1,600 square feet. The leasehold improvement range will be affected by various factors like the location of the Amazing Lash Studio and local market conditions. Construction and remodeling costs may also vary widely, depending upon numerous factors, such as weather conditions, labor costs, costs of materials,

3. ~~location, condition of the building, premises and condition of any related facilities (such as HVAC, electrical/wiring and plumbing infrastructure), along~~ Typically, costs are higher in large metropolitan areas or if you choose premises with the amount square footage in excess of tenant improvement allowance provided by the landlord, the high range of 1,600 square feet. The estimates above assume that the range disclosed in the chart includes the construction management fee you must pay us in the event we approve an exception to the requirement that you use one of our designated suppliers for construction. In addition, the range disclosed in the chart is the range of costs after deducting any landlord will provide connections to adequate electrical, gas, water and sewage service. Your actual costs allowances (tenant improvements, rent deduction and the like), which may or may not include site preparation and finish out costs, depending on the arrangements you negotiate with not be granted by your landlord. In general, these estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength. Your construction costs may be higher depending on all of the factors described in this note.
4. ~~Note 4. Cabinetry & Millwork; Furniture, Décor, Lighting & Other Equipment.~~ Estimates include all millwork, furniture, fixtures and equipment to be used in your Amazing Lash Studio, including trade dress, interior art work artwork and design elements. All millwork, furniture, fixtures and equipment must meet our System Standards. You must purchase from our affiliate specific furniture, fixtures, and equipment for the Studio.

~~Note 5.~~ We currently charge a Software and Technology Licensing and Support Fee of \$175 per month for the time period between when you sign your Franchise Agreement and your Opening Date (as defined in Item 11). We estimate it will take you 150 to 240 days to open your Amazing Lash Studio, so the total amount of Software and Technology Licensing and Support Fees you must pay before opening will range from approximately \$875 to \$1,400.

5. ~~Note 6.~~ **Technology Fee.** You must pay us the Technology Fee for two months before opening (currently \$605 per month). If you are purchasing an existing Studio, you will be required to pay us a software transfer fee of \$350, payable by ACH.

- 5.6. ~~Computer Hardware & Software~~ **System.** The Computer System includes: (a) estimated purchase costs or monthly lease cost of computer hardware and software (including, back office software and point-of-sale software meeting our specifications and provided by our designated supplier or other manufacturer approved in writing by us); and (b) PCI compliance hardware and equipment that you must purchase or lease from our designated supplier and use in the operation of your Amazing Lash Studio Studio. Your minimum requirements for these items are designated in the Operations Manual and in Items 8 and 11 of this Disclosure Document.

- 6.7. ~~Note 7. We provide Training Program to.~~ You must pay your Key Personnel for no registration fee, but you are responsible for all of your out-of-pocket costs for sending such individuals to attend own transportation, meals, lodging and any other living expenses for you and any other persons attending the Training Program, like travel, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode and distance of transportation. We do not require outlined in Item 11 of this Disclosure Document. The amount you to appoint a General Manager, therefore the figures in the table represent only the estimated cost for one spend per individual (will depend on the distance traveled and the type of accommodations you or your Principal Owner, if choose. The estimate contemplates attendance by you are a business entity) to attend and up to two other people traveling to our Support Center office in Arizona for approximately four days. The estimates do not include any wages or salary you may choose to pay yourself or others while attending the Training Program.

~~7.8.~~ Note 8. Real Property & Utility Security Deposits. If you do not own retail space adequate to open your Amazing Lash Studio, you must lease or rent the retail space from a third party. ~~Amazing Lash~~ Studios are typically located in shopping or entertainment areas and require approximately 1,200 to 1,600 square feet. Estimated monthly lease payments range from ~~\$2,250 — \$8,426~~ \$000 - \$7,400 (including common area maintenance payments) depending on the size, condition, and location of the leased premises. Your landlord may require a security deposit before leasing the premises to you, which is typically equal to one month's rent. Some utility companies also may require a security deposit before commencing services. We estimate the total amount of utility security deposits to be approximately \$300 to \$800.

~~8.9.~~ Note 9. Architectural Plans & Design. You must use an architect and design vendor approved by us.

~~9.10.~~ Note 10. Signage. All interior and exterior signage used at, or in connection with, your ~~Amazing Lash~~ Studio must conform to our System Standards. The cost of the signs varies depending on the type, size and location of the sign, and may also be affected by shipping costs, as well as local zoning and other ordinances and regulations and landlord restrictions.

~~10.11.~~ Note 11. Initial Studio Inventory & Supplies. We estimate that this range will cover the cost of product inventory (including ~~eye lashes~~ eyelashes and related products), supplies and other miscellaneous items for approximately the first 90 to 120 days of operations. You must purchase from our affiliate specific ~~eye lash~~ inventory and ~~related products~~ supplies for the operation of ~~your Amazing Lash~~ the Studio.

~~Note 12.~~

~~11.12.~~ Note 12. Grand Opening Spend Requirement. You must conduct a grand opening promotion for your ~~Amazing Lash~~ Studio in accordance with our System Standards (see Item 11). You will pay third-party advertising vendors directly, but all grand opening advertising must be agreed upon by you and us in advance, and all advertising must conform to our System Standards. This entire grand opening marketing amount must be spent ~~during the period beginning 10 days before your Opening Date and ending 60 days after your Opening Date~~ as follows: (i) you must spend \$10,000 beginning 60 days prior to the opening of your Studio, and (ii) you must spend \$5,000 within the first 30 days after your Studio opens. Notwithstanding the foregoing, if you purchase an existing Studio, you shall instead be responsible for spending \$5,000 as your Grand Opening Spend Requirement within 60 days after the date you take possession of the Studio.

~~12.13.~~ Note 13. Business Supplies. We estimate that this range will cover the cost of various office and business supplies needed to operate ~~an Amazing Lash~~ Studio for approximately the first 90 to 120 days of operations.

~~13.14.~~ Note 14. Business Licenses and Permits. The cost includes the licenses and permits required to operate ~~an Amazing Lash~~ Studio in your location. The license and permit requirements are specific to the state and city/town in which your ~~Amazing Lash~~ Studio is located. Certain states may require that you file and post a bond, the estimated cost of which is not included in the table.

~~14.15.~~ Note 15. Insurance. You must obtain insurance coverage from our approved suppliers with the limits required by us as described in Item 8 of this Disclosure Document. Your landlord may require additional insurance. Under our required insurance program, you pay 20% of the annual premium up front and the remaining premiums for the year in equal installments on a monthly basis. The estimate shown in the table reflects the initial 20% payment, which you will pay before your ~~Amazing Lash~~ Studio opens. However, franchisees have the option of paying the entire annual



premium up front. If you elect to pay your entire annual insurance premium up front, these figures will be higher.

~~15,16.~~ **Note 16: Professional Fees.** We recommend that you retain an attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering.

~~17.~~ **Note 17: Site Survey Fee.** No later than 10 days after the date that you sign an approved lease the Premises, you must pay to us a non-refundable site survey fee equal to \$2,500, in the form of a lump sum payment by ACH.

**18. Pre-Opening Waxing/Tinting Training Fee.** Before the Opening Date, if you are legally capable of offering certain waxing and tinting services at your Studio, you must pay to us a non-refundable waxing and tinting training fee equal to \$1,500, in the form of a lump sum payment by ACH, for us to provide training for such services on-site at your Studio in conjunction with the opening assistance we provide (see Item 11).

**Additional Funds (first three months of operations).** The range of estimated costs represents your estimated initial start-up expenses (other than the amounts separately identified in the table), which include payroll costs (excluding a draw or salary for you or your manager if you are not the manager), lease payments, marketing expenses, uniform expenses, the costs of supplies, and other operating expenses. ~~These estimates do not include managerial salaries or any payment to you or your Principal Owner, and assumes that you have not engaged a General Manager.~~ The

~~16,19.~~ **3** three-month period is not intended, and should not be interpreted, to identify a point at which your ~~Amazing Lash~~ Studio will break even. This estimated amount may vary based on a number of factors, including the extent to which you follow our methods and procedures, local economic conditions, the local market for your services, competition, sales levels, local wage rates (and the prevailing minimum wage rate in your jurisdiction), ~~owner's salary~~, the extent of your actual participation in ~~your Amazing Lash~~ the Studio, your business acumen, your partners or shareholders (if applicable), and any other persons involved in ~~your Amazing Lash~~ the Studio. We relied on ~~the experience of ALSF's affiliate-owned Amazing Lash Studio businesses and ALSF's experience assisting franchisees in establishing franchised Amazing Lash Studio businesses along with our and our affiliates' many years of business experience in selling and supporting Amazing Lash Studio®, Elements Massage®, and Fitness Together® franchises to compile these estimates.~~

~~17,20.~~ **Note 18: Total Estimated Initial Investment.** You should review these figures ~~should be reviewed~~ carefully with your professional advisors, including financial and legal advisors, before making any decision to purchase ~~an Amazing Lash~~ Studio. The amounts may vary based on your geographic location. You should consider the costs of each of the items described in this Disclosure Document in your geographic location. Fees paid to us are not refundable under any circumstances, ~~unless otherwise stated in the Franchise Agreement.~~ Fees or costs due to any other entity are subject to the terms set under their agreements. Inflation, discretionary expenditures, fluctuating interest rates and other factors may affect your actual costs to open your ~~Amazing Lash~~ Studio. You are responsible for all costs and variances from the estimated costs in this Item 7, or variances from any other estimates we may provide during any phase of the development of your ~~Amazing Lash~~ Studio. The availability and terms of financing depend on the availability of financing generally, your creditworthiness, your available collateral, and lending policies of financial institutions. The estimate does not include any finance charge, interest, or debt service obligation, ~~and may not include all state and local taxes.~~ We do not currently finance any portion of the initial investment.

## YOUR ESTIMATED INITIAL INVESTMENT

### (AREA DEVELOPMENT AGREEMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee <sup>1</sup>	<del>\$78,800 to \$299,000</del> \$290,000	Lump sum	Upon signing Area Development Agreement	Us
Additional Funds (3 months) <sup>2</sup>	\$0	Not applicable	Not applicable	Not applicable
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>3</sup></b>	<del>\$78,800 to \$299,000</del> \$290,000			

#### NOTES:

#### Note 1: NOTES:

**Development Fee.** If we grant you the right to develop ~~2~~two or more ~~Amazing Lash~~ Studios under an Area Development Agreement, you must pay us a one-time Development Fee upon executing your Area Development Agreement. Your Development Fee will depend on the number of ~~Amazing Lash~~ Studios we grant you the right to develop within the Development Area and is calculated as follows: (1) ~~\$39,000~~ \$79,800 if you sign an Area Development Agreement in which you agree to develop two Studios; (2) \$34,900 multiplied by each ~~Amazing Lash~~ Studio you agree to develop if you sign an Area Development Agreement in which you agree to develop ~~2~~studios; ~~(2) \$34,000~~three to five Studios; and (3) \$29,900 multiplied by each ~~Amazing Lash~~ Studio you agree to develop if you sign an Area Development Agreement in which you agree to develop 3 to 5 studios; and (3) \$29,000 multiplied by each ~~Amazing Lash~~ Studio you agree to develop if you sign an Area Development Agreement in which you agree to develop ~~6~~six or more ~~Amazing Lash~~ Studios. Typically, an area developer is expected to develop ~~2~~two to 10 ~~Amazing Lash~~ Studios and the range of the Development Fee in that case would be

1. ~~\$78,000~~ ~~\$79,800~~ to ~~\$290~~299,000. The Development Fee is due in a lump sum when you sign your Area Development Agreement. The Development Fee is fully earned by us upon your execution of the Area Development Agreement ~~and is not refundable under any circumstances.~~
2. ~~Note 2:~~ **Additional Funds (Three Months):** Based on our and our affiliates' many years of business experience in selling and supporting ~~Amazing Lash Studio~~<sup>®</sup>, Elements ~~Massage~~<sup>®</sup> and Fitness Together<sup>®</sup> franchises, we estimate that you will not require any additional funds for the first three months of operating your development business. However, as described in Note 3 below, you will incur fees and expenses in opening each ~~Amazing Lash~~ Studio you commit to develop under the Area Development Agreement. Those additional funds are reflected in the table above reflecting the initial investment necessary to commence operation of ~~an Amazing Lash~~a Studio.

**Note 3:** **Total Estimated Initial Investment.** This amount is in addition to the fees and expenses you will incur in opening each ~~Amazing Lash~~

3. Studio you commit to develop under the Area Development Agreement. Fees paid to us are not refundable under any circumstances. We do not currently finance any portion of the initial investment for an Area Development Agreement.  
~~Development Agreement.~~

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

### Product Specifications and Designated/Approved Suppliers

You must purchase or lease the brands, types, and models of fixtures, furniture, equipment, ~~furnishings, inventory, supplies, signs~~ components of the Computer System, and ~~other operating assets, products and/or materials~~ signs that we approve ~~or designate for the operation of an Amazing Lash Studio~~ as meeting our specifications and standards for quality, design, appearance, function, and performance ("Operating Assets"). You must comply with all of our System Standards for the purchase of all Operating Assets, and other products used or offered for sale at your ~~Amazing Lash Studio~~.

We also have the right to designate specific suppliers for the products and services used and sold in ~~Amazing Lash Studios~~. If we have approved or designated suppliers for any such item, you must obtain those items exclusively from the suppliers we have approved or designated. We may designate ourselves, our affiliates or a third party as an approved or designated supplier, or as the sole approved or designated supplier of any item.

Currently, our affiliate, WAVE, is the ~~only approved~~ sole designated supplier of the following categories of items: (i) all products used in connection with providing services at your ~~Amazing Lash Studio business~~, including ~~but not limited to~~ equipment, ~~lash extensions~~ and other essential items and inventory, tables, stools and workstation lights; and (ii) all ~~private label~~ products that you must offer for sale at your ~~Amazing Lash Studio~~. We may add or remove items from the list of required products and services that you must acquire from us or our affiliates periodically ~~upon~~ in our discretion.

Currently, we ~~require you to purchase~~ have designated suppliers for the following categories of items ~~from other suppliers that we have designated as the exclusive supplier~~: (i) marketing materials; (ii) interior and exterior signage purchase and installation; (iii) the Computer System (defined in Item 11); (iv) PCI compliance services; (v) credit card processing; (vi) internet marketing services; (vii) real estate and site selection services; (viii) site plan and interior signage design; (ix) millwork plans and production; (x) tile; (xi) music and on-hold messaging; (xii) insurance; ~~and~~ (xiii) uniforms; ~~and~~ (xiv) a mobile application vendor. We may periodically add or remove items from the list of required products and services that you must acquire from designated or exclusive suppliers in our discretion.

You must acquire all other Operating Assets in accordance with our System Standards for suppliers, including purchasing such Operating Assets from suppliers we have approved in advance. We can modify, amend and change our System Standards, the ~~Manuals~~ Operations Manual or any other standards and specifications at any time, and will notify you of any such modifications. Notifications may be made by various means, including written or electronic correspondence, verbal or telephone communication, amendments or updates to the ~~Manuals~~ Operations Manual, bulletins and similar means of communications.

We estimate that the ~~products and services that you obtain~~ cost of your purchases from our approved and designated or approved suppliers ~~and, or~~ according to our standards and specifications will ~~represent~~ range from approximately 74% to 81% of the total cost of establishing, and approximately 70% to 90% of all products and services you will purchase to establish your Amazing Lash the total cost of operating, your Studio 70% to 90% of all products and services you will purchase during operation of your Amazing Lash Studio.

Some of our officers own an interest in one of our parent companies that has WAVE as one of its subsidiaries. Except as described above, neither we nor our affiliates are currently a designated or approved supplier of any products or services.

### **Alternative Products and Suppliers**

If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. You must not purchase or lease any such item unless the supplier has been approved in writing by us. We will typically provide a response to a written request within 30 days. We are not required to approve any particular supplier. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, ~~client relations, frequency of delivery, concentration of purchases, and~~ standards of service ~~(including prompt attention to complaints) or other criteria.~~ We may require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our System Standards and specifications and that the supplier meets our criteria. ~~We also may send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. We will require you or the proposed supplier to pay for the cost of the inspection and the test (including our administrative expenses) and to reimburse us for~~ pay any costs or expenses we incur in connection with the evaluation of your proposed supplier. ~~We will typically provide a response to your written request for an alternative product or supplier within 30 days from our receipt of the request. We may periodically re-inspect the facilities and products of any approved supplier and to~~ We may, with or without cause, revoke our approval of the any ~~supplier. If we revoke our approval of~~ at any supplier, we will communicate such revocation to you in writing, and you must promptly discontinue use of that supplier. ~~Our specifications for products and criteria for supplier approval are available to franchisees and approved suppliers.~~ time.

### **Insurance Requirements**

~~Not later than 60 days before the Opening Date, you must procure, at your expense, insurance policies for personal injury, death or property damage, or any loss, liability that meet our System Standards, including the types and minimum coverage amounts we require. You must maintain these policies in full force and effect at all times during~~ Throughout the term of ~~your~~ the Franchise Agreement ~~(including any renewal periods) you are required to maintain certain minimum amounts and types of insurance coverage as we periodically specify in the Operations Manual or otherwise in writing.~~

We require you to purchase all insurance policies from ~~a licensed insurer we have approved or designated, vendors and on the terms~~ and ~~must include a one year tail following the termination, expiration or transfer of your Franchise Agreement~~ according to the specifications we approve, including but not limited to general liability, professional liability, sexual abuse and molestation, motor vehicle liability, property, worker's compensation, and employment practices liability policies. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time. ~~Currently, our System Standards for insurance coverage require you to maintain the following minimum insurance, though we may modify or increase these amounts for your Amazing Lash Studio:~~

~~(1) — Comprehensive general liability insurance written on an occurrence form, including coverage for beauticians professional liability, broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire~~

~~damage coverage, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products/completed operations aggregate, \$1,000,000 personal and advertising injury, \$50,000 damage to premises rented to you, and \$5,000 medical expense (any one person); here should be no limitation or exclusion for sexual abuse or molestation coverage;~~

~~(2) — Employment related practices liability insurance, including third party coverage, in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. Such insurance must include a deductible of less than \$10,000 unless we approve a higher deductible in writing. Prior acts retroactive date must be no later than the effective date of your Franchise Agreement;~~

~~(3) — Commercial automobile insurance written on a combined single limit basis for bodily injury and property damage with a limit not less than \$1,000,000 per accident. Such insurance must include coverage for owned, hired, and non-owned automobiles;~~

~~(4) — Commercial umbrella or excess liability following form insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate;~~

~~(5) — Property insurance coverage to include coverage for replacement costs of all Franchisee-owned contents and tenant improvements at each location, and business interruption insurance for a period adequate to re-establish normal business operations, not to be less than six months. All property related coverage must be written on special causes of loss forms with deductibles not to be greater than \$10,000 per occurrence;~~

~~(6) — 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; and~~

~~(7) — Such other insurance as may be periodically required by us or by the landlord of your Amazing Lash Studio premises at, and by the state or locality in, which your Amazing Lash Studio business is located. All required insurance coverages may be obtained by separate primary policies, or in combination with umbrella or excess liability policies.~~

### **Purchasing Arrangements**

~~There are currently no purchasing or distribution cooperatives for the Amazing Lash Studio franchise system. We may periodically negotiate purchase arrangements with vendors that sell products and services to our franchisees. We may also concentrate purchases with one or more suppliers to obtain lower prices, advertising support and/or services for any group of Amazing Lash Studios franchised or operated by us or our affiliates. Currently, we have negotiated purchase arrangements (which may include pricing terms) with our approved suppliers of uniforms, logoed paper products, insurance, design/architecture services, and music/on hold messaging services. We do not currently provide material benefits to franchisees (such as renewal or granting additional franchises) based upon their purchase of particular products or use of particular suppliers.~~

The types of coverage and minimum coverage limits we specify are for our benefit and are not intended to be relied upon by you as a recommendation as to the types of coverage and coverage limits which are or might be appropriate for your particular Studio. Additional types of coverage and higher coverage limits might be appropriate based upon, for example, the location of your Studio, and we recommend that you consult with your insurance advisor regarding the appropriate types of coverage and coverage limits sufficient to protect your Studio.

Before you open your Studio, and then routinely or at our request, you must provide us or our designee with

copies of your certificates of insurance, insurance policy endorsements, or other evidence that you are maintaining our required insurance coverages and paying premiums. The certificates must show the minimum limits of coverage required by us and must provide that the insurance cannot be canceled, terminated, materially amended or modified without providing us and any other additional insureds 30 days' advanced written notice. Each insurance policy for your Studio must designate as additional insured parties us and any affiliates we may periodically designate.

### **Purchase Arrangements**

We have negotiated purchase arrangements with certain designated suppliers for the benefit of the Franchise System. We or our affiliates may derive revenue or profit from your dealings with such designated suppliers in the form of rebates, cash payments, discounts, promotional allowances, and/or other payments. We have these types of arrangements only with the designated suppliers disclosed in this Item 8. We also derive revenue on direct purchases that you make from us or from our affiliates. We retain all of the rebates, commissions or other consideration we are paid, and have the right to use these amounts without restriction (unless we or our affiliates agree otherwise with the supplier) for any purpose we or our affiliates deem appropriate. We do not provide material benefits to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

### **Revenue from Third-Party Suppliers Based on Franchisee Purchases**

Currently, neither we nor our affiliates receive any rebates, refunds or other payments from third-party designated or approved vendors based on required purchases by franchisees, though we may do so in the future.

### **Revenue We or Our Affiliates Receive from Franchisee Purchases**

We ~~and/or~~ our affiliates may derive revenue based on your purchases ~~and leases~~, including: (i) from charging you for products and services we or our affiliates provide to you, and (ii) from payments made to us or our affiliates by suppliers that we designate or approve for our franchisees. In the fiscal year ended December 31, 2019, we or our affiliates derived revenue from required purchases by franchisees as follows:

31, 2018, we or our affiliates derived revenue from required purchases by franchisees as follows:

~~Software and Technology Licensing and Support Fees:~~ We received revenues of ~~\$279,440~~962,850 from our franchisees' use of required software programs and websites, which was ~~6.1~~5.3% of our total revenues of ~~\$4,591,441~~18,088,255.

~~Equipment and Private Label Products:~~ Our affiliate, WAVE, received ~~\$3,370,116~~14,081,441 from franchisee purchases of equipment and products.

## ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this ~~disclosure document~~ [Disclosure Document](#).

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. <del>a.</del> —Site selection and acquisition/lease	<del>Franchise Agreement Section III.2.A., 2.B., 2.C.</del> Area Development Agreement <del>Section 2.B</del>	<del>Items 5, 7, 8 and 11, 12</del>
b. <del>b.</del> —Pre-opening purchases <del>purchase</del> /leases	<del>Franchise Agreement Sections III.D, VIII.A, VIII.C, VIII.F</del> <del>Software Use and License Agreement Section 1</del> <del>Area Development Agreement Section 2.B</del> <del>2.B., 2.D., 2.E., 2.F., 2.H., 3.C., 4.A., 8.A., 9.A.</del>	<del>Items 5, 6, 7, 8 and 11</del>
c. <del>c.</del> —Site development and other pre-opening requirements	<del>Franchise 2.D., 2.E., 2.F., 2.H.</del> <del>Area Development Agreement Article III—2.B</del>	<del>Items 1, 5, 7, 8 and 11</del>
d. <del>d.</del> —Initial and ongoing training	<del>Franchise Agreement Article VII</del> <del>2.H., 4.A., 4.B., 4.C., 8.A., 8.H., 12.C., 14.B.</del>	<del>Items 6, 7 and 11</del>
e. <del>e.</del> —Opening	<del>Franchise Agreement Sections III.E</del> <del>2.H.</del> Area Development Agreement <del>Sections 1.B and 2.D</del>	<del>Items 5, 7 and 11</del>
f. <del>f.</del> —Fees	<del>Franchise Agreement Article V, VII, IX</del> <del>Software Use and License Agreement Sections 4(a) and 5</del> <del>2.B., 2.D., 3.A., 3.B., 3.C., 3.D., 3.E., 3.G., 4.A., 4.C., 8.E., 8.M., 8.N., 9.A., 9.B., 9.D., 9.E., 9.F., 12.C., 12.D., 12.F., 13.A., 14.C., 15.B., 15.E., 16.D., 17.D., 17.F.</del> Area Development Agreement <del>Section 3</del>	<del>Items 5, 6, 7 and 8, 11</del>
g. <del>g.</del> —Compliance with standards and policies/ <del>Manuals</del> <a href="#">Operations Manual</a>	<del>Franchise Agreement Article III</del> <del>2.D., 4.A., 4.D., 5.B., 8.A., 8.B., 8.F., 8.H., 8.I., 8.L., 9.F., 10, 17.K., 19</del>	<del>Items 1, 8, 11, 13, 14 and 15, 16</del>
h. <del>h.</del> —Trademarks and proprietary information	<del>Franchise Agreement Article X and XI.A-B</del> <del>1.C., 5.A., 5.B., 5.C., 5.D., 5.E., 7.A., 8.A., 9.F., 14.B., 15.C.</del> Area Development Agreement <del>Section 4</del>	<del>Items 8, 11, 13 and 14, 16</del>
i. <del>i.</del> —Restrictions on products/services offered	<del>Items 8 and 16</del> <del>2.C., 7.A., 8.A., 8.B., 8.D., 8.E., 8.K., 8.L., 8.N.,</del>	8, 11, 16

Obligation	Section in Franchise Agreement	Disclosure Document Item
j. <del>j.</del> Warranty and customer service requirements	<del>Franchise Agreement Article VIII.</del> <a href="#">4.D., 8.A., 8.F., 8.L.</a>	<del>Item 11.</del> 16
k. <a href="#">Territorial development and sales quotas</a>	<a href="#">1.C., 1.D.</a> <a href="#">Area Development Agreement – 2.D</a>	<a href="#">12</a>
l. <a href="#">Ongoing product/service purchases</a>	<a href="#">4.A., 4.C., 8.A., 8.B., 8.C., 8.D., 8.E., 8.J., 8.M., 8.N., 9.B., 9.D., 9.E.</a>	<a href="#">6, 8, 11</a>
m. <a href="#">Maintenance, appearance and remodeling requirements</a>	<a href="#">2.E., 2.H., 4.C., 8.A., 8.B., 8.C., 12.C., 13.A., 13.B.</a>	<a href="#">8, 11, 17</a>
n. <a href="#">Insurance</a>	<a href="#">8.I., 8.J.</a>	<a href="#">6, 7, 8</a>
o. <a href="#">Advertising</a>	<a href="#">5.B., 8.A., 8.C., 8.F., 8.K., 9.A., 9.B., 9.C., 9.D., 9.E., 9.F., 10.B., 16.A.</a>	<a href="#">6, 8, 11</a>
p. <a href="#">Indemnification</a>	<a href="#">5.E., 16.D.</a> <a href="#">Area Development Agreement – 8.B</a>	<a href="#">6</a>
q. <a href="#">Owner's participation/management/staffing</a>	<a href="#">1.A., 1.B., 1.H., 4.A., 8.A., 8.H., 8.I., 12.F., 14.C.</a> <a href="#">Area Development Agreement – 1.D</a>	<a href="#">15</a>
r. <a href="#">Records and reports</a>	<a href="#">3.G., 4.C., 6.A., 8.A., 8.F., 10, 11.A., 11.B., 12.C., 14.B., 19</a> <a href="#">Area Development Agreement – 2.E</a>	<a href="#">N/A</a>
s. <a href="#">Inspections and audits</a>	<a href="#">4.C., 8.B., 8.G., 11.A., 11.B.</a>	<a href="#">6</a>
t. <a href="#">Transfer</a>	<a href="#">12</a> <a href="#">Area Development Agreement – 6</a>	<a href="#">6, 17</a>
u. <a href="#">Successor Franchise</a>	<a href="#">13.A., 13.B.</a>	<a href="#">6, 17</a>
v. <a href="#">Post-termination obligations</a>	<a href="#">6.A., 6.B., 15.A., 15.B., 15.C., 15.D., 15.E., 15.F., 15.G., 15.H., 15.I.</a> <a href="#">Area Development Agreement – 7.B, 7.C</a>	<a href="#">6, 17</a>
w. <a href="#">Non-competition covenants</a>	<a href="#">7.A., 15.F., 17.B.</a> <a href="#">Area Development Agreement – 5, 7.C</a>	<a href="#">17</a>
x. <a href="#">Dispute resolution</a>	<a href="#">17.F., 17.G., 17.H., 17.I., 17.J., 17.L.</a> <a href="#">Area Development Agreement – 9</a>	<a href="#">17</a>
y. <a href="#">Other: Licenses</a>	<a href="#">2.H., 8.F., 8.I.</a>	<a href="#">1, 7</a>



Obligation	Section in Franchise Agreement	Disclosure Document Item
<del>k. Territorial development and sales quotas</del>	Franchise Agreement Not applicable <del>Area Development Agreement Section 2.D</del>	Item 12
<del>l. Ongoing product/service purchases</del>	Franchise Agreement Article VIII	Items 8, 11 and 16
<del>m. Maintenance, appearance and remodeling requirements</del>	Franchise Agreement Article VIII	Item 8
<del>n. Insurance</del>	Franchise Agreement Article XIII	Items 7 and 8
<del>o. Advertising</del>	Franchise Agreement Article IX	Items 6, 8 and 11
<del>p. Indemnification</del>	Franchise Agreement Article XV <del>Area Development Agreement Section 8.B</del>	Item 6
<del>q. Owner's participation/ management/staffing</del>	Franchise Agreement Sections VI.B-D <del>Area Development Agreement Section 1.D</del>	Items 1, 11 and 15
<del>r. Records and reports</del>	Franchise Agreement Article XII <del>Area Development Agreement Section 2.E</del>	Item 11
<del>s. Inspections and audits</del>	Franchise Agreement Sections III.C, VIII.E, VIII.J, XII.C	Items 6, 8 and 11
<del>t. Transfer</del>	Franchise Agreement Article XV Software Use and License Agreement Section 15 <del>Area Development Agreement Section 6</del>	Items 6, 12 and 17
<del>u. Renewal</del>	Franchise Agreement Article IV.B	Items 6, 12 and 17
<del>v. Post termination obligations</del>	Franchise Agreement Article XIX <del>Area Development Agreement Sections 7.B and 7.C</del>	Item 17
<del>w. Non competition covenants</del>	Franchise Agreement Section XI.C <del>Area Development Agreement Sections 5 and 7.C</del>	Item 17
<del>x. Dispute resolution</del>	Franchise Agreement Section XX.E-N Software Use and License Agreement Section 16 <del>Area Development Agreement Section 9</del>	Item 17

## ITEM 10 FINANCING

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

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

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

### Pre-Opening Obligations

Before you open your ~~Amazing Lash~~ Studio, we or our designee will:

1. ~~1. Review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale. (Section III.A. (Sections 2.A. and 2.B. of Franchise Agreement);~~
2. ~~2. If you have signed an Area Development Agreement, we will review sites you propose for an Amazing Lash Studio and, if approved, issue you a Franchise Agreement. We are obligated to use reasonable efforts to provide you with our decision within 30 days of our receipt of all requested information and materials regarding the proposed site. (Section 2.B of Area Development Agreement);~~
3. ~~3. Give you mandatory and suggested specifications for the development of your Amazing Lash Studio, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Section III.2.D. of Franchise Agreement);~~
4. ~~4. Review your proposed development and construction plans and specifications accept or not accept the plans within 15 days. Provide you access to our Operations Manual. (Section III.4.D. of the Franchise Agreement);~~
5. ~~5. Provide the Training Program to you access to our Manuals, (or your "Operating Partner," if you operate as a legal business entity and as such term is defined in Item 15) and your Designated Manager (as defined in Item 15), if any. (Section IX.4.A. of the Franchise Agreement); and~~
6. ~~6. Offer the Training Program to your Key Personnel. Provide you with a list of Operating Assets (Section VII.A.2.E. of Franchise Agreement).~~

### Post-Opening Obligations

During the operation of your ~~Amazing Lash~~ Studio, we or our designee ~~will:~~

1. ~~1. Provide periodic consultation and advice~~ May provide general guidance to you from time to time regarding your Studio's operation, as we deem appropriate, based on your reports or our inspections. (Section VII.E.4.C. of Franchise Agreement); ~~and~~
2. ~~2. Administer~~ Will administer the Advertising Brand Marketing Fund and, at your request, provide an annual unaudited statement of contributions and ~~expenses of~~ disbursements for the Advertising Brand Marketing Fund; within 120 days after the end of the previous fiscal year. (Section IX.C.9.D. of Franchise Agreement);

3. ~~3.~~ Provide reasonable technical support for certain software licensed to you under the Software Use and License Agreement ~~during normal business hours.~~ (Section 4(a) of the Software Use and License Agreement).

During the operation of your ~~Amazing Lash Studio~~, we may, but are not obligated to, provide assistance in ~~establishing pricing by~~ setting a maximum ~~and/or~~ minimum price that you may charge for products and services offered by your ~~Amazing Lash Studio~~. (Section ~~VIII~~ 8 ~~K~~ of Franchise Agreement)

### **Site Selection and Construction**

You must identify and secure a site for your Amazing Lash Studio business within a non-exclusive Designated Search Area (defined in Item 12) specified in your Franchise Agreement. We do not typically own the premises for your ~~Amazing Lash Studio~~ or lease it to you. If you have signed an Area Development Agreement, you must find all sites for your ~~Amazing Lash Studios~~ in your Development Area, and our then-current site criteria will apply when considering each proposed site in your Development Area. When you identify a proposed site, you must submit to us ~~in a complete report containing the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, documents and such other information and materials as we may require, including a signed description of the site, and a letter of intent or other evidence confirming your favorable prospects for securing possession of such~~ obtaining the proposed site. Our review and approval is conditioned on a variety of factors, including the site's demographics, location, and proximity to other businesses, the character of the neighborhood, the size and appearance of the premises to be leased, and other characteristics and criteria that may change. ~~There is no time limit for us~~ We will use reasonable efforts to approve ~~accept or not accept the proposed site within 30 days after receiving your site. Although there is no deadline by which you are required to report. You must obtain our written approval of a~~ for your proposed site, you and sign an approved Lease (as defined below) within 180 days after your sign your Franchise Agreement. You must open your Amazing Lash Studio within 1 ~~one~~ year after you sign the Franchise Agreement or we may terminate the Franchise Agreement.

Before signing any ~~lease, sublease, or other document for the Premises (the "Lease;"),~~ you must ~~also submit a final complete copy of the proposed Lease to us. No site may be used for an Amazing Lash Studio unless it is first accepted in writing by us, and you shall not sign any Lease with respect to a site for your Amazing Lash Studio unless the Lease is first accepted in writing by us. If we accept multiple sites for your Amazing Lash Studio, you must notify us in writing within 5 days of the date of such acceptance of the site that you intend to acquire for your Amazing Lash Studio.~~ obtain our written approval. The Lease must contain certain provisions we require, pursuant to the form of Lease Rider attached as Exhibit F to the Franchise Agreement. It is your sole responsibility to obtain a fully executed Lease Rider when executing your Lease. ~~Promptly following our acceptance of the site for your Amazing Lash Studio, you must secure possession of the site, at your expense. You must~~ You must furnish to us a copy of the executed Lease within 10 days after ~~its~~ its execution.

You must develop, construct and decorate ~~your Amazing Lash Studio~~ the Premises at your own expense according to plans and specifications approved by us, and in accordance with the requirements of the Lease ~~and applicable law.~~ It is your responsibility to ~~confirm~~ ensure all required construction plans and specifications ~~for your Amazing Lash Studio~~ comply with all the Americans with Disabilities Act ("ADA") and all other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. ~~You must obtain, at your expense, all architectural, engineering, design, and that the Premises complies with such laws and regulations. You must hire a service provider that we designate to assist you with the construction and other services necessary for the construction of your Amazing Lash Studio, and unless otherwise agreed by us in writing, you must retain management process. Additionally, no later than 10 days after you sign an approved Lease for the Premises, you must pay to us a non-refundable site survey fee equal to \$2,500, in the~~

architecture and design firm designated by us to prepare the initial plans and drawings for your Amazing Lash Studio ~~form of a lump sum payment by ACH.~~

You must send us your development and construction plans and specifications for review ~~and for compliance with our design requirements and obtain our~~ approval before you begin construction ~~and in no event more than 15 days after you receive the plans. If we fail to notify you of an objection to the plans within the 15-day period, you may use the plans.~~ You must send us any revisions of plans or specifications before such revisions are implemented. ~~We will notify you within 15 days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. Our review of your plans and development is limited to ensuring compliance with our System Standards. You must obtain and install the Operating Assets that we approve or designate for Amazing Lash Studios. Studios only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).~~

#### **Opening Your Amazing Lash Studio**

You ~~must~~ may not open your Amazing Lash Studio for business without our written authorization, which will be conditioned upon ~~your strict compliance with your Franchise Agreement and our other pre-opening System Standards, including that: (i) your Amazing Lash Studio has been developed and outfitted to meet~~

~~all of our System Standards~~the following: (i) we notify you in writing that your Studio meets our standards and specifications; (ii) you ~~and your Key Personnel~~(or your Operating Partner) and any manager or assistant manager we require have satisfactorily completed the Training Program; (as defined below); (iii) you have paid us all initial fees and other amounts you owe us ~~and our affiliates~~; (iv) you have provided us ~~evidence of certificates for~~ all required insurance ~~coverage and~~ policies; (v) you obtain all required supplies and opening inventory for your Amazing Lash Studio; (vi) you have obtained ~~releases~~waivers of all construction liens and similar encumbrances; ~~and (vii) you (vii) you hire a minimum of between 12 and 15 stylists; (viii) you submit a completed trade area survey and a proposed advertising and marketing plan for approval (as further described below); and (ix) you~~ meet all regulatory and licensing requirements to operate your Amazing Lash Studio. ~~You must notify us of the scheduled date for completion of construction no later than 45 days before such date~~Studio.

We will send a training team (which may be comprised of only one person) for up to five days (which may not be consecutive) to your Studio to assist you with final suggestions on your Studio and provide on-site advice, guidance, and initial operations support. If applicable, we will provide four additional days of on-site support to conduct the pre-opening waxing/tinting training (see below and Item 5).

We estimate that it will be approximately 150 to 240 days from the time you sign the Franchise Agreement to the time ~~you begin~~your Studio begins operations. This time period may be shorter or longer depending on the modifications that must be made to the site to accommodate your Amazing Lash Studio business and other factors, such as delays or difficulties in obtaining financing, building permits, zoning and local ordinances, weather conditions, shortages of materials or delayed installation of equipment, fixtures or signs. You must open your Studio within 12 months after signing the Franchise Agreement or we may terminate the Franchise Agreement.

## **Advertising and Marketing**

### **Local Advertising**

~~You are solely responsible for conducting all local advertising for your Amazing Lash Studio. You must advertise and market your Amazing Lash Studio in any advertising medium we determine, using forms of advertisement we approve. You must comply with all of our System Standards for your local advertising, including your Online Presences (defined in Item 13). If we grant our approval for your use of any Online Presence, the form, content and appearance of any such Online Presence and your use of any such Online Presence must comply with our System Standards, which may include obtaining our approval for any content you create for any Online Presence before publishing it. We may revoke our approval at any time that the Online Presence to continue to meet our System Standards, and upon such revocation, you will immediately discontinue use of the Online Presence, and transfer access and credentials of such Online Presence to us. We will own the rights to all Online Presences associated with any Amazing Lash Studio and the Marks, including any Online Presence we have authorized you to develop, manage, or create. At our request, you must grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.~~

~~During the term of your Franchise Agreement, you must spend at least an amount equal to the greater of (i) \$1,750 per month or (ii) 4% of your Amazing Lash Studio's Gross Sales for advertising and promotion of your Amazing Lash Studio in the Protected Area (the "Local Advertising Expenditure"). In our sole discretion, we may increase or otherwise modify the amount or intervals of your Local Advertising Expenditures upon not less than 30 days' written notice to you. At our request, you must submit to us a report (including substantiating receipts) detailing your Local Advertising Expenditures during the time period specified in the request. In addition, we may review your books and records periodically to determine~~

~~your expenditures for Local Advertising Expenditure. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area. We may approve the type of expenditure that will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Franchise Location, such as in-store materials and signage, will not be counted towards your Local Advertising Expenditure.~~

### Grand Opening Advertising

During the period beginning 10 days before the Opening Date and ending 60 days after the Opening Date, you must carry out a grand opening promotion for your Amazing Lash Studio in accordance with our System Standards. You must spend at least \$10,000 on advertising and promoting your Amazing Lash Studio during the period beginning 10 days before your Opening Date and ending 60 days after your Opening Date. We will assist you in organizing your grand opening promotion, and we must approve all advertising items, methods and media you use in connection with such grand opening promotion. This cost is in addition to your required Local Advertising Expenditure.

### Local Advertising Cooperatives

We may, but are not obligated, to designate any geographic area in which 2 or more company-owned or franchised Amazing Lash Studios are located as a region for purposes of establishing a Cooperative. If we do, each Cooperative will be organized and governed as, and will begin operation on a date, we determine. We currently determine the geographic area for Cooperatives based on the boundaries of our regional developers' territories, but we may change that method of determination at any time and use any other method we choose. We may change or dissolve any Cooperative in our sole discretion upon written notice to the Cooperative members. We may designate that specific vendors be used by any Cooperative.

You agree that contributions to the Cooperative may be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for Amazing Lash Studios in your geographic area; purchasing direct mail and other media advertising for Amazing Lash Studios in that geographic area; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); and implementing direct sales programs, and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for Amazing Lash Studios in such area. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions.

If a Cooperative is established for a geographic area that includes all or part of the Protected Area, you will be required to execute the Cooperative's applicable governing documents and participate as a member of the Cooperative. Among other things, this means that you must: (i) submit to the Cooperative and to us all statements and reports that we or the Cooperative may require; and (ii) contribute to the Cooperative the amounts required by the Cooperative's governing documents, which shall be at least 2% of your Amazing Lash Studio's Gross Sales. However, in no event will your contributions to the Cooperative exceed your required Local Advertising Expenditure, and any contribution you make to a Cooperative will be applied toward your required Local Advertising Expenditure. Other franchisees in the Cooperative will contribute to the Cooperative in the same amount, and we expect company-owned Amazing Lash Studios to contribute to the Cooperative on the same basis as franchisees.

As of the issuance date of this Disclosure Document, there are 8 Cooperatives in existence. Subject to our ability to change or dissolve Cooperatives, the members of each Cooperative generally administer the Cooperatives. Governing documents for those existing Cooperatives are available for franchisees to review who are within the relevant Cooperative area. The Governing documents generally require periodic financial statements be prepared and made available to members of the Cooperative.

### Advertising Fund

We have established an advertising program fund (the "Advertising Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You must make periodic contributions to the Advertising Fund equal to 1% of your Amazing Lash Studio's Gross Sales; which will be increased to 2% effective as of August 1, 2019. As of the issuance date of this Disclosure Document, other franchisees contribute to the Advertising Fund on the same basis. We may modify the amount you must contribute to the Fund upon not less than 30 days' written notice to you; but you will not be required to contribute more than 2% of your Amazing Lash Studio's Gross Sales to the Advertising Fund. Your required contributions to the Fund are in addition to amounts you are required to spend for your Local Advertising Expenditure. Advertising Fund contributions will be due and payable at the same time and in the same manner that royalty fee payments are due and payable.

We will direct all programs financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation thereof. The Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs; including purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an System Websites (as defined below) or other software or applications intended to operate on electronic or mobile devices; developing and maintaining gift card, membership and other customer loyalty programs; developing regional or local advertising programs or funds; and supporting public relations, market research and other advertising, promotion and marketing activities.

The Advertising Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs, including Advertising Fund. We do not have any fiduciary obligation for administering the Advertising Fund or for any other reason. We may, but have no obligation, to use collection agents and institute legal proceedings to collect Advertising Fund contributions at the Advertising Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Advertising Fund. However, except as provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting, maintaining, directing, or administering the Advertising Fund.

We may spend, on behalf of the Advertising Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Amazing Lash Studios to the Advertising Fund in that year, and the Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. We are not obligated to audit the fund, but we will prepare an annual unaudited statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to you upon written request, within 120 days after the end of our previous fiscal year. We may cause the Advertising Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. If we or our affiliates own any Amazing Lash Studios, those Amazing Lash Studios make contributions to the Advertising Fund on the same basis as franchisees.

The Advertising Fund is intended to maximize recognition of the Marks and patronage of Amazing Lash Studios generally. Although we will attempt to use the Advertising Fund to develop advertising and marketing materials and programs that will benefit all Amazing Lash Studios, we undertake no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate



~~or equivalent to the contributions to the Advertising Fund by Amazing Lash Studios operating in that geographic area or that any Amazing Lash Studio will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the Advertising Fund.~~

~~With 30 days' prior written notice to you, we may defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund. If the Advertising Fund is terminated, we will continue to spend all unspent monies in accordance with the Franchise Agreement until all amounts are exhausted.~~

In the fiscal year ending December 31, Grand Opening Spend Requirement. You must spend \$15,000 in advertising, marketing, and promoting your Studio in accordance with an advertising and marketing plan we approve before the opening of your Studio (the "Grand Opening Spend Requirement") as follows: (1) you must spend \$10,000 beginning 60 days prior to the opening of your Studio; and (2) you must spend \$5,000 within the first 30 days after your Studio opens. Notwithstanding the foregoing, if you purchase an existing Studio, you shall instead be responsible for spending \$5,000 as your Grand Opening Spend Requirement within 60 days after the date you take possession of the Studio. The Grand Opening Spend Requirement is in addition to your Local Marketing Spend Requirement described below.

Local Marketing Spend Requirement. You must spend the greater of (i) \$1,750 per month or (ii) 4% of your Studio's Gross Receipts toward approved advertising, marketing and promotional programs for your Studio within an area reasonably surrounding your Studio (the "Local Marketing Spend Requirement"). We may increase or otherwise modify the amount or intervals of the Local Marketing Spend Requirement upon 30 days' written notice to you. Your Local Marketing Spend Requirement excludes any contributions you make to the Brand Marketing Fund (as defined below), but any contributions you make to a Marketing Cooperative (as defined below) will count toward your Local Marketing Spend Requirement. Your required Marketing Cooperative contributions could, by themselves, exceed the Local Marketing Spend Requirement. We or our affiliates may be a supplier of local advertising, marketing and promotional programs for your Studio.

At least 90 days before you open your Studio (or if you are purchasing an existing Studio, at least 30 days before taking possession of the Studio), you must submit to us a completed trade area survey and submit to us for approval an advertising and marketing plan describing your pre-opening advertising plan and your plan for the first three months after the Studio's opening or purchase. You will not be permitted to open and/or operate your Studio until we receive the completed trade area survey and approve this advertising and marketing plan. Subsequent to such period, and during the term of your Franchise Agreement, you must prepare and execute an advertising and marketing plan that you must provide to us upon our request. You must also provide to us upon request information about the results achieved from implementing your advertising and marketing plan and meeting your Local Marketing Spend Requirement.

Advertising Standards. Your advertising, promotion, and marketing must be completely clear, factual, 2018, contributions to the Advertising Fund were spent as follows:  
~~61.1% on production and professional services; 6.0% on media placement; 10.9% on administrative expenses; and 22% on other expenses, which consisted of research and test marketing. Though we are not prohibited from doing so, we do not anticipate using any contributions to the Advertising Fund for the principal purpose of soliciting new franchise sales, but we may include incidental statements on advertising or promotional materials to the effect that franchises are available for purchase.~~

#### Promotional Programs

~~We may develop and administer advertising and sales promotion programs designed to promote all Amazing Lash Studios, including customer loyalty and rewards programs, contests, and sweepstakes. We will be responsible for the design and administration of such programs, including the type, quantity, timing, placement and choice of media, market areas and advertising agencies. If we do establish these programs, you must participate in them in accordance with the terms and conditions we establish and in accordance with our System Standards. You will be required to purchase and distribute all coupons, gifts, prizes, and other collateral merchandise we designate for use in connection with each such program. You must honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be periodically issued or approved by us. Any reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.~~

#### Advertising Standards

~~Any advertising, promotion and marketing you conduct, whether required by the Franchise Agreement or voluntarily undertaken by you, must be completely clear and factual and not misleading and conform to the highest standards of ethical advertising, the System Standards, and any marketing and the promotion advertising and marketing policies that we prescribe. Samples from time to time. You agree to send us samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least 20 14 days before you intend to use them or deliver them to a third party for use in any advertisement. If you we do not receive written approval approve of the materials within 15 seven days after of our receipt of such materials, we will then they shall be deemed to have disapproved such materials. You may not use any advertising or, promotional, or marketing materials that we have not approved or have disapproved. Our approval of You must participate in and market any promotion we require.~~

Brand Marketing Fund. We have established an advertising material may be withdrawn in our sole discretion at any time. We may require you to provide notice of any System Website in and marketing fund (the "Brand Marketing Fund") for the marketing, recruiting, advertising, marketing, and promotional materials that you develop for your Amazing Lash Studio in the manner we designate. programs and materials we deem appropriate. You must make periodic contributions to the Brand Marketing Fund equal to 2% of the Gross Receipts of your Studio. As of the issuance date of this Disclosure Document, other franchisees may be contributing to the Brand Marketing Fund on different terms. Your required contributions to the Brand Marketing Fund shall be payable at the same time as the payment of the Royalty, based on Gross Receipts for the immediately preceding reporting period and are in addition to amounts you are required to spend for your Local Marketing Spend Requirement. We have the right to collect for deposit into the Brand Marketing Fund any advertising, marketing, or similar allowances paid to us by suppliers to the Franchise System who instruct us to use the allowances for advertising or marketing purposes. We may incorporate the Brand Marketing Fund or operate it through a separate entity as we deem appropriate. We have no fiduciary obligations to you in connection with our administration of the Brand Marketing Fund. We do not use any of the funds contributed to the Brand Marketing Fund principally to solicit new franchise sales. If we or our affiliates own any Studios, those Studios make contributions to the Brand Marketing Fund on the same basis as you and our other franchisees.

### System Websites

#### We may establish one or more Online Presence (defined in Item 13)

We designate all programs to be financed by the Brand Marketing Fund and have sole control over the creative concepts, materials, and endorsements prepared and used and their geographic, market, and media placement and allocation. The Brand Marketing Fund may be used for any purpose to promote the Franchise System, the Marks, the patronages of Studios and the Amazing Lash Studio brand, including the costs of: (1) preparing and producing video, audio, and written materials (including marketing and promotional materials and local studio marketing advertisements we prepare) and electronic media; (2) administering national, regional, multi-regional, and local marketing, recruiting, advertising, and promotional programs, including purchasing space in print publications, direct mail, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; (3) supporting public relations, market research, and other marketing, recruiting, advertising, and promotional activities; (4) developing and maintaining website(s) for the Franchise System; (5) administering online marketing, recruiting, advertising, and promotional campaigns (including search engine, social media, email, and display ad campaigns); and (6) developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices.

We determine the use of the funds contributed to the Brand Marketing Fund, including allocating a portion of any Brand Marketing Fund contributions to any national, regional, multi-regional, or local marketing, recruiting, advertising, and promotional programs we may establish in the future. We are not required to spend any particular amount on marketing, recruiting, advertising or promotion in the area in which your Studio will be located. In addition, we are not required to ensure that Brand Marketing Fund expenditures for or affecting any geographic area be proportionate or equivalent to Brand Marketing Fund contributions by Studios operating in that area, or that any Studio benefits from the development or placement of marketing, recruiting, advertising, or promotional materials directly or in proportion to its Brand Marketing Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Marketing Fund. Except as specifically provided in your Franchise Agreement, we assume no other direct or indirect liability or obligation to you for collecting amounts due, or maintaining, directing, or administering the Brand Marketing Fund.

The Brand Marketing Fund is accounted for separately from our other funds and we do not use the Brand Marketing Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Brand Marketing Fund and its programs, including conducting market research, preparing marketing, recruiting, advertising, and promotional materials, and collecting and accounting for Brand Marketing Fund contributions. The Brand Marketing Fund may spend in any fiscal year more or less than the total Brand Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If we terminate the Brand Marketing Fund, we will spend all unspent amounts on marketing activities specified by the Franchise Agreement.

We are not required to audit the Brand Marketing Fund, but we will prepare an annual unaudited statement of monies collected and costs incurred by the Brand Marketing Fund and furnish the previous fiscal year's statement to you upon written request, within 120 days after the end of our previous fiscal year.

In the fiscal year ended December 31, 2019, contributions to the Brand Marketing Fund were spent as follows: 49.0% for production & professional services; 15.0% for media placement; 18.0% for administrative expenses; and 18.0% on other expenses (consisting of 10.0% for public relations; and 8.0% for research and test marketing).

Marketing Cooperatives. We may, but are not obligated, to designate any geographic area in which three or more Studios are located as an area in which to establish a marketing cooperative ("Marketing Cooperative"). The Marketing Cooperative's members will include all Studios operating in the geographic area, including us and our affiliates, if applicable. We may also require that you join an existing Marketing Cooperative operating in a geographic area encompassing or near your Studio. We may collect Marketing Cooperative fees and transfer those fees to the Marketing Cooperative, or the Marketing Cooperative may collect the fees directly, as we determine. We may designate, approve or develop standards and specifications for Marketing Cooperative suppliers. We will determine how any Marketing Cooperative is organized and governed, but the Marketing Cooperative's members are responsible for its administration and determination of contribution levels. All Marketing Cooperatives will be governed by written documentation we designate or approve and such documentation is available for Marketing Cooperative member review. We may form, modify, change, dissolve, or merge Marketing Cooperatives. We will not use funds contributed to a Marketing Cooperative to solicit new franchise sales.

As of the issuance date of this Disclosure Document, there are five Marketing Cooperatives in existence.

Franchise System Website. We may establish, acquire, or host any website(s) for recruitment purposes or to advertise, market, and promote the System, Amazing Lash Studios, the products and services that they offer and sell, and/or an Amazing Lash Studio franchise opportunity ("System Websites") over which we will have sole discretion and control, including timing, design, contents and continuation. (a "Franchise System Website"). We may ~~include information about~~ (but are not required to) provide you ~~or your Amazing Lash Studio~~ with a webpage on ~~any~~ a Franchise System Website, ~~and that references your Studio.~~ If we provide you with a webpage on a Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify ~~the content relating to you and your Amazing Lash Studio;~~ (ii) ~~your~~ webpage; (2) notify us whenever any information ~~relating to you and on~~ your ~~Amazing Lash Studio~~ webpage is not accurate; and (iii) if we give you the right to modify ~~any such information directly;~~ ~~your webpage,~~ notify us whenever you change ~~any information or content relating to you and your Amazing Lash Studio.~~ ~~the content of your webpage and obtain our approval. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply).~~ If we provide you with a webpage on a Franchise System Website, we reserve the right to charge you a fee for such webpage as part of the Technology Fee. We periodically may update and modify any Franchise System Website (including your webpage).

Even if we provide you a webpage on a Franchise System Website, we will only maintain this webpage while you are in full compliance with your Franchise Agreement and all System Standards we implement (including those relating to Franchise System Websites). If you are in default of any obligation under your Franchise Agreement or our System Standards, then we may temporarily remove your ~~references to your Amazing Lash Studio~~ webpage from any Franchise System Website (or all Franchise System Websites) until you fully cure the default. We will permanently remove ~~references to your Amazing Lash Studio~~ webpage from all Franchise System Websites upon ~~your~~ the Franchise Agreement's expiration or termination.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions, which may include additional monthly fees.

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain or authorize any Online Presence (as defined in Item 13) that mentions your Studio, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence

in the operation of your Studio, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

Franchisee Advertising Committees. We receive input on marketing initiatives from our National ~~Franchise~~ Advisory Council (“~~NFAC~~”; ~~NAC~~”). The ~~NFAC~~~~NAC~~ is comprised of 7 franchisees, 2 of which are nominated with no qualifying criteria (one appointed by franchisees or regional developers, as applicable, and one appointed by us) and 5 of which are appointed by franchisees, but only if such nominees are in compliance with System Standards and satisfy certain performance benchmarks within the System. The ~~NFAC~~~~NAC~~ is advisory only and does not have any express decision making authority over advertising campaigns for the franchise system. Subject to our approval, a majority of the members of the ~~NFAC~~~~NAC~~ may vote to amend or repeal the ~~NFAC~~~~NAC~~ bylaws.

We have also established a National Marketing Steering Committee to provide ideas, input and feedback to us (the “Marketing Committee”). The Marketing Committee is advisory only and does not have any express decision making authority over advertising campaigns for the System. The Marketing Committee is currently comprised of ~~5~~five franchisees and regional developers. Members of the Marketing Committee are nominated by us or other franchisees based on the proposed Members’ compliance with System Standards, performance benchmarks within the franchise system, and background and experience within the marketing and related fields. We may form, change, or dissolve the Marketing Committee.

#### Franchisee Conventions

~~We may conduct periodic franchisee conventions at a location designated by us, and Key Personnel must attend such conventions at your cost, including paying any registration fees we charge. The registration fee for such franchise conference will be determined by us and invoiced to you. If your Key Personnel do not attend, we will charge you registration fees for a minimum of two people along with a \$1,500 fee for failing to attend.~~

#### Computer ~~Systems~~System

You ~~must agree to purchase, install and at all times use all the~~ computer hardware ~~and software (including back office software, point-of-sale terminals and software, sales and scheduling software, printers and devices, wireless and connectivity devices, and any other similar electronic devices and ancillary point-of-sale system, other operating software, applications, platforms and existing or future technology components)~~ that we may periodically designate for use in the operation of Amazing Lash Studios ~~we specify from time to time~~ (the “Computer System”). We may ~~periodically replace or modify the specifications and the all or~~ components of ~~any such the~~ Computer System ~~from time to time~~ and you ~~must agree to~~ implement our ~~replacements or~~ modifications ~~promptly~~ after you receive notice from us. ~~As part of the Computer System,~~

~~we may also, at your expense. We might periodically require you to obtain specified computer hardware and/or software, including requiring you to enter into licenses, leases or other agreements for the possession or use any software, hardware or other components developed or licensed by us or our affiliates or any other third parties, and there are no contractual limitations on the frequency and cost of these obligations. Changes to our System Standards for the Computer System may require you to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software components of the Computer System and to obtain service and support for the Computer System during the term of your Franchise Agreement. — You must obtain and install the Computer System, and ensure that the Computer System is functioning properly, before your Studio opens. You must pay for any proprietary software, applications or other technology that we, our affiliates or third-party designees license to you and for other maintenance and support services that we, our affiliates or third-party designees provide during your Franchise Agreement's term. We or our affiliates may condition your license or use of any proprietary software, applications or other technology that we or our affiliates designate, develop or maintain, on your signing a license agreement or similar document that we or our affiliates approve to regulate your use of, and our and your respective rights and responsibilities with respect to, such software, applications or other technology.~~

The Computer System must give us and our affiliates access to all information generated by the Computer System, including pricing and client information for your Studio. At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data. You are solely responsible for acquiring, operating, maintaining and upgrading: (1) the Computer System; (2) the connectivity of your Computer System (including the point-of-sale system); and (3) third-party interfaces between the Computer System and our and any third party's computer system. You are solely responsible for any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You also are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures or attacks.

We cannot estimate the future costs of the Computer System (or ~~additions~~replacements or modifications) and the cost to you of obtaining the Computer System (including software licenses) or ~~additions~~replacements or modification may not be fully amortizable over the remaining term of your Franchise Agreement. ~~Nonetheless, you must incur such costs. Nonetheless, you must incur such costs. You must ensure that the Computer System is functioning in accordance with our System Standards, before your Opening Date and continuously during the term of your Franchise Agreement. You will bear the cost of all support and maintenance for the Computer System.~~

The minimum Computer System requirements are specified in the Operations Manual or otherwise in writing by us. Currently, the Computer System is comprised of:

- (i) ~~(i)~~ — at least two POS terminals that are capable of running the designated software;
- (ii) ~~(ii)~~ — helpdesk/maintenance services from our designated POS system vendor;
- (iii) ~~(iii)~~ — one IBM-compatible back-office work station computer with access to high-speed internet connection, which is capable of running the software we periodically require and is able to transmit and receive e-mails;
- (iv) ~~(iv)~~ — our designated software used to generate, compile, store and manage ~~Amazing Lash Studio business~~ sales information;
- (v) ~~(v)~~ — PCI compliance hardware and equipment that you must purchase or lease from our designated supplier; and
- (vi) The estimated antivirus software.

We estimate that the cost of acquiring to purchase the minimum Computer System is will be approximately \$19,400,300 to \$27,700,24,300, depending on the number of terminals needed for your Amazing Lash Studio and whether you wish to have a central office terminal for tracking information for multiple studios. Studios.

We require you to use the designated software programs described in the Operations Manual or otherwise in writing by us. You will be required to subscribe to the helpdesk/maintenance services plan, and you must sign the Software Use and License Agreement attached to this Disclosure Document the Franchise Agreement as Exhibit B1 (or a similar agreement from another vendor if we choose to change vendors), which requires payment of a monthly Software and Technology Licensing and Support Fee (currently \$175,605 per month before, starting two months prior to the date you first open opening of your Amazing Lash Studio for business, and.) (See Item 6). If you purchase an existing \$350 per month after you open your Amazing Lash Studio). We may periodically change or replace the currently, you will be required helpdesk/maintenance services plan and require franchisees to to pay for any revised helpdesk/maintenance services in the future us a software transfer fee of \$350, payable by ACH. We currently estimate that the cost on an annual basis for updating and maintaining your Computer System will range from approximately \$1,500 to \$3,000. Except as stated above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades or updates to the Computer System.

The Computer System may give us and our affiliates access to all information generated by the Computer System, including price maintenance and information relating to customers for your Amazing Lash Studio, and there is no contractual limitation on this right. At our request, you must sign a release with any vendor of your Computer System providing us with unlimited access to your data.

#### **Operations Manuals Manual**

After you sign the Franchise Agreement, we will provide you access to confidential operations one copy of our manual for the operation of Studios, which may consist of include one or more separate manuals, containing our mandatory as well as information available on an internet site, other electronic media, bulletins and suggested standards, or other written materials (collectively, the "Operations Manual"). The Operations Manual contains the System Standards, other specifications, standards and operating procedures relating to the development that we suggest, and operation of Amazing Lash Studios and information on your other obligations under your Franchise Agreement, which may include alternative or supplemental means of communicating information to. We may modify the Operations Manual at any time. We may post some or all of the Operations Manual on a restricted website or extranet to which you will have access. If we do so, you, including bulletins, videotapes, audio tapes, compact discs,



computer diskettes, CD-ROMs and electronic communications, and any other written directives which we may periodically issue to you, and any other manuals and materials created or approved for use in the operation of Amazing Lash Studios (together, our "Manuals"). Currently, we provide access to the Manuals electronically. You must will monitor and access the website or extranet for any updates to the Manuals. If you want a hard copy of the Manuals, we will charge a fee of \$500 for any hard copy of the Manuals that we agree to provide you. You may not print, download, copy, or duplicate the Manuals in any manner without our consent. Operations Manual.

We consider the contents of the Operations Manual to be proprietary, and you must treat them as confidential. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual and you may not disclose the Operations Manual to any person other than any employee of yours who needs to know its contents. You must keep your copy of the Operations Manual current and in a secure location at your Studio.

A copy of the table of contents of the Manuals Operations Manual is attached as Exhibit DC to this Disclosure Document. The Manuals consist Operations Manual consists of 214 109 pages. ~~We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. We may periodically add to or modify the Manuals. You must comply with the terms of all additions and modifications to the Manuals and to keep any hard copies of the Manuals current. You must maintain any hard copies and/or login credentials for the Manuals in a secure place at your Amazing Lash Studio.~~

#### **Training**

Training Program. We will provide ~~a management~~ initial training ~~program in on~~ the material aspects operations of operating an Amazing Lash a Studio (the "Training Program") to you (or your Principal Owner, if you operate as a legal business entity Operating Partner) and your General Designated Manager (if applicable) (your "Key Personnel" ~~the "Training Program"~~) at no additional registration fee to you. Your Key Personnel must complete the Training Program to our satisfaction at least 3 months before the opening of your Amazing Lash Studio. ~~We will determine the identity and composition of the trainer(s) conducting all portions of the Training Program in our discretion. You may invite additional employees to if all such persons attend the Training Program if space allows, though at the same time. If we provide any portion of the Training Program more than one time, we may charge you our then-current training fee (currently, \$500 per attendee, plus costs) for any training that we have previously provided to at least one trainee associated with you. We may also elect not to provide any portion of the Training Program more than once. You may invite additional employees to attend the Training Program if space allows, though we reserve the right to charge you our then-current training fee for each additional individual. each additional individual. We may also We reserve the right to require any additional managers and/or assistant managers of your Studio to attend the Training Program. We reserve the right to limit the number of additional attendees for the Training Program. We will provide the Training Program on an as needed basis at the times and locations we determine in our sole discretion, which may include sending our trainer(s) to your franchise location to conduct any part of the Training Program. We will also determine the length and content of the Training Program, and we may vary the Training Program based on the experience and skill level of the individual(s) attending. We may require your assistant managers to attend the Training Program, in our sole discretion. Scheduling of the Training Program is based on your and our availability, training facility availability and the projected Opening Date. Any successor or replacement Principal Owner or General Manager must successfully complete the Training Program no more than 30 days after appointed. No such person may offer services to your Amazing Lash Studio or supervise your Amazing Lash Studio until they have completed the Training Program. You must pay our then-current training fee (currently, \$500 per attendee, plus costs) for any successor or replacement Principal Owner or General Manager that attends the Training Program.~~ You may also request that we provide any portion of the Training Program on-site at your Studio, and we will determine whether to provide such portion of the Training Program on-site. If we provide any portion of the Training Program on-site at your Studio, we reserve the right to charge our then-current training fee.

~~\$500 per attendee, plus costs) for any successor or replacement Principal Owner or General Manager that attends the Training Program.~~



We will provide the Training Program at the times and locations we determine. We reserve the right to vary the Training Program based on the experience and skill level of the individual(s) attending. You (or your Operating Partner) and your Designated Manager (if applicable) must satisfactorily complete the Training Program no later than four weeks before the Opening Date. If you (or your Operating Partner) or your Designated Manager (if applicable), or any manager and/or assistant manager required by us, fail to satisfactorily complete the Training Program then we reserve the right to require such individual to attend additional training and you may be required to pay us our then-current training fee for such additional training. Additional training will be provided at a time and location of our choice. If you (or your Operating Partner), or any manager and/or assistant manager required by us (including any applicable Designated Manager), are unable to satisfactorily complete the additional required training, we reserve the right to terminate your Franchise Agreement. We may offer additional training programs for you or your employees from time to time and you may be required to pay us our then-current training fee for such programs.

If you appoint a new Operating Partner or Designated Manager, he or she may be required to attend the then-current Training Program within 90 days of the appointment date and you may be required to pay us our then-current training fee, unless we determine that you are sufficiently trained to provide a comparable substitute training program to such new Operating Partner or Designated Manager. If we permit you to train any Operating Partner or Designated Manager yourself, you must provide such training according to our then-current standards and specifications, and we must determine that such Operating Partner or Designated Manager has been adequately trained prior to providing any services at your Studio. If we determine that any Operating Partner or Designated Manager that you trained is not sufficiently trained to provide services at your Studio, we may require such person attend our Training Program and you may be required to pay us our then-current training program fee. If we determine that you are (or your Operating Partner is) sufficiently trained to provide a comparable substitute training program to any Designated Manager, we may elect not to make the Training Program available to such person until the next time our Training Program would otherwise be offered.

The materials used in ~~training~~the Training Program include the ~~Manuals~~Operations Manual as well as other presentation materials, including PowerPoint presentations. ~~Jordan Levine~~Dedria Ryan, our Vice President of ~~Operations, Learning & Development~~, directs the Training Program. ~~Mr. Levine~~Ms. Ryan has ~~less~~more than ~~one~~ year of experience with us and has over ~~18~~20 years of experience in the subjects taught.

The following individuals may also assist with the Training Program:

- ~~Dedria Ryan~~April Aguilar, who is our ~~Senior Director of Learning and Development~~Manager of Field Stylists, and who has ~~less than~~
- ~~1-year-of-experience-with-us-and~~more than ~~20~~seven years of experience in the subjects taught, and more than one year of experience with us (and our predecessor).

- ~~Bree Hughes~~ Jen Franz, who is our Director of Operations and Training Specialist, and who has more than 10 years of experience in the subjects taught and more four years of experience with us (and our predecessor).
- Kenna Murray, who is our National Stylist Trainer, and who has more than five years of experience in the subjects taught and more than one year of experience with us (and our predecessor) and more than 5 years of experience in the subjects taught.

The following is a summary of our Training Program: ~~he following is a summary of our Training Program:~~

**TRAINING PROGRAM**  
**TRAINING PROGRAM<sup>(4)</sup>**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of Amazing Lash Studio	2	-	Scottsdale, Arizona Support Center
Membership Offering & Sales	3.75	1 to 2	Scottsdale, Arizona Support Center
Customer Service	2.5	1	Scottsdale, Arizona Support Center
Eyelash Application Protocol	1.5	1	Scottsdale, Arizona Support Center
Site Development	1	-	Scottsdale, Arizona Support Center
Accounting	1	-	Scottsdale, Arizona Support Center
IT	1	-	Scottsdale, Arizona Support Center
Marketing	4	-	Scottsdale, Arizona Support Center
Managing Daily Operations	7	1 to 2	Scottsdale, Arizona Support Center
Metrics & Key Reports	1	-	Scottsdale, Arizona Support Center
Reporting Portal	0.5	1	Scottsdale, Arizona Support Center
Lash Portal - Extranet	1.5	1 to 2	Scottsdale, Arizona Support Center
HR Toolkit - Onboarding & Recruiting	3.5	-	Scottsdale, Arizona Support Center
New Studio Launch	1	-	Scottsdale, Arizona Support Center
<b>Totals</b>	<b>31.25 Hours</b>	<b>6 to 9 Hours</b>	

<u>Subject</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-the-Job Training</u>	<u>Location</u>
<u>Philosophy of Amazing Lash Studio® Brand &amp; Culture</u>	<u>2</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>Membership Offering &amp; Sales</u>	<u>3</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>

<u>Subject</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-the-Job Training</u>	<u>Location</u>
<u>Customer Service</u>	<u>3</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>Eyelash Application Protocol</u>	<u>4 (online)</u>	<u>-</u>	<u>Home Study &amp; Scottsdale, Arizona Support Center</u>
<u>Marketing</u>	<u>4</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>Managing Daily Operations</u>	<u>8</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>The Score Card &amp; Action Planning</u>	<u>2</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>P&amp;L Workshop &amp; Studio Profitability</u>	<u>3</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>Recruiting</u>	<u>3</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<u>Onboarding &amp; Retention</u>	<u>4</u>	<u>-</u>	<u>Scottsdale, Arizona Support Center</u>
<b><u>Totals</u></b>	<b><u>36 Hours</u></b>	<b><u>N/A</u></b>	

Personnel Training. You are responsible for providing a training program concerning the operation of your Studio in accordance with our System Standards for all your employees other than the attendees of the Training Program. All employees must pass the program, to your satisfaction, prior to providing services at your Studio. We reserve the right to approve the length and content of all training programs you provide to your employees and to require specific mandatory training for certain job positions to ensure compliance with our System Standards.

Annual & Regional Meetings; Other Training Courses, Program, and Events. We may require you (or your Operating Partner) and/or certain other

#### **Additional Training**

~~If any of your Key Personnel, or any assistant manager required by us, fail to complete the Training Program to our satisfaction, then we may require such individual to attend additional training. Your Key Personnel may also request additional training from us, and we and you will jointly determine the duration of this additional training. But if your Key Personnel have not expressly informed us at the end of the Training Program that they do not feel sufficiently trained, then you and they will be deemed to have been trained sufficiently. If we at any time during the term of your Franchise Agreement determine that any of your Key Personnel or your assistant managers are not properly trained to provide the services offered by your Amazing Lash Studio, we may require such person to cease providing services at your Amazing Lash Studio and/or attend additional training. All additional training will be provided at a time and location of our choice and will incur our then current training fee (currently, \$350 per day per trainer, plus costs).~~

#### **Ongoing Education**

~~We may require your Key Personnel and/or assistant managers to attend and employees of your Studio (including any applicable Designated Manager) to attend or otherwise complete various training courses, (including but not limited to electronic training courses), trade shows, ongoing education or certification programs, and/or webinars at the times and locations designated by us, including courses and programs~~

provided by third parties we designate ~~and/or provided by us or our affiliates. You will be responsible for the costs of all such ongoing education for your Key Personnel and/or assistant managers.~~

In addition to these training courses, programs, and events, you (or your Operating Partner) and any applicable Designated Manager are required to attend any scheduled annual meeting of franchise owners. You will be required to pay our then-current registration fee. If you do not attend, we will charge you the default fee (see Item 6) for failing to attend. We may additionally require you (or your Operating Partner) to attend regional meetings for franchise owners. These annual and regional meetings will be held when we determine at locations we designate.

Pre-Opening Waxing/Tinting Training. Before you open your Studio for business, if you are legally capable offering certain waxing and tinting services at your Studio, you must pay to us a non-refundable waxing and tinting training fee equal to \$1,500, in the form of a lump sum payment by ACH, for us to provide training for such services on-site at your Studio in conjunction with the opening assistance described above.

Advanced Manager Training Program. After you open your Studio for business, we may offer you (or your Operating Partner) and any applicable Designated Manager, based on the factors that we determine, the opportunity to attend an advanced manager training program. If we offer such training and you elect to attend such training, you may be required to pay us our then-current training fee.

Travel and Living. You must pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you (or your ~~personnel~~ Operating Partner) or any employee or manager (including, ~~Key Personnel and assistant managers~~) incur any applicable Designated Manager) incurs during any and all meetings and/or training courses and programs ~~that we require, including the Training Program, any additional training, and any ongoing education.~~ You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your ~~Amazing Lash Studio to conduct training on-site~~, including food, lodging and transportation).

#### Ongoing Advice and Assistance

General Guidance. We may periodically advise you regarding your ~~Amazing Lash Studio's~~ operation based on your reports or our inspections. ~~We may guide you, in the form of our Operations Manual, with respect to:~~ (1) standards, specifications, and operating procedures and methods that Studios use, including, facility appearance, client-service procedures, and quality control; (2) equipment and facility maintenance; (3) inventory management and working with suppliers; (4) advertising, marketing and branding strategies; and (5) administrative, accounting, reporting and record retention. ~~We may also provide guidance via telephonic conversations and/or consultation at our offices.~~ If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee ~~(currently, \$350 per day per trainer, plus costs).~~ Any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify, including our personnel's per diem charges and travel and living expenses. We reserve the right to periodically visit the Premises and evaluate your Studio.

#### Personnel Training

~~You are responsible for providing a training program for all your employees other than the attendees of the Training Program, and all employees must pass such training program before providing services at your Amazing Lash Studio. We may approve the length and content of all training programs you provide to your employees. Additionally, we may require that your Key Personnel or one or more of your assistant managers (following their completion of all applicable training as required by us) become certified by us before providing training to any new or replacement employees at your Amazing Lash Studio. We may~~

~~test any employees trained by such a certified trainer and require any such certified trainer and any of your employees trained by such certified trainer to successfully complete additional training programs periodically conducted by us, for our then current training fee (currently, \$350 per day per trainer, plus costs).~~

## ITEM 12. TERRITORY

### Franchise Agreement

You must select the site for your ~~Amazing Lash Studio business~~ from within the non-exclusive “~~Designated Search Area Territory~~” identified in Exhibit ~~CB~~ to your Franchise Agreement. The ~~Designated Search Area Territory~~ will be agreed upon by you and us before your execution of the Franchise Agreement and may range from a portion of a city or an unincorporated area to a single or multi-county area. You have no rights in the ~~Designated~~

Search ~~Area~~Territory other than the right to identify a proposed site for your ~~Amazing Lash Studio business~~, but after you locate a site acceptable to us, we will grant you a “Protected Area” around that site as described below.

~~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 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.~~ However, if you remain in compliance with the Franchise Agreement we will not own or operate, or authorize any person or entity to own or operate, ~~an Amazing Lash Studio~~Studios in the “Protected Area” identified in Exhibit B of the Franchise Agreement (the “Protected Area”) during the term of the Franchise Agreement. If the location of your ~~Amazing Lash studio~~Studio has not been identified at the time you sign your Franchise Agreement, your Protected Area, ~~if any, will be~~ will be assigned to you at the time that your Studio’s Premises is determined at the time that your franchise location is accepted by us. We will typically define the boundaries of a Protected Area as a circle with the ~~Amazing Lash Studio~~ at its center and a radius of 1.5 miles. ~~But, in some cases (for instance in densely populated urban areas), we may define the boundaries of your Protected Area by political subdivisions, streets, ZIP codes, or other similar designations, and the Protected Area in that case may be less than a circle with a 1.5-mile radius. We determine the boundaries of each Protected Area on a case-by-case basis based on various factors, such as: the population in the surrounding area; traffic volume and traffic patterns; proximity to retail centers, residential areas, businesses and other potential customer sources; and other site-specific data we determine. But, in some cases (for instance in densely populated urban areas), we may define the boundaries of your Protected Area by political subdivisions, streets, ZIP codes, or other similar designations, and the Protected Area in that case may be less than a circle with a 1.5 mile radius. We determine the boundaries of each Protected Area on a case-by-case basis based on various factors, such as: the population in the surrounding area; traffic volume and traffic patterns; proximity to retail centers, residential areas, businesses and other potential customer sources; and other site-specific data we determine.~~ If you are signing a Franchise Agreement in connection with an Area Development Agreement, our then-current criteria will apply when determining the Protected Area under that particular Franchise Agreement.

You cannot relocate your ~~Amazing Lash Studio business~~ without our ~~consent~~prior written approval. In considering a request to relocate your ~~Amazing Lash Studio~~, we consider factors such as the proposed site’s demographics, location, proximity to other businesses, the character of the neighborhood, the size and appearance of the premises to be leased, and other characteristics and criteria that may change. If we grant you the right to relocate your ~~Amazing Lash Studio~~, you must comply with ~~such all of our then current~~the site selection and construction procedures, lease requirements set forth in your Franchise Agreement. All of the costs associated with relocating your ~~Amazing Lash Studio~~ will be solely your responsibility.

~~You are not required to achieve any particular sales volume or market penetration or meet any other contingency to maintain your rights in the Protected Area, and we may not reduce your rights in the Protected Area due to population increases or other circumstances other than your breach of the Franchise Agreement or other agreement you have with us or our affiliates.~~

Other than your rights described above with respect to your Protected Area, we (and our affiliates) retain all rights with respect to the placement of Studios and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities, without compensation to you. These rights include:

1. The right to establish and operate, and allow others to establish and operate, other Studios and other businesses using the Marks or the Franchise System, at any location outside the Protected Area, and on any terms and conditions we approve;

2. the right to establish and operate, and allow others to establish and operate, additional concepts or businesses providing products or services similar to those provided at Studios anywhere in the world, including within your Protected Area, we retain all other rights. Among other things, this means we and our affiliates, and any other authorized person or entity will have the right under any trade names, trademarks, service marks and commercial symbols other than the Marks;

~~4.3.~~ the right to establish, and allow others to establish, other distribution channels (including, the internet or retail stores) wherever located or operating, including within your Protected Area, regardless of the nature or location of the clients, and regardless of the trade names, trademarks, service marks or commercial symbols used by such business, which may include the Marks and/or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Studios, and which may sell products and/or services that are identical or similar to, and/or competitive impact on your Amazing Lash Studio, to take the following actions: with those that Studios customarily sell under any terms and conditions we approve;

- ~~(i) — We may develop, own and operate or grant others a license, franchise or other right to develop, own and operate Amazing Lash Studios at any location outside the Protected Area, including locations that are adjacent to or surrounded by the Protected Area;~~
- ~~(ii) — We may, both within and outside the Protected Area develop, own and operate or grant others a license, franchise or other right to develop, own and operate other business systems (including systems that distribute products or services similar to or the same as those offered at Amazing Lash Studios) using any names or marks other than the Marks;~~
- ~~(iii) — We may advertise and promote the System and any Amazing Lash Studios within or outside the Protected Area;~~
- ~~(iv) — We may acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within or outside your Protected Area;~~
- ~~(v) — We may engage, directly or indirectly, in the production, distribution, license and sale of any and all similar or dissimilar services and products, under the Marks or under other names or marks, within and outside the Protected Area, through any alternative method of distribution, including through any retailer, wholesaler, distributor, mail order, or Online Presence;~~

~~2.4.~~ (vi) — We may offer and sell (and grant others the right to offer and sell) goods and services to customers/clients located anywhere, within or outside including in your Protected Territory; and Area;

- ~~(vii) — We may own and operate and grant others the right to own establish and operate, and allow others to establish and operate any Amazing Lash Studio in any closed market or other facility serving a captive market, within or outside the Protected Area, including any department stores, shopping malls, airports, train stations Studios and other modes of mass businesses using the Marks or the Franchise System, at Captive Market Locations. "Captive Market Locations" are airports or other transportation, public terminals, sports facilities, parks and recreation areas, medical campuses, college and school campuses, university campuses, corporate campuses, a department within an existing retail store, hotels, resorts, condominium and cooperative facilities, office buildings, convention centers, government facilities, and any other public attraction or venue or mass gathering events or other similar types of locations.~~

~~3.5.~~ We are not required to pay you if we exercise any of the rights specified above inside or outside your Protected Area. You will not that have a right of first refusal or similar rights to obtain additional franchises. If you wish to obtain an additional franchise, you must enter into a separate Franchise Agreement restricted trade area located within the geographic boundaries of the Protected Area.

~~6. We do not place any restrictions on the customers you may solicit. But you~~ the right to acquire, to merge, or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) a business providing products and services similar to those provided at Studios, even if such business operates, franchises and/or licenses Competitive Businesses (as defined in Item 17); and

7. engage in all other activities not expressly prohibited by your Franchise Agreement.

You may not sell any products or services offered by an Amazing Lash Studio or using the Marks to customers through any Online Presence ~~wholesale~~ or through any alternative channels of distribution, including the internet or retail stores.

~~Neither we nor our affiliates have established or have present plans to establish franchises, company owned outlets or other channels of distribution offering and selling products and services similar to those to be offered by you under different trademarks. There are, however, no restrictions in the Franchise Agreement that would prohibit us from doing so.~~

#### **Area Development Agreement**

~~The Area Development Agreement grants you the right to acquire franchises to develop, own and operate Amazing Lash Studios within a designated "Development Area" that will be described in Exhibit A attached to the Area Development Agreement.~~

~~You will not receive an exclusive territory under the Area Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, for so long as~~ While ~~you are in compliance with the Area Development Agreement and all your Franchise Agreements, we will not establish or license others to establish Amazing Lash Studios within your Development Area during the term of the Area Development Agreement. You are not required to achieve certain sales volume, market penetration or other contingencies in order to maintain your protection for the Development Area, but your failure to comply with the Development Schedule will be a material breach of the Area Development Agreement, which may result in~~ us ~~our~~ terminating the Area Development Agreement, granting similar development or franchise rights to others within the Development Area, reducing the size of the Development Area, or reconfiguring the Development Area, in each case as we determine.

The Area Development Agreement grants you the right to acquire franchises to develop, own and operate Studios within the designated "Development Area" that will be described in Exhibit A attached to the Area Development Agreement.

The boundaries of the Development Area will be described by map coordinates, city limits, counties, states, or other boundaries when appropriate. We will determine in our discretion the Development Area we will offer to you before you sign the Area Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors.

~~The boundaries of the Development Area will be described by map coordinates, city limits, counties, states, or other boundaries when appropriate. We will determine in our discretion the Development Area we will offer to you before you sign the Area Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors.~~



We and our affiliates retain the right to: ~~(i)~~ establish, operate and allow others to establish and operate ~~and allow others to establish and operate~~, Studios using the Marks and ~~the Amazing Lash franchise system~~ Franchise System, at any location outside the Development Area on terms and conditions we deem appropriate; ~~(ii)~~ establish, operate and allow others to establish and operate other ~~exercise and workout~~ retail salon studios, anywhere in the world, that may offer products and services that may be identical or similar to products and services offered by ~~Amazing Lash~~ Studios, but under trade names, trademarks, service marks and commercial symbols other than the Marks; ~~(iii)~~ operate or license others to operate ~~Amazing Lash~~ Studios that we or our designee acquires from a franchisee as a result of the exercise of our right of first refusal or right to purchase as provided in the Franchise Agreement, ~~and (iv)~~; (4) establish, operate and allow others to establish and operate other businesses and distribution channels (including the Internet or retail stores), wherever located or operating and regardless of the nature or location of the customers with whom these other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from ~~Amazing Lash~~ Studios, and that sell products or services that are identical or similar to, or competitive with, those that ~~Amazing Lash~~ Studios customarily sell; and (5) establish, operate, and allow others to establish and operate businesses using the Marks or any other trade names, trademarks, service marks or commercial symbols at Captive Market Locations (which, under the Area Development Agreement, are airports or other transportation terminals, sports facilities, parks and recreation areas, medical campuses, college and university campuses, corporate campuses, a department within an existing retail store, hotels, or other similar types of locations that have a restricted trade area located within the geographic boundaries of the Development Area). In addition, we specifically retain the right under the Area Development Agreement to ~~(i)~~ (a) acquire the assets or ownership interests of one or more businesses including ~~competitive businesses~~ Competitive Businesses (as defined in Item 17), 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); ~~(ii)~~ (b) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any ~~competitive business~~ Competitive Business, even if this business operates, franchises or licenses these businesses in the Development Area; ~~(iii)~~ (c) operate or grant a third party the right to operate any ~~Amazing Lash~~ Studios that we or our designees acquire as a result of an exercise of a right of first refusal or purchase right under a Franchise Agreement; and (iv) (d) engage in all other activities not expressly prohibited by the Area Development Agreement.

You will not receive an exclusive territory under the Area Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We will not, however, establish or license others to establish Studios within your Development Area during the term of the Area Development Agreement while you are in compliance with its terms and those within your Franchise Agreements as described above.

You may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet, catalog sales, telemarketing or other direct marketing campaigns, without our consent.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Development Area.

~~Development Area.~~


### ITEM 13. TRADEMARKS ~~Our Marks~~


The Franchise Agreement grants you a non-exclusive license to ~~operate an Amazing Lash Studio business under~~ use the Marks ~~we authorize~~. All of the primary Marks described below are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) and all required affidavits and renewals for the Marks have been filed.

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
<u>AMAZING LASH STUDIO</u>	<u>4357724</u>	<u>June 25, 2013</u>

~~principal~~

~~Marks described below are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) and all required affidavits and renewals for the Marks have been filed.~~

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
<u>AMAZING LASH STUDIO</u>	<u>4357724</u>	<u>June 25, 2013</u>
	<u>4641347</u>	<u>Nov. 18, 2014</u>

	<u>4641347</u>	<u>November 18, 2014</u>
---	----------------	--------------------------

Currently, there are no ~~presently~~ effective ~~determination~~ determinations of the USPTO, the ~~trademark trial~~ Trademark Trial and appeal board, Appeal Board, or the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation ~~proceeding, nor any pending proceedings or~~ material litigation, involving the Marks ~~which is relevant~~. There are currently no effective agreements that significantly limit our right to their ownership, use or licensing. We use, license or sublicense the Marks. Neither we nor our affiliates know of no any infringing uses or superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to.

Your use of the Marks and any goodwill established by that use are solely for our benefit. You have no ownership or other interest in the Marks. You may not at any time contest, or assist any other person in contesting, the validity, ownership, distinctiveness or enforceability of the Marks. You must follow our rules when you use the Marks and the Marks are the only marks you may use to identify your Studio, except that you agree to identify yourself as its independent owner and operator in the manner we prescribe. You may not use any Mark or any part of any Mark as part of any corporate or legal business name; with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); in selling any unauthorized services or products; as part of any website, domain name, e-mail address, social media account, other online presence or presence on any electronic medium of any kind (“Online Presence”), except in accordance with our guidelines; in advertising the transfer, sale, or other disposition of your Studio or an ownership interest in you without our prior consent; or in any other manner that we have not expressly authorized in writing.

You may not take any action that will harm the Franchise System, other Studios or the goodwill associated with the Marks. We and our agents will have the right to enter and inspect your Studio to make sure you are complying with our standards, including but not limited the proper use and display of the Marks.

~~You must use or license the use of the Marks in any manner material to the franchise. We know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.~~

~~We are not obligated to protect your rights to use the Marks or to protect you against claims of modify or discontinue using any Mark and/or use additional or substitute Marks, at your expense, if we require you to do so. We need not reimburse you for your any costs or expenses associated with making such changes, for your lost revenue, or for your expenses of promoting modified or substitution Marks.~~

~~You must notify us immediately of any apparent infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.~~

~~You must promptly notify us of any of, or challenge to, your use of any Mark and may not communicate information about such an infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your owners must agree not to communicate or challenge with any person other than us, our designated affiliate, and our or their your counsel about, or our counsel. You may not settle any infringement, challenge or claim, without our written consent. We or our affiliates have sole discretion to may take any action we deem appropriate (including no action) and the right to exclusively control any litigation, or Patent and Trademark Office (or other) USPTO proceeding, from or other administrative proceeding arising out of any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and or otherwise concerning any Mark. We will reimburse you for all damages or expenses incurred by you in responding to any trademark infringement proceeding disputing your authorized use of any Mark in accordance with the terms of your Franchise Agreement. We will not pay any of your attorneys' fees if you hire your own attorney. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under your Franchise Agreement. You must sign documents and give us take any assistance other reasonable action that, in our counsel's the opinion of our counsel, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or Patent and Trademark Office or other proceeding or to otherwise to protect and maintain our or their interest interests in the Marks.~~

#### **Use of Marks**

~~You may not use any of the Marks (i) with any prefix or suffix or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (ii) as part of your corporate or other legal name; (iii) in selling any unauthorized services or products; (iv) as part of any Online Presence (defined below), except in accordance with our guidelines set forth in the Manuals or otherwise in writing from time to time; (v) in advertising the transfer, sale, or other disposition of your Amazing Lash Studio or an ownership interest in you; or (vi) in any other manner that we have not expressly authorized in writing.~~

~~You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. You and your owners agree to refrain from any business or advertising practice which may injure our business and the goodwill associated with the Marks and other Amazing Lash Studios.~~

~~Without our prior written approval, you may not develop, create, generate, register, own, or otherwise use or authorize any website, domain name, email address, social media account, user name, other online~~

~~presence or presence on any electronic medium of any kind (each an “Online Presence”) in connection with your Amazing Lash Studio, mentioning any Amazing Lash Studio, displaying any of the Marks, or linking to any System Website.~~

#### **Changes to Marks**

~~We may substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and your Amazing Lash Studios operating under the System. If we do so, you must, at your expense, discontinue or modify your use of any of the Marks or use one or more additional or substitute marks and comply with all other directions we give regarding the Marks at your Amazing Lash Studio within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark. We may exercise these rights at any time and for any reason, business or otherwise, that we think best and you must comply with our directions.~~

Upon expiration or termination of your Franchise Agreement, you will have no further right to use the Marks and you must immediately discontinue using the Marks.

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

#### **Our Patents and Copyrights**

We have obtained the three patents described below. Each of these patents is material to the franchise. We sometimes refer to these patent rights, collectively, in this disclosure document as the “Patents.” Each Patent described below relates to the techniques and procedures for applying eyelash extensions that are used in the operation of **Our Patents and Copyrights**

~~We have obtained the three patents described below. Each of these patents is material to the franchise. We sometimes refer to these patent rights, collectively, in this disclosure document as the “Patents.” Each Patent described below relates to the techniques and procedures for applying eyelash extensions that are used in the operation of the Amazing Lash Studio businesses:~~

#### **1. Studios:**

1. Patent No.: 9,004,076  
Issue Date: April 14, 2015  
Title: Improved Method for Extending Eyelashes to Achieve a Particular Look  
Application Type: Utility under 35 USC 111(a)
2. Patent No.: 9,179,722  
Issue Date: November 10, 2015  
Title: Improved Method for Extending Eyelashes  
Application Type: Utility under 35 USC 111(a)
3. Patent No.: 9,930,920  
Issue Date: April 3, 2018  
Title: Method for Securing Extension Lashes During An Eyelash Extension Procedure  
Application Type: Utility under 35 USC 111(a)

Each of these patents is expected to expire on September 10, 2032. Issue Date: April 14, 2015

~~Title: Improved Method for Extending Eyelashes to Achieve a Particular Look  
Application Type: Utility under 35 USC 111(a)~~

~~2.1.2. Patent No.: 9,179,722~~

~~Issue Date: November 10, 2015~~

~~Title: Improved Method for Extending Eyelashes~~

~~Application Type: Utility under 35 USC 111(a)~~

~~3.1.3. Patent No.: 9,930,920~~

~~Issue Date: April 3, 2018~~

~~Title: Method for Securing Extension Lashes During An Eyelash Extension Procedure~~

~~Application Type: Utility under 35 USC 111(a)~~

~~Each of these patents is expected to expire on September 10, 2022.~~ Except for the Patents described above, we do not own any patents, and do not have any pending patent applications, that are material to the franchise. We know of no agreements currently in effect which significantly limit our rights to use or license the use of the Patents in any manner material to you.

You must promptly notify us of any infringement or possible infringement of our patent rights or of any challenge to the use of any of the Patents or claim by any person of any rights in any of the Patents. You and your owners must agree not to communicate with any person other than us, our designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Patents. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Patents. We may substitute different patents or unpatented techniques if the Patents can no longer be used for some reason, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Patents or use one or more additional or substitute patents or unpatented techniques at your expense.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress), the USPTO, or any court affecting our copyrights or the Patents. There is no currently effective agreement that limits our right to use and/or license our copyrights or Patents. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights or Patents or to defend you against claims arising from your use of the copyrights or Patents. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights or the Patents.

We do claim copyright protection and proprietary rights in the original materials used in the operation of ~~Amazing Lash~~ Studios, including the ~~Operations~~ Manual, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Amazing Lash Studio businesses and the ~~Business Franchise~~ System ("Copyrighted Materials"). We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You may not use any of our Copyrighted Materials without our written permission. This includes display of the Copyrighted Materials on any Online Presences.

### **Confidential Information**

You will have access to proprietary and confidential information relating to the ~~establishment~~ development and operation of ~~Amazing Lash Studios~~ (the “Confidential Information”), including: (i) training and operations materials, including the Operations Manual; (ii) the System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Amazing Lash Studios, including eyelash preparation and application; (iii) all customer and employee data and information and other information generated by, or used or developed in, your Amazing Lash Studio’s operation, including information relating to customers such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained in the Computer System; (iv) site selection criteria, strategic plans, including expansion strategies and targeted demographics; (v) advertising and marketing plans and programs, including Studios; (vi) market research, promotional, marketing and advertising strategies and programs for Amazing Lash Studios; (vii) research, development and test programs; (viii) strategic plans, including expansion strategies and targeted demographics; (ix) knowledge of, specifications for, and suppliers of, and methods of ordering, Operating Assets and other products, services and operations; (x) supplies; (xi) the contents of our Manuals and other training and operations materials; (xii) knowledge of the operating and financial results of Amazing Lash Studios, other than your Amazing Lash Studio; (xiii) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (xiv) knowledge of the operating results and financial performance of Studios (other than your Studio); (xv) information generated by, or used or developed in, your Studio’s operation, including information relating to clients such as client names, addresses, telephone numbers, email addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System (“Client Information”); and (xvi) Improvements (defined below) any other information designated as confidential or proprietary by us.

You and your owners will not acquire any interest in any Confidential Information, other than the right to use the Confidential Information ~~disclosed to you as we specify~~ in operating your Amazing Lash Studio during the term of your Franchise Agreement, ~~and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You may disclose the Confidential Information to your owners and employees only to the extent reasonably necessary for the operation of your Amazing Lash Studio pursuant to your Franchise Agreement.~~ Our Confidential Information is proprietary to us and our affiliates and includes trade secrets owned by us and our affiliates. You and your owners: ~~(1)~~ (1) may not use the Confidential Information in any other business or capacity; ~~(ii) and the use of any Confidential Information in any other business or capacity would constitute an unfair method of competition;~~ (2) must maintain the confidentiality of the Confidential Information during and after the term of your Franchise Agreement; ~~(iii)~~ (3) may not make unauthorized copies of any portion of the Confidential Information; ~~and (iv) (4)~~ (4) must adopt and implement all reasonable procedures that we prescribe to prevent the unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure of the Confidential Information to ~~Amazing Lash Studio personnel and others, persons who have signed confidentiality and non-solicitation agreements;~~ and (5) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us.

### **Improvements**

If you, your employees, or owners develop any new concept, process or improvement in the operation or promotion of an Amazing Lash Studio (an “Improvement”), you must promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement will become our sole

property and we will be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your owners must assist us in obtaining and enforcing the intellectual property rights to any such improvement in any and all countries and execute and provide us with all necessary documentation for obtaining and enforcing such rights.

#### Works Made-for-Hire

All ideas, concepts, techniques, or materials relating to a Studio, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, you shall 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.

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

#### **Franchise Agreement**

If you are signing the Franchise Agreement as a legal business entity, you must designate an individual with at least a 25% ownership and voting interest in you to ~~serve~~act as your "Principal OwnerOperating Partner". The ~~Principal Owner must meet our qualifications and~~ Operating Partner must be approved by us. Unless a separate GeneralDesignated Manager is approved by us (described below), you (or your Principal OwnerOperating Partner if you are an entity) must ~~devote~~supervise your Studio on a full-time basis and ~~exert~~ best efforts to ~~the supervision of your Amazing Lash Studio(s) operated by you and~~ promote and enhance your affiliatesStudio. Without our written consent, your Principal Ownerentity may not engage in any business other than the operation of your Amazing Lash Studio(s). ~~Your Principal OwnerStudio, unless we approve you to acquire and operate additional Studios pursuant to additional franchise agreements between us and you. Your Operating Partner must be empowered with full authority to act for you and we will be entitled to rely solely on the decision of the Principal OwnerOperating Partner without discussing the matter with any other party. If your Principal OwnerOperating Partner ceases to own at least a 25% ownership interest and voting interest in you, your Principal OwnerOperating Partner resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Principal OwnerOperating Partner, or we disapprove of your Principal OwnerOperating Partner at any time, you must recruitdesignate a new Principal OwnerOperating Partner within 30 days for our review and approval.~~

~~If you (or your Principal Owner) You are solely responsible for the management, direction and control of your Studio. However, you (or your Operating Partner if you are an entity) may elect not to supervise your Studio on a full-time basis; provided that you appoint a manager who has completed our then-current Training Program to work full-time at your Studio (your "Designated Manager"). Your Designated Manager must supervise the management and day-to-day operations of your Amazing Lash Studio, you must designate not later than 90 days before the Opening Date a "General Manager" who meets our qualifications to supervise the operation of your Amazing Lash Studio. Your General Manager must devote full time and Studio and continuously exert his or her best efforts to the supervision of your Amazing Lash Studio operated by you and your affiliates and shall not engage in any other business without our written consent, including the supervision or management of any additional Amazing Lash Studios. Each Amazing Lash Studio must have a different General Manager. You acknowledge promote and agree that the appointment of a General Manager will not relieve your Principal Owner of his or her supervisory responsibilities for the operation of enhance your Amazing Lash Studio. You and the goodwill associated with the Marks. If you elect not to appoint a Designated Manager, your Principal Owner shall remain fully responsible for your GeneralDesignated Manager's performance. If your General Manager resigns or otherwise indicates to us or to you that he or she wishes to cease acting as General Manager employment at your Studio is terminated, or we disapprove~~

~~of such General~~ your Designated Manager, at any time, you (or your Principal Owner/Operating Partner) must immediately assume ~~operational~~ the full-time responsibilities of supervising the management and supervision day-to-day operations of your Amazing Lash Studio on a full time basis. If you are a business entity, Studio and continuously exert your General Manager need not own any equity interest in you.

~~You must cause each of~~ best efforts to promote and enhance your direct and indirect owners to Studio and the goodwill associated with the Marks pursuant to the terms of the Franchise Agreement. You must notify us of any changes to your Designated Manager's employment as set forth in the Operations Manual.

~~You and such persons we designate, which may include the spouses of your owners (if you are signing the Franchise Agreement as a business entity) must execute the Guaranty and Assumption Agreement of Franchisee's Obligations attached as Exhibit AE to the Franchise Agreement, jointly and severally guarantying your and their performance under the Franchise Agreement and binding yourself and themselves to the Franchise Agreement. In addition, the spouse of the person signing will be required to acknowledge and consent to the Guaranty and Assumption of Obligations and any ancillary agreements between you and us.~~

~~You must require and obtain the of covenants of persons who have access to our Confidential Information to execute confidentiality, non-competition, and non-solicitation, and non-disparagement similar to those set forth in the Franchise Agreement from all General Managers, and, at our request, any assistant managers or other of your personnel. We may regulate agreements in the form of non-disclosure and non-competition agreement that you use and to be a third party beneficiary of those agreements with independent enforcement rights attached as Exhibit D to the Franchise Agreement.~~

#### **Area Development Agreement**

If you sign the Area Development Agreement, you are obligated, at all times, to faithfully, honestly and diligently perform your obligations and fully exploit the development rights granted to you. You may not subcontract, subfranchise, or delegate any of your obligations to any third parties.

If you are an entity, each of your direct and indirect owners must sign, a Guaranty and Assumption of Obligations in the form attached as Exhibit B to the Area Development Agreement. The persons signing the Guaranty and Assumption of Obligations agree to personally assume and perform all of the area developer's obligations under the Area Development Agreement. In addition, the spouse of the person your owners signing will be required to acknowledge and consent to the Guaranty and Assumption of Obligations.

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

##### **Authorized Products and Services Generally**

You must sell or offer for sale all products and services we require using the method and manner of distribution we prescribe. You must conduct all services in accordance with our System Standards (and if we at any time determine that you fail to meet our System Standards for providing any products or services that we require, we may permanently or temporarily terminate your right to offer such products or services, in addition to all other remedies we have). You must sell and offer for sale only the products and services that we have expressly approved for sale in writing, and you must discontinue selling and offering for sale any products or services and any method or manner distribution which we may disapprove in writing at any time. You must maintain in sufficient supply purchase and to use and sell at all times only those items, the brands, types, or models of products, materials, and supplies that conform to our and services (including the Operating Assets and the Computer System Standards) that we designate for operating your Studio.



## **Memberships**

You must offer and sell Memberships as we require. You must comply with our System Standards regarding Memberships. All Memberships must be evidenced by a Membership Agreement and may not be for a term that extends beyond the expiration of your Franchise Agreement. We may provide you a form of Membership Agreement, and if we do so, you will use the form of Membership Agreement that we provide to you, and you will not make any modifications in the forms without our prior written consent. You are responsible for ensuring that the Membership Agreements and your offer of Memberships comply with all applicable laws for your ~~Amazing Lash Studio~~. ~~We and our affiliates~~ We own all information relating to clients and members of your ~~Amazing Lash Studio~~. We may contact any member(s) of your ~~Amazing Lash Studio~~ at any time ~~for any purpose~~.

## **Pricing**

~~We~~ Subject to applicable law, we may periodically set a maximum or minimum price that you may charge for products and services, ~~including Memberships~~, offered by your ~~Amazing Lash Studio~~. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. ~~For any product or service for which we do not impose a maximum or minimum price, we may require you to~~ You must comply with ~~an~~ any advertising policy ~~adopted by us~~ we adopt which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

## **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~~ Disclosure Document.

Provision		Section in <del>Franchise</del> <u>franchise</u> or <del>Other Agreement</del> <u>other</u> <u>agreement</u>	Summary
a.	a.—Length of the franchise term	Franchise Agreement – <del>Section IV – 1.A.</del>	<del>The initial term is 10 years from the Opening Date.</del>
		Area Development Agreement – 1.B	Term ends on the scheduled opening date of the last studio as specified on the Development Schedule or the last day of the last development period, whichever occurs first.
b.	<u>Renewal or extension of the term</u>	<u>Franchise Agreement – 13.A.</u>	<u>One additional term of 10 years</u>
		<u>Area Development Agreement</u>	<u>Not applicable</u>

Provision		Section in <del>Franchise</del> franchise or <del>Other Agreement</del> other agreement	Summary
c.	<a href="#">Requirements for franchisee to renew or extend</a>	<a href="#">Franchise Agreement – 13.A., 13.B.</a>	<a href="#">You must: 1) provide written notice of your election to acquire a successor franchise; 2) not be in default; 3) sign the then-current form of our franchise agreement (which may contain terms and conditions materially different from those in your original Franchise Agreement); 4) sign a general release; 5) pay the successor franchise fee; and 6) update/remodel the Studio to our then-current standards.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
d.	<a href="#">Termination by franchisee with cause</a>	<a href="#">Franchise Agreement – 14.A.</a>	<a href="#">You can terminate the Franchise Agreement after providing us notice.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
e.	<a href="#">Termination by franchisee without cause</a>	<a href="#">Franchise Agreement</a>	<a href="#">Not applicable.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
f.	<a href="#">“Cause” defined for termination by franchisee – curable defaults</a>	<a href="#">Franchise Agreement – 14.A.</a>	<a href="#">We have 30 days to cure any material breach of the Franchise Agreement after you deliver written notice to us. If we cannot cure the material breach within 30 days, we have 30 days to give you reasonable evidence of our offer to cure with a reasonable time.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
g.	<a href="#">“Cause” defined for termination by franchisee – non-curable defaults</a>	<a href="#">Franchise Agreement</a>	<a href="#">Not applicable.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
h.	<a href="#">Termination by franchisor without cause</a>	<a href="#">Franchise Agreement</a>	<a href="#">Not applicable.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
i.	<a href="#">Termination by franchisor with cause</a>	<a href="#">Franchise Agreement – 14.B.</a>	<a href="#">We can terminate the Franchise Agreement after providing you notice.</a>
		<a href="#">Area Development Agreement – 7.A</a>	<a href="#">We may terminate only if you or your owners commit one of several violations. Under cross-default provision, we can terminate the Area Development Agreement if you or your approved affiliate fails to comply with any provision of any Franchise Agreement and does not cure such failure within the applicable cure period.</a>

Provision		Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement other</del> <a href="#">agreement</a>	Summary
j.	“Cause” defined for termination by franchisor—curable defaults	Franchise Agreement – 14.B.	<del>b. —Renewal or extension of the term</del> <a href="#">Curable defaults include: 1) 10 days to cure a failure to maintain the insurance we require; 2) three days to cure a violation of any health, safety, or sanitation law, ordinance, or regulation, or unsafe operation of your Studio; 3) 10 days to cure a violation of any law or regulation or failure to maintain any bond, license, or permit; 4) 10 days to cure a failure to pay us any due amounts; 5) 30 days to cure any breach of the Franchise Agreement other than those provided in “k” below; and 6) cure period for a failure to pay third-party supplier, as determined by such third-party supplier.</a>
		Area Development Agreement – 7.A	<a href="#">You have 10 days to cure monetary defaults, failure to furnish reports, financial statements, tax returns or any other documentation required, or any failure to observe, perform or comply with any other of the terms or conditions of the Area Development Agreement; and applicable cure period for defaults under Franchise Agreement or failure to pay any third-party obligations.</a> <del>Area Development Agreement — Not applicable</del>

Provision	Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement</del> <a href="#">other agreement</a>	Summary
k. <del>e.</del> Requirements for franchisee to renew or extend "Cause" defined for termination by franchisor — <a href="#">non-curable defaults</a>	Franchise Agreement – Section IV – <a href="#">14.B.</a>	<p><del>Your option to renew is conditioned on the following:</del>  (i) you give us notice not less than 6 or more than 9 months before expiration; (ii) you bring your Amazing Lash Studio into compliance with System Standards; (iii) you are not in default; (iv) you are current on all payments; (v) you continue secure possession of your premises; (vi) you and your owners execute our then-current Franchise Agreement, which may have materially different terms, and including  all ancillaries and owner guarantees; (vii) you and your owners sign a general release of all claims; (viii) you pay the renewal fee; and (ix) you satisfy our criteria for new franchisees; <a href="#">Non-curable defaults include:</a> 1) material misrepresentations or omissions in acquiring the franchise or operating the Studio; 2) failure to obtain lease approval or deliver the lease and lease rider as required; 3) failure to open the Studio within one year; 4) failure to satisfactorily complete the <a href="#">Training Program</a>; 5) without our prior consent, abandonment for two consecutive days, or 14 days during any twelve-month period, or expressing an intent to close or otherwise abandon the Studio; 6) unauthorized transfer; 7) conviction of felony or other crime that is likely to harm the Marks, the Franchise System, or their associated goodwill and reputation; 8) dishonest or unethical conduct which adversely affects your Studio's reputation or the goodwill associated with the Marks; 9) loss of right to occupy Premises; 10) unauthorized use or disclosure of confidential information; 11) you create or allow to exist a health or safety concern; 12) failure to pay taxes when due (unless contested in good faith); 13) insufficient funds to pay amounts when due on three separate occasions within 12 month period; 14) underreporting Gross Receipts; 15) three breaches of the Franchise Agreement within a one year period or two or more breaches of the same obligation within a one year period; 16) insolvency or similar proceeding; 17) assets, property, or interests blocked under laws or regulations relating to terrorism or you or your owners otherwise violate such laws; 18) termination of any other agreement between you (or one of your owners) or your affiliates and us or our affiliates; 19) you fail to perform required background checks; 20) you fail to ensure your stylists are licensed as required by law; and 21) you fail to report incidents which could impact the goodwill of the brand as required.</p>

Provision		Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement</del> <a href="#">other</a> <a href="#">agreement</a>	Summary
		Area Development Agreement – 7.A	<a href="#">Non-curable defaults under the Area Development Agreement</a> include ceasing or threatening to cease to carry on the business; liquidation of your assets; failure to pay any debts or other amounts incurred by you in operating the business when these debts or amounts are due and payable; an assignment for the benefit of creditors; appointment of a trustee or receiver; three or more repeated violations during any 12-month period; two or more repeated violations during any six month period; in the event you are an entity, liquidation or dissolution or amalgamation; or if you lose your charter by expiration, forfeiture or otherwise; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; unapproved transfers of the Area Development Agreement or an ownership interest in you. <del>Area Development Agreement – Not applicable</del>
d.	<a href="#">Franchisee's obligations on termination/non-renewal</a>	Franchise Agreement – <del>Not Applicable</del> <a href="#">6.A., 6.B., 15.A., 15.B., 15.C., 15.D., 15.F., 15.G., 15.H.</a>	<del>Not Applicable (your termination rights are subject to state law)</del> Obligations include: comply with confidentiality provisions; comply with trade secret provisions; pay all amounts due to us and our affiliates; pay us liquidated damages if the Franchise Agreement is terminated by you without cause or because of your default; cease selling products and services; cease using the Marks; de-identify; assign contact identifies and online presence to us or our designee; pay all costs and expenses incurred by us in enforcing the termination provisions of the Franchise Agreement; return all copies of the Operations Manual and other confidential information to us; return or securely dispose of personal information; comply with covenants not to compete; comply with non-solicitation and non-interference covenants; transfer client list to us or our designee; if required by law, refund clients; cooperate with us to preserve client goodwill.
		<a href="#">Area Development Agreement – 7.B, 7.C</a>	<a href="#">Under the Area Development Agreement, you must: cease using the Marks and franchise system; return all proprietary materials, forms, documents and information; comply with confidentiality requirements; and comply with all post-termination non-compete and non-solicit covenants.</a>
m.	<a href="#">Assignment of contract by franchisor</a>	Franchise Agreement – <a href="#">12.A.</a> <a href="#">Area Development Agreement – 6.A</a>	No restriction on our right to transfer or assign. We may transfer or assign without your approval.

Provision		Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement</del> <a href="#">other agreement</a>	Summary
n.	<a href="#">“Transfer” by franchisee—defined</a>	<a href="#">Franchise Agreement – 12.B.</a>	<a href="#">Includes transfer of the interests or rights in the Franchise Agreement, the Studio, the Studio’s assets, or if you are an entity, the transfer of any direct or indirect ownership interest in you.</a>
		Area Development Agreement – <del>Not applicable</del> <a href="#">6.B</a>	<del>Not Applicable (your termination rights are subject to state law)</del> <a href="#">Includes transfer of your interest in the Area Development Agreement, any of your rights under the Area Development Agreement, the development rights, and any direct or indirect ownership interest in you (regardless of its size), any approved Affiliate, or any of your owners (if such owners are legal entities)</a>
o.	<a href="#">Franchisor approval of transfer by franchisee</a>	<a href="#">Franchise Agreement – 12.B.</a>	<a href="#">We have the right to approve all transfers. You cannot transfer without our written consent.</a>
		<a href="#">Area Development Agreement – 6.B</a>	<a href="#">We have the right to approve all transfers but will not unreasonably withhold our consent. You cannot transfer without our written consent.</a>

Provision		Section in <del>Franchise</del> franchise or <del>Other Agreement</del> other agreement	Summary
p.	<a href="#">Conditions for franchisor approval of transfer</a>	<a href="#">Franchise Agreement – 12.C.</a>	<a href="#">Your Studio must be open for business. You must submit an application and provide us with information we request about the transferee; you pay us a deposit fee of \$5,000 (refundable, less amounts due, within 30 days of transfer); the transferee cannot be involved in a Competitive Business; you provide executed versions of documents between you and the transferee to effect the transfer with requested information; you and the transferee sign all documents we require, including a general release, a covenant that you will comply with non-competition obligations (see “u”), and a covenant that you will comply with all post-termination obligations (see “l”); you are not in default of any agreement with us 60 days before your transfer request and until the transfer’s effective date; the transferee must complete our Training Program; you obtain landlord consent (if required by lease); the transferee must sign our then-current form of franchise agreement; transfer fee is paid; if you or your owners finance any part of the purchase price, you will agree that transferee’s obligations under any promissory notes, agreements, or security interests are subordinate to transferee’s payment obligations to us, our affiliates, and third-party vendors under their Franchise Agreement; transferee agrees to upgrade, remodel, and refurbish the Studio to our then-current standards; and you transfer, or transferee obtains new, business licenses, insurance policies, and material agreements . The term “Competitive Business” means any business operating or granting franchises or licenses to others to operate any business that offers eyelash services, eyebrow services, facial hair removal, facial or beauty treatments or related products or services, or offers or sells products or educational materials or conducts workshops that are the same as, similar to, or competitive with products, educational materials, and workshops offered by the Franchise System (other than a franchise operated under a franchise agreement with us or our affiliate).</a>
		<a href="#">Area Development Agreement – 6.B</a>	<a href="#">Transferee must meet qualifications; satisfactorily complete training and pay required fee; have no financial or other interest in a Competitive Business; enter into all then-current forms of agreement required by us; you must have fulfilled all your obligations; must execute general release; pay expenses and applicable fees</a>





Provision		Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement</del> <a href="#">other agreement</a>	Summary
s.	<a href="#">Franchisor's option to purchase franchisee's business</a>	<a href="#">Franchise Agreement – 15.E.</a>	<a href="#">Upon termination or expiration of the Franchise Agreement, we have a 30-day option to purchase the assets of your Studio for fair-market value and assume the Studio's lease.</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
t.	<a href="#">Death or disability of franchisee</a>	<a href="#">Franchise Agreement – 12.F.</a>	<a href="#">Your personal representative has nine months to transfer of your interest (or the Operating Partner's or a controlling owner's interest) in the Franchise Agreement to a third party, provided that the transfer conditions described in "p" above have been met. No fee deposit or transfer fee will be required if the transferee is a spouse or immediate family member of the transferor).</a>
		<a href="#">Area Development Agreement</a>	<a href="#">Not applicable.</a>
u.	<a href="#">Non-competition covenants during the term of the franchise</a>	<a href="#">Franchise Agreement – 7.A.</a>	<a href="#">No involvement in any Competitive Business; no activities which might injure the goodwill of the Marks and Franchise System; and no immediate family members of you or your owners may violate these covenants.</a>
		<a href="#">Area Development Agreement – 5</a>	<a href="#">No involvement in any Competitive Business; and no assistance or encouragement of family members from violating these covenants.</a>
v.	<a href="#">Non-competition covenants after the franchise is terminated or expires</a>	<a href="#">Franchise Agreement – 15.F.</a>	<a href="#">No involvement (direct or indirect) in Competitive Business for two years within a three-mile radius of your Studio or within three miles of another Studio. (Same terms apply after transfer.)</a>
		<a href="#">Area Development Agreement – 7.C</a>	<a href="#">No involvement (direct or indirect), provision of services in Competitive Business for two years within the Development Area or within three miles of another Studio. (Same terms apply after transfer.)</a>
w.	<a href="#">Modification of the agreement</a>	<a href="#">Franchise Agreement – 17.K.</a>	<a href="#">The Franchise Agreement can be modified only by written agreement between you and us. We can modify or change the Franchise System by modifying the Operations Manual and System Standards.</a>
		<a href="#">Area Development Agreement – 10.G</a>	<a href="#">No modifications except in writing and signed by both you and us.</a>
x.	<a href="#">Integration/merger clause</a>	<a href="#">Franchise Agreement – 17.M.</a>	<del>Area Development Agreement – Not Applicable</del> <a href="#">Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement or Area Development Agreement may not be enforceable.</a>
		<a href="#">Area Development Agreement – 10.G</a>	
y.	<a href="#">Dispute resolution by arbitration or mediation</a>	<a href="#">Franchise Agreement – 17.F.</a>	<a href="#">Except for breach of your post-termination covenants, violation of the Lanham Act, or breach of trade secret, all disputes relating to the Franchise Agreement or Area Development Agreement or our relationship must be arbitrated within 50 miles of our then-current principal place of business (currently Englewood, Colorado).</a>
		<a href="#">Area Development Agreement – 9.A</a>	

Provision		Section in <del>Franchise</del> <a href="#">franchise</a> or <del>Other Agreement</del> <a href="#">other</a> <a href="#">agreement</a>	Summary
Z.	<a href="#">Choice of forum</a>	<a href="#">Franchise Agreement – 17.H.</a>	<a href="#">State or federal court in the place where our principal place of business is located (currently Englewood, Colorado) (subject to state law).</a>
		<a href="#">Area Development Agreement – 9.C</a>	
aa.	<a href="#">Choice of law</a>	<a href="#">Franchise Agreement – 17.G.</a>	<a href="#">The laws of the state in which our principal place of business is located (currently, Colorado) govern (subject to state law), except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and any arbitration matter will be governed by the United States Federal Arbitration Act (9 U.S.C. Sections 1 et seq.).</a>
		<a href="#">Area Development Agreement – 9.B.</a>	

Provision	Section in Franchise or Other Agreement	Summary
<del>f. Termination by franchisor with cause</del>	<del>Franchise Agreement—Section XVIII</del>	<del>We may terminate only if you or your owners commit one of several violations.</del>
	<del>Area Development Agreement—7.A</del>	<del>We may terminate only if you or your owners commit one of several violations.</del>
<del>g. “Cause” defined—curable defaults</del>	<del>Franchise Agreement—Section XVIII.C.</del>	<del>You have 7 days from notice to cure inadequate insurance coverage; 10 days for failure to complete training; 24 hours for unauthorized use of Marks; 10 days for failure to obtain signed restrictive agreements from managers; 5 days for failure to pay amounts you owe us; 72 hours for health and safety violations; 10 days for failure to secure necessary licenses to open; 10 days for failure to satisfy other laws; 30 days for all other breaches by you.</del>
	<del>Area Development Agreement—7.A</del>	<del>You have 10 days to cure monetary defaults, failure to furnish reports, financial statements, tax returns or any other documentation required, or any failure to observe, perform or comply with any other of the terms or conditions of the Area Development Agreement; and applicable cure period for defaults under Franchise Agreement or failure to pay any third party obligations.</del>
<del>h. “Cause” defined—non-curable defaults</del>	<del>Franchise Agreement—Sections XVIII.A-B</del>	<del>You have no opportunity to cure if you sell any unauthorized products or services; fail to open on time; abandonment; immediate health and safety issues; felony conviction or adverse criminal activities; unauthorized transfers; disclosure of Confidential Information; breach of covenants against competition; solicitation or disparagement; underreporting gross sales more than 2 times by 2%; fails statements; failure of quality assurance tests; more than 2 defaults in any year or 3 times during term; violation of anti-terrorism or foreign corrupt practices; failure to pay third party bills when due; default of any other agreements with us (including your Area Development Agreement, if applicable); automatic termination for bankruptcy or insolvency.</del>

Provision	Section in Franchise or Other Agreement	Summary
	Area Development Agreement—7.A	<del>Non-curable defaults under the Area Development Agreement include ceasing or threatening to cease to carry on the business; liquidation of your assets; failure to pay any debts or other amounts incurred by you in operating the business when these debts or amounts are due and payable; an assignment for the benefit of creditors; appointment of a trustee or receiver; 3 or more repeated violations during any 12-month period; 2 or more repeated violations during any 6-month period; if you are an entity, liquidation or dissolution or amalgamation; or if you lose your charter by expiration, forfeiture or otherwise; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; unapproved transfers.</del>
i. <del>Franchisee's obligations on termination/non-renewal</del>	Franchise Agreement—Section XIX	<del>Stop operating your Amazing Lash Studio business; de-identify the premises and remove all signs; stop using the Marks and System; cancel all assumed names; not reproduce or counterfeit any Marks; pay all outstanding amounts owed; return all Confidential Information; comply with all post term restrictive covenants; assign us all telephone numbers and business listings; assign us your lease if we request; cease using Online Presences and transfer credentials to us; notify all members that you are no longer operating and coordinate transfer of Memberships; pay us lost revenue damages if the Franchise Agreement is terminated by you without cause or because of your default.</del>
	Area Development Agreement—7.B, 7.C	<del>Cease using the Marks and franchise system; return all proprietary materials, forms, documents and information; comply with confidentiality requirements; and comply with all post termination non-compete and non-solicit covenants.</del>
j. <del>Assignment of contract by franchisor</del>	Franchise Agreement—Section XV.A Area Development Agreement—6.A	<del>We may transfer our rights without restriction.</del>
k. <del>“Transfer” by franchisee—defined</del>	Franchise Agreement—Sections XV.B—XV.C	<del>Any transfer or encumbrance of any direct or indirect interest in you, the Franchise Agreement, your Amazing Lash Studio, or the assets of the Amazing Lash Studio without our consent.</del>
	Area Development Agreement—6.B	<del>Any transfer or encumbrance of your interest in the Area Development Agreement, any of your rights under the Area Development Agreement, the development rights, and any direct or indirect ownership interest in you (regardless of its size), any approved affiliate, or any of your owners (if such owners are legal entities).</del>

Provision	Section in Franchise or Other Agreement	Summary
<del>l. Franchisor approval of transfer by franchisee</del>	<del>Franchise Agreement—Section XV.B Area Development Agreement—6.B</del>	<del>We must consent and you must meet conditions before transferring.</del>
m. Conditions for franchisor approval of transfer	Franchise Agreement—Section XV.B	You must submit a transfer application and associated information, and transferee must meet qualifications; provide all purchase documents and sale meets our qualifications; pay all outstanding amounts owed; no defaults under Franchise Agreement; all parties sign our then-current transfer documents, including a general release of claims (our current form of Agreement and Conditional Consent to Transfer is attached as Exhibit I); transferee personnel complete training; lease is appropriately assigned; all necessary updates to premises are completed; transferee and owners sign then-current Franchise Agreement and ancillaries and guarantees; tail insurance for 1-year after transfer; transfer fee; subordination of financing; purchase price not burdensome; and all other evidence of necessary transfer actions.
	Area Development Agreement—6.B	Transferee must meet qualifications; satisfactorily complete training and pay required fee; have no financial or other interest in a Competitive Business; enter into all then-current forms of agreement required by us; you must have fulfilled all your obligations; must execute general release; pay expenses and applicable fees
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement—Section XV.D	On 30 days' written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
	Area Development Agreement—6.C	We have a right of first refusal to acquire your area development business.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement—Sections XIX.B	We have the option to acquire the premises and the assets of the Amazing Lash Studio from you at fair market value. If you own the land where the Amazing Lash Studio business is located, we have the option to lease the land at a reasonable commercial rent. We have the option to have the lease for the premises of the Amazing Lash Studio assigned to us.
	Area Development Agreement—Not applicable	Not applicable

Provision	Section in Franchise or Other Agreement	Summary
<del>p. Death or disability of franchisee</del>	<del>Franchise Agreement—Section XV.E</del>	<del>On death or permanent disability of you or an owner of you, the person's interest must be transferred to someone we approve within 6 months. If the death or disability is your Principal Owner, you must appoint a General Manager we approve. If your General Manager dies or becomes disabled, your Principal Owner must manage.</del>
	<del>Area Development Agreement—Not applicable</del>	<del>Not applicable</del>
<del>q. Non-competition covenants during the term of the franchise</del>	<del>Franchise Agreement—Section XI.C(1)</del>	<del>No diversion of customers; no involvement in any competitive business; no interference with customers or vendors.</del>
	<del>Area Development Agreement—5</del>	<del>No involvement in any competitive business; no interference with our or any other affiliate's or franchisee's vendors or suppliers; and no assistance or encouragement of family members from violating these covenants.</del>
<del>r. Non-competition covenants after the franchise is terminated or expires</del>	<del>Franchise Agreement—Section XI.C(2)</del>	<del>For 2 years, no diversion of customers; no involvement in any competitive business within the Protected Area or 3 miles from your Amazing Lash Studio or any other Amazing Lash Studio; no interference with customers or vendors.</del>
	<del>Area Development Agreement—7.C</del>	<del>No involvement (direct or indirect) or provision of services in competitive business for 2 years within the Development Area or within 3 miles of another Amazing Lash Studio. No interference with vendors or suppliers. (Same terms apply after transfer.)</del>
<del>s. Modification of the agreement</del>	<del>Franchise Agreement—Sections XI.A and XX.O</del>	<del>Except for modifications to System Standards and Manuals, and other rights we reserve to make changes as expressly described in the Franchise Agreement, changes require mutual agreement by you and us.</del>
	<del>Area Development Agreement—10.G</del>	<del>No modifications except in writing and signed by both you and us.</del>
<del>t. Integration / merger clause</del>	<del>Franchise Agreement—Section XX.X</del>	<del>Only the terms of the agreements are binding (subject to applicable state law). No other representations or promises will be binding.</del>
	<del>Area Development Agreement—10.G</del>	<del>Nothing in any agreement is intended to disclaim representations made in this disclosure document.</del>

Provision	Section in Franchise or Other Agreement	Summary
u. <del>Dispute resolution by arbitration or mediation</del>	Franchise Agreement—Section XX.E	All controversies, disputes or claims between us must be submitted for binding arbitration to the American Arbitration Association on demand of either party.
	Area Development Agreement—9.A	All controversies, disputes or claims between us must be submitted for binding arbitration to the American Arbitration Association on demand of either party.
v. <del>Choice of forum</del>	Franchise Agreement—Sections XX.E, XX.G Area Development Agreement—9.C	All dispute proceedings will be within 50 miles of our principal business offices (currently, Englewood, Colorado) (subject to state law), but we and you may enforce any orders and awards in the courts of the state(s) in which you are domiciled or your Amazing Lash Studio is located.
w. <del>Choice of law</del>	Franchise Agreement—Section XX.F Area Development Agreement—9.B	Unless contrary to applicable state law, Colorado law governs.

[Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit F.](#)

#### ITEM 18. PUBLIC FIGURES

We do not currently use any public figure to promote the franchise. However, we may 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.

#### All Franchised Studios Open as of January 1, 2019, Between Zero and 12 Months, and Between 12 and 36 Months as of January 1, 2019

[Table 1 describes 2019 Average Revenue, Average Number of Members, and Average Conversion Percentage, all as of December 31, 2019, for three categories of franchised Studios that were open as of January 1, 2019: \(1\) all franchised Studios that were open as of January 1, 2019, and operated throughout 2019; \(2\) franchised Studios that were open between zero and 12 months as of January 1, 2019, and operated throughout 2019; and \(3\) franchised Studios that were open between 12 and 36 months as of January 1, 2019, and operated throughout 2019.](#)

As of December 31, ~~2019~~2018, there were ~~205 franchised~~245 Studios in operation in the United States, ~~and 163 of~~. Of those ~~studios~~245 Studios, ~~seven Studios~~ were ~~open as of January 1, 2018 and operated for by our subsidiaries~~. Of the ~~entirety of~~ remaining 238 franchised Studios: (1) 200 were open as of January 1, 2019 and operated throughout 2019; (2) 39 were open between zero and 12 months as of January 1, 2019, and operated throughout 2019; and (3) 113 were open2018. The table below lists the historical results for those 163 franchised Studios for the calendar year ending December 31, ~~between 12 and 36 months as of January 1, 2019, and operated throughout 2019~~.

~~Studios are~~2018. The Studios have been categorized in the table below based upon ~~the time elapsed as of January 1, annual revenue~~.

~~2018, since the Studio's opening~~—As described in Item 1, before September 12, 2018, ALSF was the franchisor of the ~~Amazing Lash franchise system~~Franchise System. Therefore, ALSF provided us with the information in this Item 19 that predates September 12, 2018. However, we do not believe that there are any material differences between Studios operated when ALSF was the franchisor of the ~~Amazing Lash franchise system~~Franchise System versus the Studio that you will operate with us as franchisor.

#### ~~Sales~~



Open 12 – 24 Months		<del>24 / 40.7%</del>	<del>29 / 49.2%</del>	<del>24 / 40.7%</del>
Open less than 12 Months		<del>25 / 44.6%</del>	<del>25 / 44.6%</del>	<del>22 / 39.3%</del>
<i>Studio Medians</i>				
Open 36+ Months	18	\$863,272	33.0%	633
Open 24 – 36 Months	30	\$760,067	39.7%	556
Open 12 – 24 Months	59	\$644,646	35.9%	484
Open less than 12 Months	56	\$539,190	39.2%	379

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Table 1

Description	All Franchised Studios Open as of January 1, 2019 and Operated Throughout 2019					All Studios	All Studios Open 0-12 Months		All Studios Open 12-36 Months
	Top 10	Top third	Bottom third	Bottom 10					
No. of Studios	10	66	66	10		200	39		113
2019 Average Revenue <sup>1</sup>	\$ 1,534,970	\$ 1,072,265	\$ 449,516	\$ 313,021	\$ 738,967	\$ 604,072	\$ 751,333		
Number that Met or Exceeded the Average	5	27	34	7	86	15	48		
Percentage that Met or Exceeded the Average	50.0%	40.9%	51.5%	70.0%	43.0%	38.5%	42.5%		
2019 Median Revenue	\$ 1,542,485	\$ 999,319	\$ 456,314	\$ 327,653	\$ 702,476	\$ 480,453	\$ 701,259		
2019 Highest Revenue	\$ 1,695,923	\$ 1,695,923	\$ 589,085	\$ 354,226	\$ 1,695,923	\$ 1,517,315	\$ 1,695,923		
2019 Lowest Revenue	\$ 1,275,941	\$ 809,689	\$ 205,148	\$ 205,148	\$ 205,148	\$ 205,148	\$ 315,513		
Average Number of Members as of December 31, 2019 <sup>2</sup>	1,004	703	274	187	473	371	465		
Number that Met or Exceeded the Average	4	21	32	5	62	15	43		
Percentage that Met or Exceeded the Average	40.0%	31.8%	48.5%	50.0%	41.0%	38.5%	38.1%		
2019 Median Number of Members	968	650	265	191	447	314	428		
2019 Highest Number of Members	1,390	1,390	380	216	1,390	909	1,390		
2019 Lowest Number of Members	882	541	120	120	120	120	175		
Average Conversion Percentage as of December 31, 2019 <sup>3</sup>	53.1%	44.5%	28.1%	22.2%	36.1%	38.0%	35.6%		
Number that Met or Exceeded the Average	5	25	41	7	98	17	57		
Percentage that Met or Exceeded the Average	50.0%	37.9%	62.1%	70.0%	49.0%	43.6%	50.4%		
2019 Median Conversion	52.9%	43.2%	29.1%	23.4%	35.8%	36.6%	35.8%		
2019 Highest Conversion	59.3%	59.3%	32.1%	24.3%	59.3%	59.3%	55.9%		
2019 Lowest Conversion	49.6%	38.9%	14.4%	14.4%	14.4%	22.9%	14.4%		

Notes to Table 1:

1. The 2019 Average ~~Annual Gross Sales~~ Revenue amounts are based upon actual data we require our franchisees to submit to us on a monthly basis and are defined in the same manner as ~~gross sales~~ Gross Receipts are defined under the Franchise Agreement. Specifically, as described in Item 6, “Gross ~~Sales~~” Receipts include all ~~income of your revenue or consideration of every other kind and nature that you receive from operating your Amazing Lash Studio, whether for receipts, including those taken by cash or credit and regardless of collection in the case of credit, prior to and not reduced by any applicable refunds, discounts or credits, card, debit card, check, electronic funds transfer, ACH, trade, barter or exchange.~~ Gross ~~Sales includes~~ Receipts also include: (a) ~~all proceeds from any other means of revenue derived from the operations of your Studio, including the sale of coupons, gift cards/certificates, group-bought deals, or vouchers~~ memberships, merchandise, or any products or services that are sold by you, whether sold at the Premises or from an off-Premises location; (b) all revenue from the sale or redemption of gift cards, in accordance with our then-current guidelines for calculating Gross Sales for such revenue; (b) your share of revenues
1. ~~from any vending machines or other equipment, machines or devices installed in your Amazing Lash Studio~~ System Standards; and (c) ~~the proceeds~~ gross amount of any business interruption or similar insurance ~~payments~~. Gross ~~Sales does not include~~ Receipts exclude: (i) ~~sales, use or privilege taxes you collect from customers of your Amazing Lash Studio, if the taxes are actually transmitted in a timely manner paid to the appropriate taxing authority;~~ (ii) ~~tips or gratuities paid directly~~ refunds that are provided to clients; and (iii) ~~tips received from clients for payment to your employees by customers of your Amazing Lash Studio or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; and (iii) returns to shippers or manufacturers.~~

The range of gross sales for Studios open 36+ months was \$467,832 to \$1,470,222. The range of gross sales for Studios open 24 to 36 months was \$459,638 to \$1,533,842. The range of gross sales for Studios open 12 to 24 months was \$238,933 to \$1,694,901. The range of gross sales for Studios open less than 12 months was \$258,613 to \$1,144,171.

2. 2018 Annual Studio New Client Non-Member Trial to Member Conversion Percentage represents the number of new client non-members whom were converted to and participated in Amazing Lash’s membership program for any portion of fiscal year 2018.
3. 2018 End of Year Average Studio Active Membership Number of Members as of December 31, 2019 represents the number of participants in an
2. ~~Amazing Lash~~ our membership program who paid a monthly membership fee in December ~~2019~~ 2018.
3. Average Conversion Percentage as of December 31, 2019 means the percentage of new clients who signed up for our membership program. “New clients” are individuals who have not previously visited a particular Studio.

\* \* \* \* \*

We compiled this data using information submitted to us by our franchisees. We did not audit or otherwise verify the accuracy of the information submitted. These revenues are based upon historical data.

Some outlets have ~~sold this amount~~ earned these amounts. Your individual results may differ. There is no assurance that ~~you’ll sell~~ you will earn as much.

We are unaware of any particular characteristics (such as geographic location) in the Studios listed in the tables above that differ materially from the Studio being offered by this Disclosure Document. However, factors that might adversely impact average revenues for a given Studio include the general public's perception of eyelash and eyebrow services, increased competition in the retail salon business industry, actions by franchisees that are out of our control that could adversely impact the Franchise System, and the status of our general economic environment. The negative impact of such factors would also adversely impact a franchisee's net income, profits and earnings.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Amazing Lash Franchise, LLC, 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 Robert Bell, Chief Financial Officer, 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80129, (303) 663-0880, the Federal Trade Commission, and appropriate state regulatory agencies.

#### ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years ~~2016~~2017 to 2019<sup>(1)</sup>**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2016</del> 2017	<del>53</del> 115	<del>115</del> 172	<del>+62</del> 57
	<del>2017</del>	<del>115</del>	<del>172</del>	<del>+57</del>
	2018	172	205	+33
	2019	205	<del>213</del> 237	<del>+8</del> 32
Company-Owned <sup>(2)</sup>	<del>2017</del> <del>2016</del>	0	0	0
	2018	0	7	+7
	2019	7	7	0
<b>Total Outlets</b>	<b>2017</b>	<del>0</del> 115	<del>0</del> 172	<del>0</del> +57
	2018	172	212	+40
	2019	212	245	+33

	2018	0	7	+7
	2019	7	7	0
Total Outlets	2016	53	+15	+62
	2017	115	172	+57
	2018	172	212	+40
	2019	212	220	+8

**Notes:**

1. All 2016 through 2018 numbers in Table 1 through Table 4 are as of December 31 of each year, while the 2019 numbers are as of May 31, 2019. We did not offer franchises for Amazing Lash Studio businesses before September 13, 2018, so outlets open before that date were offered and sold by ALSF or its predecessors.

**2. Notes:**

1. Our affiliates reacquired the Company-owned outlets from franchisees and operate the outlets.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years ~~2016~~2017 to 2019**

State	Year	Number of Transfers
<a href="#">Alabama</a>	<a href="#">2017</a>	<a href="#">0</a>
	<a href="#">2018</a>	<a href="#">0</a>
	<a href="#">2019</a>	<a href="#">1</a>
Arizona	<del>2017</del> 2016	0
	<del>2017</del>	0
	2018	0
	2019	1
California	<del>2017</del> 2016	1
	<del>2017</del>	1
	2018	0
	2019	14
Florida	<del>2017</del> 2016	0
	<del>2017</del>	0
	2018	3
	2019	34
Georgia	<del>2017</del> 2016	01
	<del>2017</del>	1
	2018	0
	2019	0
Illinois	<del>2017</del> 2016	0
	<del>2017</del>	0
	2018	1
	2019	01
Nevada	<del>2017</del> 2016	0
	<del>2017</del>	0
	2018	0
	2019	1

State	Year	Number of Transfers
New Jersey	<del>2016</del> 2017	0
	<del>2017</del>	0
	2018	2
	2019	<del>0</del> 1
North Carolina	<del>2016</del> 2017	0
	2018	2
	2019	5
Texas	2017	10
	2018	1
	2019	0
Total	2017	12
	2018	2
	2019	18

State	Year	Number of Transfers
Texas	2017	0
	2018	2
	2019	0
	2016	1
Total	2017	10
	2018	1
	2019	0
	2016	2
	2017	12
	2018	9
	2019	6

**Table No. 3**  
**Status of Franchised Outlets**  
**For years ~~2016~~ 2017 to 2019**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2016	1	1	0	0	0	0	2
Alabama	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Arizona	2017 <del>20</del> +6	4 <del>9</del>	5 <del>2</del>	0	0	0	0	9 <del>11</del>
	2017	9	2	0	0	0	0	11
	2018	11	1	0	0	7	0	5
	2019	5	0 <del>1</del>	0	0	0	0	5 <del>6</del>
California	2017 <del>20</del> +6	5 <del>17</del>	12 <del>11</del>	0	0	0	0	17 <del>28</del>
	2017	17	11	0	0	0	0	28
	2018	28	6	1	0	0	0	33
	2019	33	0 <del>3</del>	0 <del>2</del>	0	0	0	33 <del>34</del>
Colorado	2017 <del>20</del> +6	0 <del>1</del>	1 <del>0</del>	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Connecticut	2016 <del>20</del> 17	0 <del>1</del>	1	0	0	0	0	1 <del>2</del>
	2017	1	1	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	2 <del>3</del>	0	1 <del>2</del>	0	0	0	2 <del>1</del>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Florida	<del>2016</del> 2017	<del>32</del> 17	6	0	0	0	0	<del>9</del> 15
	<del>2017</del>	<del>9</del>	<del>6</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>15</del>
	2018	15	6	1	0	0	0	20
	2019	20	<del>36</del>	0	0	0	0	<del>23</del> 26
Georgia	<del>2016</del> 2017	<del>14</del>	<del>32</del>	0	0	0	0	<del>46</del>
	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2017	4	3	0	0	0	0	7
Illinois	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
	2017	0	1	0	0	0	0	1
Indiana	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2017	0	0	0	0	0	0	0
Iowa	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kansas	2018	1	1	0	0	0	0	2
	2019	2	1	0	0	0	0	3
	2017	0	0	0	0	0	0	0
Louisiana	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
	2017	0	0	0	0	0	0	0
Maryland	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2017	0	0	0	0	0	0	0
Massachusetts	2018	0	0	0	0	0	0	0
	2019	0	1	1	0	0	0	0
	2017	0	0	0	0	0	0	0
Michigan	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2017	2	3	0	0	0	0	5
Minnesota	2018	5	0	0	0	0	0	5
	2019	5	1	0	0	0	0	6
	2017	1	2	0	0	0	0	3
Missouri	2018	3	0	0	0	0	0	3
	2019	3	2	0	0	0	0	5
	2017	3	8	0	0	0	0	11
New Jersey	2018	11	4	0	0	0	0	15
	2019	15	2	0	0	0	0	17
	2017	1	0	0	0	0	0	1
Nevada	2018	1	0	0	0	0	0	1



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2019	1	0	0	0	0	0	1
	2017	2	0	0	0	0	0	2
	2018	2	4	0	0	0	0	6
	2019	6	0	0	0	0	0	6
North Carolina	2017	3	2	0	0	0	0	5
	2018	5	1	0	0	0	0	6
	2019	6	1	0	0	0	0	7
Pennsylvania	2017	1	2	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	3	0	0	0	0	6
South Dakota	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Tennessee	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Texas	2017	49	11	0	0	0	0	60
	2018	60	14	1	0	0	0	73
	2019	73	9	1	0	0	0	81
Utah	2017	3	0	0	0	0	0	3
	2018	3	1	0	0	0	0	4
	2019	4	1	0	0	0	0	5
Virginia	2017	0	2	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	1	0	0	0	0	4
Washington	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Totals	2017	115	57	0	0	0	0	172
	2018	172	43	3	0	7	0	205
	2019	205	39	6	0	0	0	238

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations —Other Reasons	Outlets at End of the Year
	2017	4	2	0	0	0	0	6
	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
Illinois	2016	1	3	0	0	0	0	4
	2017	4	3	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
Indiana	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Kansas	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Maryland	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Minnesota	2016	0	2	0	0	0	0	2
	2017	2	3	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	1	0	0	0	0	6
Missouri	2016	0	1	0	0	0	0	1
	2017	1	2	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	2	0	0	0	0	5
New Jersey	2016	0	3	0	0	0	0	3
	2017	3	8	0	0	0	0	11
	2018	11	4	0	0	0	0	15
	2019	15	0	0	0	0	0	15
Nevada	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New York	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	4	0	0	0	0	6
	2019	6	0	0	0	0	0	6
North Carolina	2016	3	0	0	0	0	0	3
	2017	3	2	0	0	0	0	5
	2018	5	1	0	0	0	0	6
	2019	6	0	0	0	0	0	6
Pennsylvania	2016	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2017	1	2	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	1	0	0	0	0	4
Tennessee	2016	0	2	0	0	0	0	2
	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Texas	2016	33	16	0	0	0	0	49
	2017	49	11	0	0	0	0	60
	2018	60	14	1	0	0	0	73
	2019	73	1	0	0	0	0	74
Utah	2016	2	1	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	1	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Virginia	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Washington	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Totals	2016	53	62	0	0	0	0	115
	2017	115	57	0	0	0	0	172
	2018	172	43	3	0	7	0	205
	2019	205	9	1	0	0	0	213

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 20162017 to 2019**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	20162017	0	0	0	0	0	0
	20182017	0	0	07	0	0	07
	20182019	07	0	70	0	0	7
Totals	20192017	70	0	0	0	0	70
Totals	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	7	0	0	7
	2019	7	0	0	0	0	7

**Table No. 5**  
**Projected Openings as of ~~May~~ December 31, 2019**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	<del>7</del> 10	<del>4</del> 3	0
California	<del>19</del> 13	<del>5</del> 7	0
Colorado	0	<del>4</del> 0	0
Connecticut	<del>4</del> 0	0	0
Florida	<del>15</del> 12	<del>9</del> 5	0
Georgia	<del>2</del> 7	<del>0</del> 1	0
Illinois	4	<del>4</del> 0	0
Indiana	2	<del>4</del> 0	0
Iowa	<del>2</del>	0	0
Kansas	<del>2</del> 1	1	0
Louisiana	0	1	0
Maryland	<del>4</del> 5	<del>0</del> 2	0
Massachusetts	<del>3</del> 1	1	0
Michigan	<del>2</del> 1	<del>4</del> 0	0
Minnesota	1	<del>4</del> 0	0
Missouri	0	<del>2</del> 0	0
Nevada	<del>3</del> 1	1	0
New Jersey	<del>4</del> 5	<del>2</del> 3	0
New York	<del>4</del> 1	<del>0</del> 2	0
North Carolina	1	1	0
North Dakota	1	0	0
Oklahoma	3	<del>0</del> 2	0
Pennsylvania	1	2	0
South Carolina	<del>4</del> 3	<del>2</del> 0	0
South Dakota	<del>2</del> 1	<del>4</del> 0	0
Texas	<del>22</del> 17	<del>9</del> 5	0
<del>Utah</del>	<del>1</del>	<del>0</del>	<del>0</del>
Virginia	<del>4</del> 5	2	0
<del>Washington</del>	<del>1</del>	<del>1</del>	<del>0</del>
<b>Total</b>	<del>116</del> 98	<del>45</del> 39	<b>0</b>

The name and business address and telephone number of each of our current franchisees is attached to this Disclosure Document as Exhibit J.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed, transferred or

otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is listed on Exhibit K to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality agreements during the past 3 years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Amazing Lash Studio franchise system. 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.

As described further in Item 11, the NFAC is an advisory board comprised of franchisees of Amazing Lash Studios. We have created and endorsed the NFAC. The President of the NFAC is John Mok. Mr. Mok can be reached at (908) 227-5015.

#### ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F to this Disclosure Document are ~~WBZ's~~our audited financial statements for the fiscal ~~years~~year ended December 31, ~~2018, December 31, 2019. Our 2017, and December 31, 2016.~~ WBZ's and ~~our~~ fiscal year ends on December 31.

~~WBZ absolutely~~We have not been in business for three years or more and unconditionally guarantees cannot include all financial statements required by the performance of our obligations under the FTC's Franchise Rule.

~~Agreement and other agreements into which we enter. A copy of WBZ's guaranty is included in Exhibit F.~~

#### ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following Exhibits:

~~A. Franchise Agreement~~  
A. ~~B. Software Use and License Agreement~~Exhibits

B. ~~C. Area Development Agreement~~ and Exhibits  
~~G. Sample General Release~~

~~H~~ F. State-Specific Addenda to the Disclosure Document and Franchise Agreement

~~I~~ G. Agreement and Conditional Consent to Transfer (including Sample of Release of Claims)

H. Form of Renewal Addendum (including Sample of Release of Claims)

#### ITEM 23. RECEIPTS

Attached as the last two pages of this Disclosure Document are duplicate Receipt pages to be signed by you. Keep one for your records and return the other one to us.

~~EXHIBIT~~EXHIBIT A  
FRANCHISE AGREEMENT



AMAZING LASH ~~STUDIO~~ FRANCHISE, LLC  
FRANCHISE AGREEMENT



**AMAZING LASH STUDIO FRANCHISE AGREEMENT** OWNER

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
STUDIO ADDRESS

**TABLE OF CONTENTS**

**Page**

I. DEFINITIONS .....	1
II. GRANT .....	4
III. SITE SELECTION, CONSTRUCTION AND OPENING DATE .....	5
IV. TERM AND RENEWAL .....	7
V. FEES .....	8
VI. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS .....	10
VII. TRAINING AND ASSISTANCE .....	13
VIII. OPERATIONS .....	14
IX. ADVERTISING .....	19
X. MARKS .....	22
XI. RESTRICTIVE COVENANTS .....	24
XII. BOOKS AND RECORDS .....	27
XIII. INSURANCE .....	28
XIV. DEBTS AND TAXES .....	29
XV. TRANSFER .....	29
XVI. INDEMNIFICATION .....	32
XVII. INDEPENDENT CONTRACTOR .....	33
XVIII. TERMINATION .....	33
XIX. POST-TERMINATION .....	36
XX. MISCELLANEOUS .....	39

1. GRANT OF FRANCHISE .....	2
A. Grant and Term of Franchise .....	2
B. Corporation, Limited Liability Company, or Partnership .....	5
C. Your Protected Area .....	6
D. Territorial Rights We Reserve .....	6
2. DEVELOPMENT AND OPENING OF THE STUDIO .....	8
A. Site Selection .....	8

B.	Lease of Site.....	8
C.	Relocation.....	9
D.	Development and Construction of Your Studio.....	10
E.	Operating Assets.....	11
F.	Computer System.....	11
G.	Telephone Numbers and Social Media Accounts.....	12
H.	Studio Opening.....	12
3.	FEES.....	13
A.	Initial Franchise Fee.....	13
B.	Royalty Fee.....	15
C.	Technology Fee & Set-Up Fees.....	15
D.	Interest on Late Payments.....	18
E.	Default Fee.....	18
F.	Application of Payments.....	18
G.	Method of Payment.....	18
4.	TRAINING AND ASSISTANCE.....	23
A.	Initial and Ongoing Training.....	23
B.	Opening Assistance.....	25
C.	General Guidance.....	25
D.	Operations Manual.....	26
5.	MARKS.....	34
A.	Ownership and Goodwill of Marks.....	34
B.	Limitations on Your Use of Marks.....	35
C.	Notification of Infringements and Claims.....	35
D.	Discontinuance of Use of Marks.....	36
E.	Indemnification for Use of Marks.....	36
6.	CONFIDENTIAL INFORMATION.....	36
7.	EXCLUSIVE RELATIONSHIP DURING TERM.....	39
A.	Covenants Against Competition.....	39
B.	Non-Interference.....	40
C.	Non-Disparagement.....	40
8.	SYSTEM STANDARDS.....	40
A.	Compliance with System Standards.....	40
B.	Variation and Modification of System Standards.....	42
C.	Condition and Appearance of Your Studio.....	43
D.	Approved Products and Services.....	43
E.	Approved Distributors and Suppliers.....	43
F.	Compliance with Laws and Good Business Practices.....	44
G.	Information Security.....	47
H.	Management of Your Studio.....	47
I.	Employees, Agents, and Independent Contractors.....	48
J.	Insurance.....	48
K.	Pricing.....	49
L.	Membership Sales.....	49
M.	Audio Entertainment.....	50

N.	Gift Cards and Loyalty Programs.....	50
9.	MARKETING.....	50
A.	Grand Opening.....	50
B.	Local Advertising Expenditure.....	50
C.	Advertising by You.....	51
D.	Brand Marketing Fund.....	51
E.	Marketing Cooperative.....	52
F.	Franchise System Website.....	53
10.	RECORDS, REPORTS, AND FINANCIAL STATEMENTS.....	53
11.	INSPECTIONS AND AUDITS.....	54
A.	Our Right to Inspect Your Studio.....	54
B.	Our Right to Audit.....	55
12.	TRANSFER.....	55
A.	By Us.....	55
B.	By You.....	55
C.	Conditions for Approval of Transfer.....	56
D.	Transfer to a Wholly Owned Entity.....	59
E.	Our Right of First Refusal.....	59
F.	Your Death or Disability.....	60
13.	EXPIRATION OF THIS AGREEMENT.....	61
A.	Your Right to Acquire a Successor Franchise.....	63
B.	Grant of a Successor Franchise.....	64
14.	TERMINATION OF AGREEMENT.....	64
A.	Termination by You.....	64
B.	Termination by Us.....	64
C.	Assumption of Management.....	68
15.	RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.....	69
A.	Payment of Amounts Owed to Us.....	41
B.	Liquidated Damages.....	41
C.	Marks.....	43
D.	Confidential and Personal Information.....	44
E.	Our Right to Purchase Your Studio.....	44
F.	Covenant Not to Compete.....	45
G.	Non-Solicitation and Non-Interference.....	45
H.	Obligations Regarding Clients.....	46
I.	Continuing Obligations.....	46
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.....	46
A.	Independent Contractors.....	46
B.	No Liability for Acts of Other Party.....	46
C.	Taxes.....	47
D.	Indemnification.....	47

17.	ENFORCEMENT .....	47
A.	Security Interest .....	47
B.	Severability and Substitution of Valid Provisions. ....	48
C.	Waiver of Obligations.....	49
D.	Costs and Attorneys' Fees. ....	49
E.	Rights of Parties Are Cumulative. ....	50
F.	Arbitration. ....	50
G.	Governing Law. ....	52
H.	Consent to Jurisdiction. ....	52
I.	Waiver of Punitive Damages and Jury Trial.....	1
J.	Injunctive Relief.....	1
K.	Binding Effect.....	2
L.	Limitations of Claims and Class Action Bar. ....	2
M.	Construction.....	3
18.	DELEGATION OF PERFORMANCE. ....	5
19.	NOTICES AND PAYMENTS. ....	6
20.	BUSINESS JUDGMENT.....	6
21.	EXECUTION .....	6

#### EXHIBITS

Exhibit A	<del>Owners' Guaranty and Assumption Agreement</del> <a href="#">Ownership Interests in You</a>
Exhibit B	<del>Designated Search Area, Franchise Location</del> <a href="#">Territory / Premises, Protected Area &amp; Initial Franchise Fee</a>
Exhibit C	<del>Ownership and Management Information</del> <a href="#">Representations and Acknowledgment Statement</a>
Exhibit D	<del>Electronic Funds Transfer Authorization</del> <a href="#">Confidentiality, Non-Competition and Non-Solicitation Agreement</a>
Exhibit E	<del>Disclosure Questionnaire</del> <a href="#">Guaranty and Assumption of Franchisee's Obligations</a>
Exhibit F	<a href="#">Lease Rider</a>
Exhibit G	<a href="#">Automatic Bank Draft Authorization</a>
Exhibit H	Assignment of <del>Telephone Numbers</del> <a href="#">Contact Identifiers</a> and Online Presences



# FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** (this/the "**Agreement**") is made and entered into by and between AMAZING LASH FRANCHISE, LLC, a Delaware limited liability company (~~"we," "us," or "our"~~) and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal business address at 9780 S. Meridian Boulevard, Suite 400, Englewood, Colorado 80112 ("**we,**" "**us,**" or "**our**"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_, ("**you**" or "**vour**") as of the date signed by us and set forth opposite our signature on this Agreement (the "**Effective Date**").

(“**you**,” or “**your**”), to be effective as of the date that this Agreement is executed by us (the “**Effective Date**”), as indicated on the signature page to this Agreement.

**RECITALS:**

## INTRODUCTION

A. We and our affiliates have, with considerable effort, developed (and ~~may~~ continue to develop and modify) a businessunique and comprehensive system ~~and franchise opportunity for the establishment and operation of~~offering retail salon businesses specializing in luxury semi-permanent and temporary eyelash services, eyebrow services, facial hair removal, facial and bodybeauty treatments, and related products and services (each, an ~~“Amazing Lash Studio”~~). (“Studios”).

B. We own and our affiliates use and promote, and license to others to use and promote, certain trade names, trademarks, service marks, trademarks, logos, emblems and indicia of origin, patents, and other commercial symbols in operating Studios, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols to identify, operate and promote Amazing Lash Studios, all of which we may develop, substitute, modify or add to from time to time (the Studios collectively, the “Marks”).

~~C. — Amazing Lash C.~~ Studios will offer the services and goods we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, further develop, or otherwise modify from time to time (collectively, the “Franchise System”).

D. ~~You wish~~. We grant franchises to ~~obtain~~ persons who meet our qualifications and are willing to undertake the investment and effort to own and operate Studios, and you have applied and been approved for a franchise to establish and operate an Amazing Lash Studio ~~using the Marks~~.

## 1. GRANT OF FRANCHISE.

#### A. Grant and ~~the System, and~~ Term of Franchise.

Subject to this Agreement's terms, we are willing to grant you a franchise to do so upon the terms and conditions set forth in this Agreement in reliance on use the Franchise System and the Marks to operate a Studio ("your application and your representations made in Studio") at the application and in this Agreement specific address and location identified on Exhibit B (the "Premises"). If the Premises has not been determined as of the Effective Date, the Premises will be selected in accordance with Section 2.A., provided that the Premises is located within the geographical area set forth on Exhibit B.

~~NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:~~

~~I. — **DEFINITIONS**~~

~~“Affiliate” or “Affiliates” of a named person means any person or entity that is controlled by, controlling or under common control with the named person.~~

~~“Anti Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.~~

~~“Assistant Managers” means the assistant managers employed by you to assist in operating your Amazing Lash Studio.~~

~~“Computer System” means all computer hardware and software (including back office software, point-of-sale terminals and software, sales and scheduling software, printers and devices, wireless and~~

connectivity devices, and any other similar electronic devices and ancillary components) that we may designate from time to time for use in the operation of Amazing Lash Studios.

**“Competitive Business”** means any business (excluding any Amazing Lash Studios operated under a franchise agreement with us or our Affiliate) operating, or granting, franchises or licenses to others to operate any business that offers or sells eye lash services, eyebrow services, hair removal, facial or body treatments or related products or services, or any other products or services that are the same as or substantially similar to the products and services offered by an Amazing Lash Studio.

**“Confidential Information”** means all proprietary and confidential information relating to the establishment and operation of Amazing Lash Studios, including: (i) System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Amazing Lash Studios, including eyelash preparation and application; (ii) all Personal Information (as defined in Section VIII.J) and other information generated by, or used or developed in, your Amazing Lash Studio's operation, including information relating to customers such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System; (iii) site selection criteria, strategic plans, including expansion strategies and targeted demographics; (iv) advertising and marketing plans and programs, including market research, promotional, marketing and advertising strategies and programs for Amazing Lash Studios; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals and other training and operations materials; (vii) knowledge of the operating and financial results of Amazing Lash Studios, other than your Amazing Lash Studio; (viii) computer software or similar technology which is proprietary to us or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology, and (ix) Improvements (as defined in Section XI.E).

**“Designated Search Area”** means the non-exclusive geographic area described in Exhibit B to this Agreement within which you will locate a site for your Amazing Lash Studio.

**“Force Majeure”** means acts of God, strikes, lockouts or other industrial disturbances, war, acts of terrorism, riot, epidemic, fire or other catastrophe or other forces beyond a party's control.

**“Franchise Location”** means the address of the premises, located by you and accepted by us, at which your Amazing Lash Studio is located, as listed in Exhibit B to this Agreement.

**“General Manager”** means any person designated pursuant to Section VI.D(2) to manage the day-to-day on-site operations of your Amazing Lash Studio.

**“Gross Sales”** is all income, revenue or consideration of every other kind and nature that you receive from operating your Amazing Lash Studio, whether for cash or credit and regardless of collection in the case of credit, prior to and not reduced by any applicable refunds, discounts or credits. Gross Sales includes: (a) all proceeds from the sale of coupons, gift cards/certificates, group bought deals, or vouchers, in accordance with our then-current guidelines for calculating Gross Sales for such revenue; (b) your share of revenues from any vending machines or other equipment, machines or devices installed in your Amazing Lash Studio; and (c) the proceeds of any business interruption or similar insurance. Gross Sales does not include (i) sales taxes you collect from customers of your Amazing Lash Studio, if the taxes are actually transmitted in a timely manner to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of your Amazing Lash Studio or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; and (iii) returns to shippers or manufacturers.



~~“Gross Sales Report” means a report, in the form we require, due on the same day as the corresponding royalty payments during the term of this Agreement, itemizing the Gross Sales of your Amazing Lash Studio for the applicable royalty period.~~

~~“Manual” or “Manuals” means our confidential operations manual, which may consist of one or more manuals, containing our mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Amazing Lash Studios and your obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to you, including bulletins, videotapes, audio tapes, compact discs, computer diskettes, CD-ROMs and electronic communications, and any other written directives which we may issue to you from time to time, and any other manuals and materials created or approved for use in the operation of Amazing Lash Studios.~~

~~“Online Presence” means any website, domain name, email address, social media account, user name, other online presence or presence on any electronic medium of any kind.~~

~~“Opening Date” means the date your Amazing Lash Studio first opens for business to the public.~~

~~“Operating Assets” means the fixtures, furniture, equipment, furnishings, inventory, supplies, signs, and other operating assets, products and/or materials that we approve or designate for the operation of an Amazing Lash Studios, including the Computer System.~~

~~“Owners” mean those persons and entities which, collectively and individually, hold any direct or indirect ownership interest in you (whether of record, beneficially, or otherwise), including any voting rights, right to share in your profits, and any rights that are exercisable to convert into any of the foregoing or that with time or action would vest into any of the foregoing.~~

~~“Principal Owner” means the Owner designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of your Amazing Lash Studio.~~

~~“Protected Area” means the geographic area assigned to you upon your acquisition of the Franchise Location and described on Exhibit B, within which you will be afforded the protections described in Section H.B of this Agreement.~~

~~“System Standards” means the mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating an Amazing Lash Studio, as we periodically modify and supplement them from time to time, including any standards, specifications, procedures or rules we issue relating to any of the following items: (i) amounts and types of Operating Assets you must purchase and/or maintain; (ii) layout, specifications, design and appearance of your Amazing Lash Studio; (iii) sales, marketing, advertising, and promotional campaigns and materials; (iv) use and display of the Marks; (v) ~~issuing and honoring gift cards, gift certificates and similar items, and participating in loyalty card programs;~~ (vi) staffing levels and employee credentials and qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions); (vii) The term of this Agreement begins on the Effective Date and expires ten (10) years from that date, unless sooner terminated as provided herein.~~

~~You agree at all times days and hours of operation, (viii) customer service standards and policies, and participation in quality assurance and customer satisfaction programs; (ix) product and service offerings; (x) product and service development programs, including participation in market research and testing; (xi) accepting credit and debit cards, other payment systems, and check verification services; (xii) bookkeeping, accounting, data processing, and recordkeeping systems and forms; (xiii) any other aspects of~~

operating and maintaining your Amazing Lash Studio that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Amazing Lash Studios.

~~“System Website” means any Online Presence that we establish to advertise, market, and promote the System, Amazing Lash Studios, the products and services that they offer and sell, and/or an Amazing Lash Studio franchise opportunity.~~

~~“Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of your Amazing Lash Studio, the payment of monies, or the exercise of rights granted pursuant to this Agreement, including any federal, state or local sales, gross receipts, use, value added, excise or other taxes, excluding only taxes imposed on our net income.~~

~~“your Amazing Lash Studio” means your Amazing Lash Studio operated by you at the Franchise Location pursuant to this Agreement, including all assets used in connection with its operation.~~

## ~~H. GRANT~~

~~A. Grant of Rights. Subject to the terms of this Agreement, we hereby grant you the right, and you accept the obligation, to establish and operate an Amazing Lash Studio under the Marks and the System in accordance with this Agreement at the Franchise Location. You agree at all times during the term of this Agreement to faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Amazing Lash Studio in accordance with this Agreement and our System Standards Studio. You may use the Premises only for your Studio. You agree not to conduct the business of your Studio at any site other than the Premises.~~

~~B. Protected Area. Your Protected Area You agree and represent that you and such persons as we designate, which may include the spouses of your owners (if you are an Entity, as such term is defined below), will execute an agreement, in the form set forth in Exhibit E (the “Guaranty”), under which such persons undertake personally to be described in Exhibit B, bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us.~~

B. Corporation, Limited Liability Company, or Partnership.

If your Franchise Location has not been identified on you are a corporation, limited liability company, or general or limited partnership (collectively, an “Entity”), you agree and represent that:

- 1) you are validly existing and in good standing under the laws of the state in which you were formed, and have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements;
- 2) your organizational documents state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement’s restrictions;
- 3) ~~Exhibit B~~ A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date. Subject to our rights and your Protected Area, if obligations under Section 12, you and your owners agree to sign and deliver to us a revised Exhibit A to reflect any, will be determined at changes in your ownership information;
- 4) the time that your Franchise Location owner listed on Exhibit A who is accepted by us, a natural person with at least a twenty-five percent (25%) ownership interest and voting

power in you, with the authority to take legally binding actions on your behalf, and who we approve, will act as your **“Operating Partner”**. Except as otherwise set forth in Section 12.F., in the event that your Operating Partner ceases to own at least a twenty-five percent (25%) ownership interest and voting interest in you, your Operating Partner resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Operating Partner, or we disapprove of your Operating Partner at any time, you must designate a new Operating Partner we approve within thirty (30) days of the change in ownership or disapproval and deliver to us a revised **Exhibit A** to accurately identify the Operating Partner for our review and approval;

- 5) you agree that the Operating Partner is authorized to deal with us on your behalf for all matters whatsoever that may arise with respect to this Agreement. Any decision made by the Operating Partner will be final and binding on you, and we will be entitled to rely solely on the decision of the Operating Partner without discussing the matter with any other party. We will not be held liable for any actions based on any decision or actions of the Operating Partner; and
- 6) your Studio will be the only business that such entity operates, unless we approve you to acquire and operate additional Studios pursuant to additional franchise agreements between us and you.

#### C. Your Protected Area.

Except as provided in ~~Section H.C~~ this Agreement, and subject to your ~~full~~ compliance with this Agreement, ~~we will not own or operate, or neither we nor any affiliate of ours shall establish or~~ authorize any person or entity to ~~own or operate, an Amazing Lash Studio in the Protected Area~~ establish a Studio using the Marks and the Franchise System within the geographic area assigned to you in **Exhibit B** upon the determination of your Studio's Premises (the **“Protected Area”**) during the term of this Agreement. The license granted to you under this Agreement is personal in nature, may not be used at any location other than your Studio, does not include the right to sell products or services identified by the Marks at any location other than at your Studio, and does not include the right to sell products or services identified by the Marks through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). You will not have the right to subfranchise or sublicense any of your rights under this Agreement.

~~C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Without limiting the foregoing, we, our Affiliates, and any other authorized person or entity will have the right, regardless of the competitive impact on your Amazing Lash Studio, to: (i) to develop, own and operate or grant others a license, franchise or other right to develop, own and operate Amazing Lash Studios at any location outside the Protected Area, including locations that are adjacent to or surrounded by the Protected Area; (ii) within and outside the Protected Area to develop, own and operate or grant others a license, franchise or other right to develop, own and operate other business systems (including systems that distribute products or services similar to or the same as those offered at Amazing Lash Studios) using any names or marks other than the Marks; (iii) to advertise and promote the System and any Amazing Lash Studios within or outside the Protected Area; (iv) to acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within or outside your Protected Area; (v) to engage, directly or indirectly, in the production, distribution, license and sale of any and all similar or dissimilar services and products, under the Marks or under other names or marks, within and outside the Protected Area, through any alternative method of distribution, including through any retailer, wholesaler, distributor, mail order, or Online Presence; (vi) offer and sell~~

~~(and grant others to offer and sell) goods and services to customers located anywhere, within or outside your Protected Territory; and (vii) the right to own and operate and to grant others the right to own and operate any Amazing Lash Studio in any closed market or other facility serving a captive market, within or outside the Protected Area, including any department stores, shopping malls, airports, train stations and other modes of mass transportation, public facilities, college and school campuses, hotels, resorts, condominium and cooperative facilities, office buildings, convention centers, government facilities, and any other public attraction or venue or mass gathering events or locations.~~

### **III. SITE SELECTION, CONSTRUCTION AND OPENING DATE**

#### **A. Site Selection and Acquisition.**

~~(1) You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for your Amazing Lash Studio within the Designated Search Area. You acknowledge and agree that you acquire no rights in and to the Designated Search Area, other than the right to search for a site for your Amazing Lash Studio. Following your selection and our acceptance of a site for your Amazing Lash Studio, the Franchise Location will be identified in Exhibit D to this Agreement and the Designated Search Area will be of no further force or effect.~~

#### **D. (2) If the Franchise Location Territorial Rights We Reserve.**

You acknowledge and agree that the franchise granted under this Agreement is non-exclusive. Other than your Protected Area, you have no territorial protection and we (and our affiliates) retain all rights with respect to the placement of Studios and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities, without compensation to you. These rights include:

- 1) the right to establish and operate, and allow others to establish and operate, other Studios and other businesses using the Marks or the Franchise System, at any location outside the Protected Area, and on any terms and conditions we approve;
- 2) the right to establish and operate, and allow others to establish and operate, additional concepts or businesses providing products or services similar to those provided at Studios anywhere in the world, including within your Protected Area, under any trade names, trademarks, service marks and commercial symbols other than the Marks;
- 3) the right to establish, and allow others to establish, other distribution channels (including, the internet or retail stores) wherever located or operating, including within your Protected Area, regardless of the nature or location of the clients, and regardless of the trade names, trademarks, service marks or commercial symbols used by such business, which may include the Marks and/or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Studios, and which may sell products and/or services that are identical or similar to, and/or competitive with, those that Studios customarily sell under any terms and conditions we approve;
- 4) offer and sell (and grant others to offer and sell) goods and services to clients located anywhere, including in your Protected Area;
- 5) the right to establish and operate, and allow others to establish and operate, other Studios and other businesses using the Marks or the Franchise System, at Captive Market Locations. "Captive Market Locations" are airports or other transportation terminals, sports facilities, parks and recreation areas, medical campuses, college and university campuses, corporate campuses, a department within an existing retail store, hotels, or

other similar types of locations that have a restricted trade area located within the geographic boundaries of the Protected Area.

- 6) the right to acquire, to merge, or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) a business providing products and services similar to those provided at Studios, even if such business operates, franchises and/or licenses Competitive Businesses (as defined in Section 7.A.); and

- 7) engage in all other activities not expressly prohibited by this Agreement.

## 2. DEVELOPMENT AND OPENING OF THE STUDIO

### A. Site Selection.

The territory identified in Exhibit B of this Agreement (the “Search Territory”) is the area in which you will focus your efforts to find an acceptable location for your Studio. We are identifying the Search Territory for the sole purpose of facilitating the orderly development of the market, and not for purposes of granting you any exclusivity or protection within the Search Territory. You acknowledge and agree that the Search Territory description set forth on Exhibit B is subject to change upon mutual written agreement by you and us.

We must approve the Premises. If the location for the Premises is not specified on Exhibit B as of the Effective Date, then you must will submit to us, in the form specified by us, a description of the site, evidence satisfactory a complete report for a site you propose for your Studio, which must be located within the Search Territory. Unless you have our prior written approval to search for a proposed site outside of your Search Territory, all site reports that you submit to us demonstrating that the site satisfies our site selection guidelines, and such other must be for a site within your Search Territory. Your report must contain the documents and information and materials as we may require, including a signed description of the proposed site, and a letter of intent for securing possession of such or other evidence confirming your favorable prospects for obtaining the proposed site. We may also require that you hire a commercial real estate broker that we designate, which may be one of our affiliates, to assist you with the site. Before selection process.

We have the right to accept or not accept all proposed sites, including sites selected using the services of any of our designees. We will use reasonable efforts to accept or not accept the proposed site within thirty (30) days after receiving your report. After we approve a site, and after you secure the site, we will insert the address on the cover page of this Agreement and into Exhibit B and it will be the Premises.

You acknowledge and agree that your acceptance of a site is based on your own independent investigation of the site’s suitability for your Studio. Neither the information we give you regarding a site for the Premises (including any recommendations) nor the assistance we or our representatives provide you in selecting the site, constitutes a representation or warranty of any kind, express or implied, of the site’s suitability for your Studio or any other purpose. Our recommendations and assistance indicate only that we believe that the site and location meet our then-acceptable criteria.

### B. Lease of Site.

You must obtain our written approval of your Studio’s proposed site before signing any lease, sublease, or other agreement to secure possession of any site (a “Lease”); you must also submit a final complete copy of the proposed document for the Premises (the “Lease to us. No site may be used for an Amazing Lash Studio unless it is first accepted in writing by us, and you shall not sign any.”). We also must

~~approve the terms of the Lease with respect to a site for your Amazing Lash Studio unless the Lease is first accepted in writing by us. If we accept multiple sites for your Amazing Lash Studio, you shall notify us in writing within five (5) days of the date of such acceptance of the site that you intend to acquire for your Amazing Lash Studio.~~

~~(3) — before you sign it.~~ The Lease must contain certain provisions we require, including a collateral assignment of the lease, pursuant to the form of lease rider attached ~~hereto as~~ Exhibit F (the “Lease Rider”). It is your sole responsibility to obtain a fully- executed Lease Rider in connection with executing your Lease. Our approval of your Lease is subject to our receipt of the Lease Rider in the form attached as Exhibit F, without modification or negotiation, executed by you and the landlord. ~~The Lease Rider is intended to provide us certain protections under your Lease, and may not benefit you or the landlord. If you or the landlord request that we consider any modifications to the Lease Rider, and we elect to do so, we may also require you to reimburse us all expenses that we incur (including attorneys’ fees) in connection with such review. We may also reject any request for modifications to the Lease Rider for any reason.~~

~~(4) — You acknowledge and agree that your selection of a site and execution of a Lease is based on your own independent investigation. You acknowledge that our acceptance of a prospective site and the rendering of assistance in the selection of a site or negotiation of a~~ Our approval of the Lease does not constitute a ~~representation, promise, warranty or guarantee or warranty~~, express or implied, ~~by us that of the success or profitability of your Amazing Lash Studio operated at that site will be profitable or otherwise successful, that the site is suitable for an Amazing Lash Studio or any other purpose, or that the terms of the Lease are fair or favorable to you. Any recommendations and assistance that we provide you~~ Premises. Our approval and assistance indicate only whether that we believe that the site and Lease and location Lease’s terms meet our ~~then-current~~ acceptable criteria. ~~Applying criteria that have appeared effective with other sites and leases might not accurately reflect the potential for all sites and leases, and factors included in or excluded from~~ You must obtain our criteria could change, altering the potential written approval of your Studio’s proposed site or lease.

~~(5) — Promptly following our acceptance for the Premises and sign the Lease within one hundred eighty (180) days of the site for your Amazing Lash Studio, you shall secure possession of the site, at your expense. You agree to furnish~~ Effective Date. You must deliver to us a signed copy of the ~~executed~~ Lease within ten (10) days after its execution.

~~(6) — After we accept the site and you acquire the site pursuant to this Agreement, the address of the site shall be entered on~~ Exhibit B to this Agreement as the Franchise Location and the Protected Area around the Franchise Location will be described on Exhibit B.

~~B. — Franchise Location; Relocation. You have been granted the right to operate an Amazing Lash Studio exclusively at the Franchise Location listed in~~ Exhibit B to this Agreement, and you may use the Franchise Location only for your Amazing Lash Studio. ~~You must not relocate your Amazing Lash Studio without our express prior written consent. If we grant you the right to relocate your Amazing Lash Studio, you must comply with such all of our then current site selection and construction procedures. All of the costs associated with relocating your Amazing Lash Studio will be solely your responsibility.~~

~~C. — Licenses; Permits. You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of your Amazing Lash Studio at the Franchise Location, and you must conform the premises as needed to comply with any local ordinances and building codes at your expense. Before beginning construction of your Amazing Lash Studio, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of your~~

Amazing Lash Studio, and (ii) certify in writing to us that they have been obtained and that the insurance coverage that meets our System Standards is in full force and effect. At our request, you agree to provide to us copies of all such approvals, clearances, permits, licenses and certifications.

C. ~~D.~~ Relocation

You may not relocate your Studio to a location other than the Premises without our prior written approval. Our decision on whether to approve or deny a relocation request will be based on our then-current standards for approving relocations requests, which may include a variety of factors including the viability of the proposed location and the availability of alternative locations. We will endeavor to provide a written response to any relocation request within thirty (30) days of receiving your written request. If we allow you to relocate your Studio, the relocation will be subject to the site selection and lease provisions set forth above and will occur at your sole expense.

~~A.D.~~ Development and Construction ~~and Finish Out~~ of Your Studio.

(1) ~~We will give you~~ You are responsible for developing the Premises. If you need to secure financing to complete your development obligations, you agree to do so independently and at your own expense.

No later than ten (10) days after the date that you sign an approved Lease for the Premises, you must pay to us a non-refundable site survey fee equal to \$2,500, in the form of a lump sum payment by ACH (the "Site Survey Fee"). You acknowledge and agree that any site surveys and preliminary floor plans generated by us or our approved architects and/or contractors in connection with the Site Survey Fee is not intended to imply or guarantee the success or profitability of your Studio.

We will give you (or if we have designated an approved supplier to develop design specifications for your Studio, we will give that approved supplier) mandatory and suggested specifications for the ~~development of the Franchise Location~~ Premises, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. You agree to develop, construct, and decorate the ~~Franchise Location~~ Premises at your own expense according to plans and specifications approved by us and in accordance with the requirements of the Lease. ~~The specifications and plans we provide you for the Franchise Location do not reflect the requirements of any federal, state, or local, and applicable law, code, or regulation, including those arising under the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities. It is your responsibility to confirm all required construction plans and specifications for your Franchise Location comply with all applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.~~

(2) ~~We reserve the right to require you to use one of our approved architects and/or contractors. You must obtain, at your expense, all architectural, engineering, design, hire a service provider that we designate to assist you with the construction and other services necessary management process. If we approve an exception to the requirement that you use our designated service provider for the construction of your Amazing Lash Studio at the Franchise Location, and unless otherwise agreed by us in writing management services, you must retain the architecture and design firm designated by us to prepare the initial plans and drawings for your Amazing Lash Studio. In addition to using our designated architecture and design firm, any other architect(s) and engineer(s) that you may select to assist with the planning and oversight of pay us a construction of your Amazing Lash Studio must be approved by us before beginning their work on your Amazing Lash Studio. We may, but are not obligated to, provide you a list of approved architect(s) and engineer(s).~~



~~(3) —management fee of \$5,000. You must send us your development and construction plans and specifications for review and for compliance with our design requirements and obtain our approval before you begin construction and in no event more than fifteen (15) days after you receive the plans. If we fail to notify you of an objection to the plans within the fifteen (15) day period, you may use the plans. You must send us any revisions of plans or specifications before such revisions are implemented. We will notify you within fifteen (15) days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If we fail to notify you of any objection within such fifteen (15) day period, you may use the revised plans. You acknowledge that our review of the plans is only for the purpose of determining compliance with System Standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. Our review of your plans and development is limited to ensuring compliance with our System Standards. We are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans. You must promptly commence and diligently pursue construction of your Amazing Lash Studio. During construction, you agree to provide us with such periodic progress reports as we may reasonably request. In~~

~~addition, we will make such on-site inspections as we may deem reasonably necessary to evaluate your progress.~~

~~(4) —You~~ If you wish to refurbish or remodel the Premises during the term of the Agreement, you must obtain our approval for your proposed plans and specifications.

It is your responsibility to ensure all required construction plans and specifications comply with the Americans with Disabilities Act (“ADA”) and all other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions, and that the Premises complies with such laws and regulations.

#### E. Operating Assets.

~~Before you open your Studio, you agree to obtain and install the Operating Assets that we approve or designate for Amazing Lash Studios—fixtures, furniture, equipment, components of the Computer System (as defined in Section 2.F.), and signs that we approve for Studios as meeting our specifications and standards for quality, design, appearance, function, and performance (collectively, “Operating Assets”).~~ You agree to purchase or lease the brands, types, and models of Operating Assets that we designate or approve. You agree to purchase or lease the Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our ~~Affiliates~~ affiliates).

#### F. Computer System.

You agree to obtain and use the computer hardware, sales and scheduling software, point-of-sale system, other operating software, applications, platforms and existing or future technology components we specify from time to time (the “Computer System”). We may replace or modify all or components of the Computer System from time to time and you agree to implement our replacements or modifications after you receive notice from us at your expense. We might periodically require you to purchase, lease, and/or license new or modified components of the Computer System and to obtain service and support for the Computer System.

You must obtain and install the Computer System, and ensure that the Computer System is functioning properly, before your Studio opens.

You must pay for any proprietary software, applications or other technology that we, our affiliates or third-party designees license to you and for other maintenance and support services that we, our affiliates or third-party designees provide during this Agreement's term. We or our affiliates may condition your license or use of any proprietary software, applications or other technology that we or our affiliates designate, develop or maintain, on your signing a license agreement or similar document that we or our affiliates approve to regulate your use of, and our and your respective rights and responsibilities with respect to, such software, applications or other technology.

The Computer System must give us and our affiliates access to all information generated by the Computer System, including pricing and client information for your Studio. At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data.

~~E. —~~ You are solely responsible for acquiring, operating, maintaining and upgrading: (1) the Computer System; (2) the connectivity of your Computer System (including the point-of-sale system); and (3) third-party interfaces between the Computer System and our and any third party's computer system. You are solely responsible for any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You also are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures or attacks.

G. Telephone Numbers and Social Media Accounts.

You agree that each telephone or facsimile number, directory listing, social media presence and any other type of contact information used by or that identifies or is associated with your Studio (any "Contact Identifiers") will be used solely to identify your Studio in accordance with this Agreement. You are required to execute the form of Assignment of Contact Identifiers and Online Presences attached as Exhibit H to grant us with full power and control over the Contact Identifiers and Online Presences upon termination or expiration of this Agreement.

H. Studio Opening ~~Date~~.

You ~~must~~ may not open your Amazing Lash Studio for business without until you have received our written authorization, which will be conditioned upon your strict compliance with this Agreement and our other pre-opening System Standards, including that: (i) your Amazing Lash Studio approval and the following has been developed and outfitted to meet all of occurred:

- 1) we notify you in writing that your Studio meets our System Standards; (ii) you and your Key Personnel (as defined in Section VII.A) have completed standards and specifications (although our acceptance is not a representation or warranty, express or implied, that your Studio complies with applicable laws, ordinances, rules, regulations, or other requirements);
- 2) You (or your Operating Partner) and any manager or assistant manager we require, satisfactorily complete the Training Program (as defined in Section VII.4.A); (iii);
- 3) you have paid us all initial fees pay the Initial Franchise Fee and all other amounts you owe us and our Affiliates; (iv) you have provided then due to us evidence of;

- 4) you give us certificates for all required insurance coverage and policies; (v) (as described in Section 8.J.);
- ~~4)5)~~ you obtain all required supplies and opening inventory for your Amazing Lash Studio;
- 6) ~~(vi) you have obtained releases~~ obtain all customary contractors' sworn statements and partial and final waivers of all lien for construction liens, remodeling, decorating and similar encumbrances; installation services;
- 7) you hire a minimum of between twelve (12) and (vii) fifteen (15) stylists, subject in all instances to the licensure and background check requirements set forth in Section 8.I., in anticipation of your Studio's opening;
- 8) you submit a completed trade area survey and a proposed advertising and marketing plan for approval (as described in Section 9.B.); and
- 9) you meet all regulatory and licensing requirements, including all state and local professional regulations.

Subject to your compliance with these conditions, you agree that you must open your Studio for full use by clients by the first anniversary of the Effective Date. The date that your Studio first opens for business for full use by clients shall be referred to herein as the "Opening Date." Starting on the Opening Date, you must operate your Amazing Lash Studio. You agree to notify us of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. You must open your Amazing Lash Studio and commence Studio continuously for the remainder of the term of this Agreement during the minimum business hours we require.

### 3. FEES.

#### A. Initial Franchise Fee, within one (1) year after the Effective Date of this Agreement

You agree to pay us a nonrecurring initial franchise fee in the amount of \$39,900, unless you obtain a written extension of such time period from us. You acknowledge that time is of the essence. If you fail to comply with any of these obligations, in addition to our right to terminate this Agreement under Section XVIII.B, we have the right to prohibit you from opening your Amazing Lash Studio until you satisfy our requirements.

~~F. Continuous Operation. Beginning on the Opening Date, for the duration of the entire term of otherwise specified in Exhibit B (the "Initial Franchise Fee") when you sign this Agreement, you agree to operate your Amazing Lash Studio on a continuous basis in accordance with the terms of this Agreement and our System Standards.~~

### IV. TERM AND RENEWAL

~~A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until ten (10) years from the Opening Date.~~

~~B. Renewal. You may, at your option, renew your rights under this Agreement for one (1) additional term of ten (10) years, if you meet all of the following conditions:~~

~~(1) You. The Initial Franchise Fee must give us written notice of your election to renew not less than six (6)~~

months nor more than nine (9) months before the end of the initial term;

~~(2) You must refurbish, repair, or replace, at your expense, any or all Operating Assets, including your Computer Systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other items required for the operation of your Amazing Lash Studio, in each case as we may reasonably require, and must otherwise upgrade your Amazing Lash Studio to reflect our then-current System Standards for a new Amazing Lash Studio;~~

~~(3) You and your Owners must not be in default of this Agreement, and neither you nor your Affiliates or Owners may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during their respective terms;~~

~~(4) You and your Owners must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;~~

~~(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Franchise Location during the entire renewal term or obtain our consent to a new site for your Amazing Lash Studio;~~

~~(6) You must execute our then-current form of renewal franchise agreement, which will supersede this Agreement in all respects, and the terms of which may materially differ from the terms of this Agreement, and your Owners must personally guarantee your obligations under such renewal franchise agreement under the terms of our then-current required form of personal guarantee;~~

~~(7) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, agents, representatives and employees, past and present, in their corporate and individual capacities, including claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders;~~

(8) You must pay us be paid as a renewal fee in an amount equal to Ten Thousand Dollars

~~(\$10,000);~~ lump sum by wire transfer and

(9) You and your Owners must comply with our then-current qualification and training

requirements, and otherwise satisfy our then-current criteria for a new franchise owner.

**V. FEES**

A. ~~Initial Franchise Fee.~~ You agree to pay is fully earned by us an initial franchise fee of Thirty-Nine Thousand Dollars (\$39,000) upon the execution of this Agreement. ~~The initial franchise fee shall be deemed fully earned and nonrefundable upon receipt by us and is non-refundable.~~

**B. Royalty Fee.**

B. ~~Royalty Fee.~~ During the term of this Agreement, you You agree to pay ~~to us~~ a continuing periodic monthly royalty fee in an amount (the "Royalty") equal to six percent (6%) of your Amazing Lash Studio's Gross Sales ~~for Receipts during the immediately preceding royalty period. You must pay month. We reserve the royalty fee via electronic funds transfer, or any other means we reasonably specify, right, upon notice to you, to collect the Royalty on a weekly, rather than monthly, basis. The royalty fee~~ Royalty will be due on the dates ~~and at the intervals we determine from time to time, provided that we notify you no fewer than 30 days prior to modifying the date or intervals of the royalty fee.~~ If the date on which a ~~royalty~~ Royalty payment would otherwise be due is not a business day, then payment shall be due on the next business day. On each royalty due date during the term of this Agreement, you must provide a Gross Sales Report to us for the applicable royalty period.

C. ~~Monthly Software and Technology Licensing and Support Fee.~~ You must pay us a "Monthly Software and Technology Licensing and Support Fee" pursuant to the terms of a "Software Use and License Agreement" that you will enter into with us. Subject to our right to increase the Monthly Software and Technology Licensing and Support Fee, the Software Use and License Agreement currently provides that throughout the term of this Agreement, you must pay us as follows: (i) during the period from the Effective Date of this Agreement through the Opening Date, the amount of One Hundred Seventy-Five Dollars (\$175) per month; and (ii) beginning on the Opening Date for the remainder of the term of this Agreement, the amount of Three Hundred Fifty Dollars (\$350) per month.

~~We also reserve the right to~~ For purposes of this Agreement, "Gross Receipts" include all of your revenue and receipts, including those taken by cash, credit card, debit card, check, electronic funds transfer, ACH, trade, barter or exchange. Gross Receipts also include: (a) any other means of revenue derived from the operations of your Studio, including the sale of Memberships (as defined in Section 8.L.), merchandise, or any products or services that are sold by you, whether sold at the Premises or from an off-Premises location; (b) all revenue from the sale or redemption of Gift Cards (as defined in Section 8.N.), in accordance with our then-current System Standards; and (c) the gross amount of any business interruption or similar insurance payments. Gross Receipts exclude: (i) sales, use or privilege taxes paid to the appropriate taxing authority; (ii) refunds that are provided to clients; and (iii) tips received from clients for payment to your employees.

You shall not charge clients any additional fees or service charges not authorized by us, including convenience fees, gift card conversion fees, credit card fees, service fees, or other surcharges.

**C. Technology Fee & Set-Up Fees.**

We require you to pay a fee to us, or a service provider(s) we designate a fee (which may be one of our affiliates), for technology-related services, including for website or email hosting, help desk support, software or website development, and other enterprise solutions and other services associated with your Computer Systems—System and/or the any Franchise System Website: (as defined in Section 9.F.) (a "Technology Fee") as further set forth in the form of the Software Use and License Agreement attached as

Exhibit I. The Technology Fee is currently \$605 per month, payable by ACH (as defined in Section 3.G.) on the first day of each calendar month, beginning two (2) months prior to your Studio's opening. We may modify the amount of your Technology Fee periodically. You must pay the Technology Fee at the times, and in the manner, designated by the provider of such services. We may require you to enter into a written agreement with the provider of any technology services, with terms and conditions we approve.

~~D. Other Fees and Payments. In addition to the initial franchise fee, periodic royalty payments, and Monthly Software and Technology Licensing and Support Fee you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.~~

~~C.A. E. Past Due Amounts; Acceptance and Application of Payments.~~

~~(1) Any payment not actually received by us on or before the applicable due date will be deemed past due. All past due obligations under this Agreement will bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. You also agree to pay us a late payment fee equal to One Hundred Dollars (\$100) each time your payment method fails, including by reason of you having insufficient funds in your account.~~

~~(2) Our acceptance of any payments delivered subsequent to the applicable due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.~~

~~(3) We have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may set off any amounts you or your Owners owe us or our Affiliates against any amounts we or our Affiliates owe you or your Owners. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.~~

~~(4) You have no right to withhold any payments due to us on account of our breach or alleged breach of this Agreement, and no right to offset any amount due to us against any obligation that we may owe to you.~~

~~D.A. for any If we travel to your Studio~~

to provide any technological support and/or installation services, you must also reimburse us for the Taxes.

Each payment to be made to us shall be made free and clear and without deduction

~~F. Electronic Funds Transfer. You agree to execute Exhibit D to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer (“EFT”) in the amount of the royalty fee, the Advertising Fund contribution (described in Section IX.C), and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. You agree to ensure that funds are available in your designated account to cover our withdrawals. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Article XII of this Agreement or the Gross Sales Report. If we have not received a Gross Sales Report within the time period required by this Agreement, then we may process an EFT for the applicable royalty period based on the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for the applicable royalty period is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should your bank fail to honor any EFT for any reason, you agree that you will be responsible for promptly delivering such payment directly to us and reimbursing us for any service charge or other costs or expenses we incur. Upon written notice to you, we may designate another for such site visit, including travel, food and lodging. If you purchase an existing Studio, you will be required to pay us a software transfer fee of \$350, payable by ACH.~~

~~method~~

D. Interest on Late Payments.

All amounts that you owe us for any reason will bear interest accruing as of their original due date at one-and-one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for transaction charges and interest. You acknowledge that this Section 3.D. is not our agreement to accept any payments after they are due or our commitment to extend credit to you or otherwise finance the operation of your Studio.

E. Default Fee

If you are in default of this Agreement and we send you a default notice, you must pay us a fee of \$250 in consideration for our administrative expenses.

F. Application of Payments.

Despite any designation you make, we may apply any of your payments to us or our affiliates to any of your past due indebtedness to us or our affiliates. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment—of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

G. Method of Payment.

You must make all payments due under this Agreement in the manner we designate from time to time; and you agree to comply with all of our payment instructions. You hereby authorize us and/or any third party we designate to debit your business checking account automatically (sometimes referred to as “ACH” or “auto-debit”) for any or all amounts due under this Agreement (the “Automatic Bank Draft Authorization”). You agree to execute and deliver to us any document(s) we require to evidence the Automatic Bank Draft Authorization. Our current form of Automatic Bank Draft Authorization is attached hereto as Exhibit G. The Automatic Bank Draft Authorization will remain in full force and effect during the term of this Agreement. We or our designee will debit the business account you designate in the Automatic Bank Draft Authorization for amounts you owe us on their due dates (or the subsequent business day if the



due date is a national holiday or a weekend day). You must have one sole designated business account for your Studio for all payments received from clients and for all payments to be made to us. You agree to ensure that funds are available in your designated account to cover our withdrawals. You shall pay us a fee of \$150 each time we attempt to debit your business account and your account is inaccessible or we receive a notice of insufficient funds or you write us a check that is returned, cancelled, or dishonored. You must sign and deliver to us a revised Exhibit G to reflect any changes in your business checking account information at least three (3) business days prior to the next scheduled ACH due to us.

~~G. — Annual Conference Fees. We reserve the right to require you to pay our then-current registration fees for your Key Personnel to attend an annual franchise conference, which we may host at a location selected by us. The registration fee for such franchise conference will be determined by us and invoiced to you. If we schedule an annual franchise conference, your Key Personnel must attend. If your Key Personnel do not attend, we will charge you registration fees for a minimum of two people along with a Fifteen Hundred Dollar (\$1,500) fee for failing to attend.~~

~~H. — Default Fee. In addition to our other rights and remedies, we have the right to charge you a \$250 default fee per breach by you of any term or condition of this Agreement including, without limitation, your failure to timely provide required reports. We may change or eliminate this fee.~~

## ~~**VI. — YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS**~~

### ~~**A. — Your Investigation of This Franchise.**~~

~~(1) — You and your Owners acknowledge having received our franchise disclosure document at least fourteen (14) days before signing a binding agreement or making any payment to us. You and your Owners acknowledge that you have read this Agreement and our franchise disclosure document and that you understand the terms of this Agreement and accept them as being reasonably necessary for us to maintain the uniformity of Amazing Lash Studios and to protect the goodwill of the Marks and the integrity of the System. You and your Owners have had the opportunity, and were encouraged by us, to ask any questions you had and to review any materials of interest to you concerning this franchise opportunity. You and your Owners have had the opportunity, and were encouraged by us, to have this Agreement and all other agreements and materials we gave you or made available to you reviewed by an attorney. You and your Owners have not received from us any representations or guarantees, express or implied, about the potential sales, income or profits of an Amazing Lash Studio, other than as set forth in our franchise disclosure document, if any.~~

~~(2) — You and your Owners have conducted an independent investigation of the business contemplated by this Agreement. You and your Owners recognize that an investment in an Amazing Lash Studio involves business risk, and that your success is largely dependent on your own abilities and efforts and the standards and practices by which you operate your Amazing Lash Studio. You and your Owners have not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business contemplated by this Agreement. We do not guarantee any portion of your investment, and will not be responsible if your Amazing Lash Studio fails or you suffer business losses or loss of your investment.~~

~~(3) — You and your Owners understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. You and your Owners understand that the nature of Amazing Lash Studios and the System may change over time, and will require you to continue investing additional capital.~~

~~(4) — All statements you and your Owners have made and all materials you have given us in connection with your application and to otherwise induce us to offer you this franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. You and your Owners have a sufficient net worth to make the investment in this franchise~~

opportunity, and you and your Owners will continue to have sufficient funds to meet all of your and their obligations under this Agreement.

~~(5) Whenever we have expressly reserved in this Agreement, or are deemed to have, 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, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. Except as otherwise required under applicable law, 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 shall 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 hereunder.~~

B. ~~Your Organization.~~ If you are a corporation, partnership, limited liability company or other legal entity, you agree and represent that:

- ~~(1) You are duly organized and validly existing under the law of the state of your formation;~~
- ~~(2) You are duly qualified and authorized to do business in each jurisdiction in which~~

your business activities or the nature of the properties you own require such qualification;

~~(3) Your Amazing Lash Studio will be the only business that you operate. Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of Amazing Lash Studios;~~

~~(4) Neither you nor any of your Affiliates or Owners own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, or act as a director, officer, manager, employee, consultant, lessor, representative, or agent for, any Competitive Business at any location worldwide (other than an Amazing Lash Studios);~~

~~(5) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and~~

~~(6) You have provided to us prior to the execution of this Agreement, and will from time to time during the term of this Agreement at our request provide to us, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request.~~

~~(7) The direct and indirect ownership interests in you are accurately and completely described in Exhibit C. You agree to maintain at all times a current list of all your Owners and to make your list of Owners available to us upon request.~~

~~(8) You agree to maintain stop transfer instructions against the transfer on your records of any of your equity securities and to conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. Your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.~~

~~(9) You must cause each of your Owners to execute the Guaranty and Assumption Agreement attached as Exhibit A to this Agreement, jointly and severally guarantying your performance under this Agreement and otherwise binding themselves to the terms of this Agreement as stated therein.~~

~~C. Your Financial Covenants.~~

~~(1) You have provided to us your most recent financial statements. These financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.~~

~~(2) At our request, you agree to provide us with any and all loan or other documents regarding the financing of your Amazing Lash Studio.~~

~~(3) You agree to maintain at all times during the term of this Agreement sufficient working capital to fulfill your obligations under this Agreement.~~

~~D. Your Management.~~

~~(1) — You agree to designate upon the execution of this Agreement, and to retain at all times during the term of this Agreement, an individual with at least a 25% ownership and voting interest in you to serve as your Principal Owner. The Principal Owner must meet our qualifications and must be approved by us. Unless a separate General Manager is approved by us as described in Section VI.D(2), your Principal Owner must devote full time and best efforts to the supervision of your Amazing Lash Studio(s) operated by you and your Affiliates. Without our written consent, your Principal Owner shall not engage in any business other than the operation of your Amazing Lash Studio(s). Your Principal Owner must be empowered with full authority to act for you and we will be entitled to rely solely on the decision of the Principal Owner without discussing the matter with any other party. In the event that your Principal Owner ceases to own at least a 25% ownership interest and voting interest in you, your Principal Owner resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Principal Owner, or we disapprove of your Principal Owner, you must recruit a new Principal Owner within thirty (30) days for our review and approval.~~

~~(2) — In the event that your Principal Owner elects not to supervise the management and day-to-day operations of your Amazing Lash Studio, you agree to designate not later than ninety (90) days before the Opening Date and to retain at all times during the term of this Agreement, a General Manager who meets our qualifications to supervise the operation of your Amazing Lash Studio. Your General Manager must devote full time and best efforts to the supervision of your Amazing Lash Studio operated by you and your Affiliates and shall not engage in any other business without our written consent, including the supervision or management of any additional Amazing Lash Studios. Each Amazing Lash Studio must have a different General Manager. You acknowledge and agree that the appointment of a General Manager will not relieve your Principal Owner of his or her supervisory responsibilities for the operation of your Amazing Lash Studio. You and your Principal Owner shall remain fully responsible for your General Manager's performance. In the event that your General Manager resigns or otherwise indicates to us or to you that he or she wishes to cease acting as General Manager, or we disapprove of such General Manager, your Principal Owner must immediately assume operational management and supervision of your Amazing Lash Studio on a full time basis.~~

~~(3) — You agree to designate not later than thirty (30) days before the Opening Date and to retain at all times during the term of this Agreement the required number of Assistant Managers as determined by us from time to time, but in no event less than one (1) Assistant Manager. The Assistant Managers shall meet our qualifications, shall devote full time and best efforts to the day-to-day operation and management of your Amazing Lash Studio and shall not engage in any other business activity without our prior written consent.~~

~~(4) — The names of your Principal Owner, General Manager and Assistant Managers shall be listed in Exhibit C to this Agreement and you agree to keep such information current at all times during the term of this Agreement. You must promptly notify us in writing if your Principal Owner or any General Manager or Assistant Manager cannot continue or no longer qualifies to serve in that capacity and you must take corrective action within thirty (30) days after any such notice.~~

**VII.** — We may receive information regarding your Gross Receipts through our access to the Computer System or we may require you to submit monthly (or more frequent) Gross Receipts reports in the format we require. If we ever stop having access to information from your Computer System, and you fail to report your Studio's Gross Receipts when due, then for each payment due under this Agreement that is calculated based on Gross Receipts, we may debit your business account one hundred ten percent (110%) of the average of the last three (3) applicable payments that we debited. If the amounts that we debit from your business account are less than the amounts you actually owe us (once we have determined your Studio's true and correct Gross Receipts), we will debit your business account for the balance on any day we specify. If the amounts that we debit from your business account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date.

## 2.4. TRAINING AND ASSISTANCE.

### A. ~~A. — Initial and Ongoing Training Program.~~ We.

~~Before the Opening Date, we will provide a management initial training program in on the material aspects operations of operating an Amazing Lash a Studio (the “Training Program”) to you (or your Principal Owner, if you operate as a legal business entity) and your General Operating Partner) and Designated Manager (if applicable) (your “Key Personnel”) as defined in Section 8.H.) (the “Training Program”), at no additional registration fee cost to you. Your Key Personnel must complete, if all such persons attend the Training Program to our satisfaction at least three (3) months prior to the opening of your Amazing Lash Studio. We will determine at the identity and composition same time. If we provide any portion of the trainer(s) conducting all portions Training Program more than one time, we may charge you our then-current training fee for any training that we have previously provided to at least one trainee associated with you. We may also elect not to provide any portion of the Training Program in our discretion. You may invite additional employees to attend the Training Program if space allows, though we reserve the right to charge you our then-current training fee for each additional individual. We also more than once. You may invite additional employees to attend the Training Program if space allows, though we reserve the right to charge you our then-current training fee for each additional individual. We reserve the right to require any additional managers and/or assistant managers of your Studio to attend the Training Program. We reserve the right to limit the number of additional attendees for the Training Program. You may also request that we provide any portion of the Training Program on-site at your Studio, and we will determine whether to provide such portion of the Training Program on-site. If we provide any portion of the Training Program on-site at your Studio, we reserve the right to charge our then-current training fee.~~

~~We will provide the Training Program at the times and locations we determine in our sole discretion, which may include sending our trainer(s) to your Franchise Location to conduct any part of the Training Program. We will also determine, in our sole discretion, the length and content of the Training Program, and we reserve the right to. We reserve the right to vary the Training Program based on the experience and skill level of the individual(s) attending. We reserve the right to require your Assistant Managers to attend the Training Program, in our sole discretion. Scheduling of the Training Program is based on your and our availability, training facility availability and the projected Opening Date. Any successor or replacement Principal Owner or General Manager must successfully You (or your Operating Partner) and your Designated Manager (if applicable) must satisfactory complete the Training Program no more than thirty (30) days after appointed. No such person may offer services to your Amazing Lash Studio or supervise your Amazing Lash Studio until they have completed the Training Program. You must pay our then-current training fee for any successor or replacement Principal Owner or General Manager that attends the Training Program. later than four (4) weeks before the Opening Date.~~

~~B. — Additional Training. If any of you (or your Key Personnel, or any Assistant Operating Partner) or your Designated Manager (if applicable), or any manager and/or assistant manager required by us, fail to satisfactorily complete the Training Program to our satisfaction, then we reserve the right, in our sole discretion, to require such individual to attend additional training. Your Key Personnel may also request additional and you may be required to pay us our then-current training from us, and we and you will jointly determine the duration of this fee for such additional training; provided, that if your Key Personnel have not expressly informed us at the end of the Training Program that they do not feel sufficiently trained, then you and they will be deemed to have been trained sufficiently to operate an Amazing Lash Studio. If we at any time during the term of this Agreement determine that any of your Key Personnel or your Assistant Managers are not properly trained to provide the services offered by your Amazing Lash Studio, we may require such person to cease providing services at your Amazing Lash Studio and/or attend additional~~

~~training. All additional.~~ Additional training will be provided at a time and location of our choice ~~and will incur our then-current training fee.~~

~~C. — Ongoing Education.~~ If you (or your Operating Partner), or any manager and/or assistant manager required by us (including any applicable Designated Manager), are unable to satisfactorily complete the additional required training, we reserve the right to terminate this Agreement. ~~We may require offer additional training programs for you or your Key Personnel employees from to time and/or Assistant Managers you may be required to pay us our then-current training fee for such programs.~~

You are responsible for providing a training program concerning the operation of your Studio in accordance with our System Standards for all your employees other than the attendees of the Training Program. All employees must pass the program, to your satisfaction, prior to providing services at your Studio. We reserve the right to approve the length and content of all training programs you provide to your employees and to require specific mandatory training programs (as further set forth in this Section 4.A.) for certain job positions to ensure compliance with our System Standards.

If you appoint a new Operating Partner or Designated Manager, he or she may be required to attend the then-current Training Program within ninety (90) days of the appointment date and you may be required to pay us our then-current training fee, unless we determine that you are sufficiently trained to provide a comparable substitute training program to such new Operating Partner or Designated Manager. If we permit you to train any Operating Partner or Designated Manager yourself, you must provide such training according to our then-current standards and specifications, and we must determine that such Operating Partner or Designated Manager has been adequately trained prior to providing any services at your Studio. If we determine that any Operating Partner or Designated Manager that you trained is not sufficiently trained to provide services at your Studio, we may require such person attend our Training Program and you may be required to pay us our then-current training program fee. If we determine that you are (or your Operating Partner is) sufficiently trained to provide a comparable substitute training program to any Designated Manager, we may elect not to make the Training Program available to such person until the next time our Training Program would otherwise be offered.

We may require you (or your Operating Partner), and/or certain other managers and employees of your Studio (including any applicable Designated Manager) to attend or otherwise complete various training courses, (including electronic training courses), trade shows, ongoing education or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third parties we designate and/or provided by us or our Affiliates. You will be responsible for the costs of all such ongoing education for your Key Personnel and/or Assistant Managers, parties we designate.

~~D. — Travel and Living.~~ Besides attending these training courses, programs and events, you (or your Operating Partner) and any applicable Designated Manager are required to attend any scheduled annual meeting of franchise owners. You will be required to pay our then-current registration fee. If you do not attend, we will charge you the default fee (as set forth in Section 3.E.) for failing to attend. We may additionally require you (or your Operating Partner) to attend regional meetings for franchise owners. ~~These annual and regional meetings will be held when we determine at locations we designate.~~

Before the Opening Date, if you are legally capable of offering certain waxing and tinting services at your Studio, you must pay to us a non-refundable waxing and tinting training fee equal to \$1,500, in the form of a lump sum payment by ACH, for us to provide training for such services on-site at your Studio (the “Pre-Opening Waxing/Tinting Training”) in conjunction with the opening assistance set forth in 4.B. below.

After the Opening Date, based on the factors we determine, we may offer you (or your Operating Partner) and any applicable Designated Manager the opportunity to attend an advanced manager training

program. If we offer such training and you elect to attend such training, you may be required to pay us our then-current training fee.

You agree to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you (or your ~~personnel~~ Operating Partner) or any employee or manager (including, ~~Key Personnel and Assistant Managers~~) ~~incurs~~ any applicable Designated Manager) ~~incurs~~ during any and all meetings and/or training courses and programs ~~that we require, including the Training Program, any additional training, and any ongoing education.~~ You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your ~~Amazing Lash Studio~~ to conduct training ~~on-site (including food, lodging and transportation).~~

**B.** ~~E. Ongoing Advice and Opening Assistance.~~

We will send a training team we determine (which may be comprised of only one (1) person) for up to five (5) days (which may not be consecutive) to your Studio to assist you with final suggestions on your Studio and provide on-site advice, guidance, and initial operations support. If applicable, we will provide four (4) additional days of on-site support to conduct the Pre-Opening Waxing/Tinting Training set forth in 4.A. above.

**C.** General Guidance.

We may advise you from time to time regarding your ~~Amazing Lash Studio's~~ operation based on your reports or our inspections. We may guide you with respect to: (1) standards, specifications, and operating procedures and methods that Studios use, including, facility appearance, client-service procedures, and quality control; (2) equipment and facility maintenance; (3) inventory management and working with suppliers; (4) advertising, marketing and branding strategies; and (5) administrative, accounting, reporting and record retention. Such guidance will be furnished in the form of our Operations Manual (as defined in Section 4.D.). We may also provide guidance via telephonic conversations and/or consultation at our offices. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee. ~~You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time, including our personnel's per diem charges and travel and living expenses. We reserve the right to periodically visit the Premises and evaluate your Studio.~~

~~F. Personnel Training. You are responsible for providing a training program for all your employees other than the attendees of the Training Program, and all employees must satisfactorily pass such training program prior to providing services at your Amazing Lash Studio. We reserve the right to approve the length and content of all training programs you provide to your employees. Additionally, we reserve the right to require that your Key Personnel or one or more of your Assistant Managers (following their completion of all applicable training as required by us) become certified by us prior to providing training to any new or replacement employees at your Amazing Lash Studio; provided, however, that we reserve the right to test any employees trained by such a certified trainer and to require any such certified trainer and any of your employees trained by such certified trainer to successfully complete additional training programs conducted by us from time to time, for our then current training fee.~~

**VIII. OPERATIONS**

~~A. Standards Compliance. You acknowledge the importance of maintaining uniformity among all of your Amazing Lash Studios and the importance of complying with all of our System Standards, which are essential to preserve the goodwill associated with the Marks, the System and all Amazing Lash~~

Studios. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you agree to conduct your business in accordance with our System Standards, even if you believe that a System Standard is not in the System's or your best interests. Although we retain the right to establish and periodically modify System Standards, you are solely responsible for the management and operation of your Amazing Lash Studio and for implementing and maintaining System Standards at your Amazing Lash Studio. If we modify the System Standards, such modifications may obligate you to invest additional capital in your Amazing Lash Studio and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling your Amazing Lash Studio, buying new Operating Assets, adding new products and services, adding personnel or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

B. Variations to System Standards. You acknowledge that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right (as we consider best, in our sole discretion) to vary System Standards for any franchise owner based on the peculiarities of any condition that we consider important to that franchise owner's successful operation. ~~We may choose not to authorize similar variations or accommodations to you or other franchise owners. We~~ may also permit variations in the System Standards (as we consider best, in our sole discretion) between Amazing Lash Studios owned by us and Amazing Lash Studios owned by franchisees.

C. Maintenance of Your Amazing Lash Studio. You agree to maintain your Amazing Lash Studio in accordance with high standards of professionalism, cleanliness, sanitation, efficient and courteous service and pleasant ambiance. You agree to make such additions, alterations, repairs and replacements to the Franchise Location and Operating Assets as may be required for the foregoing purposes, at your sole cost, including regularly cleaning, repainting and repairing the Franchise Location, and/or replacing worn or obsolete Operating Assets as we may reasonably direct. You will place or display at the Franchise Location (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve.

D. Approved Sourcing and Supplies.

(1) You agree to comply with all of our System Standards for the purchase of all Operating Assets, and other products used or offered for sale at your Amazing Lash Studio. If we have approved or designated suppliers (which may include us or our Affiliates or third party manufacturers, distributors and other sources) for any such item, you agree to obtain such items exclusively from those suppliers we have approved or designated. We may designate ourselves, our Affiliates or a third party as an approved or designated supplier, or as the sole approved or designated supplier of any item.

(2) We may concentrate purchases with one or more suppliers to obtain lower prices, advertising support and/or services for any group of Amazing Lash Studios franchised or operated by us or our Affiliates. You agree that we and our Affiliates may also derive revenue based on your purchases and leases (including, from charging you for products and services we or our Affiliates provide to you and from payments made to us or our Affiliates by suppliers that we designate or approve for some or all of our franchisees).

(3) You may be required to purchase minimum quantities of professional and retail products based on the number of services that your Amazing Lash Studio business is providing.

(4) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we have not yet approved, you must submit a written request for approval to us. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations,



client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We will have the right to require you to submit information, specifications and samples to us to enable us to determine whether the item complies with our System Standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier will be required to pay for the cost of the inspection and the test (including our administrative expenses) and reimburse us for any costs or expenses we incur in connection with the evaluation of your proposed supplier. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier. If we revoke our approval of any supplier, you agree to promptly discontinue use of that supplier.

~~E. Operational Requirements. You agree to operate your Amazing Lash Studio in full conformity with our System Standards as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you agree:~~

~~(1) To sell or offer for sale all products and services we require using the method and manner of distribution we prescribe; and to conduct all services in accordance with our System Standard (and if we at any time determine that you fail to meet our System Standards for providing any products or services that we require, we may permanently or temporarily terminate your right to offer such products or services, in addition to all other remedies we may have under this Agreement);~~

~~(2) To sell and offer for sale only the products and services that we have expressly approved for sale in writing; and to discontinue selling and offering for sale any products or services and any method or manner distribution which we may disapprove in writing at any time;~~

~~(3) To maintain in sufficient supply and to use and sell at all times only those items, products, materials, and supplies that conform to our System Standards;~~

~~(4) To permit us or our agents, at any reasonable time, to remove samples of any items from your Amazing Lash Studio, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then current System Standards (and in addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our System Standards);~~

~~(5) To purchase or lease and install, at your expense, all Operating Assets that we may reasonably direct from time to time; and to refrain from installing or permitting to be installed in or about your Amazing Lash Studio, without our prior written consent, any other fixtures, furnishings, equipment, decor items, signs, vending machines or other items not previously approved as meeting our System Standards as Operating Assets;~~

~~(6) To grant us and our agents the right to enter your Amazing Lash Studio at any reasonable time to conduct inspections, including photographing or video taping your Franchise Location and Amazing Lash Studio, interviewing personnel and customers, and monitoring your Franchise Location using electronic surveillance or other means; to cooperate with our representatives conducting the inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), to take any and all steps that may be necessary to correct promptly any deficiencies detected during an inspection; if you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, we will have the right and authority (but no obligation) to correct the deficiencies and to charge you a reasonable fee, payable on demand (including, any necessary re-inspection and our direct costs and expenses for such actions);~~

~~(7) To at all times operate your Amazing Lash Studio under the direct, on-site supervision of at least one person who has successfully completed our Training Program pursuant to Section VII.A of this Agreement; to at all times maintain a competent, conscientious, trained staff and to take any~~

and all steps necessary to ensure that your employees preserve good customer relations and comply with any dress code we may prescribe;

~~(8) To keep your Amazing Lash Studio open and in operation for the days and hours that we may from time to time prescribe.~~

F. ~~Computer Systems.~~ You agree to obtain, install and use the Computer System that we specify from time to time for use in the operation of your Amazing Lash Studio. You acknowledge that we may modify the specifications and the components of any such Computer System from time to time and you agree to implement our modifications promptly after you receive notice from us. As part of the Computer System, we may also require you to obtain specified computer hardware and/or software, including requiring you to enter into licenses, leases or other agreements for the possession or use any software, hardware or other components developed or licensed by us or our Affiliates or any other third parties. Changes to our System Standards for the Computer System may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. You must ensure that the Computer System is functioning in accordance with our System Standards, before your Opening Date and continuously during the term of this Agreement. You will bear the cost of all support and maintenance for the Computer System. The Computer System may give us and our Affiliates access to all information generated by the Computer System, including price maintenance and information relating to customers for your Amazing Lash Studio. ~~At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data.~~

G. ~~Customer Complaints.~~ You agree to process and handle all consumer complaints connected with or relating to your Amazing Lash Studio in a prompt, professional, and courteous manner, and in accordance with our System Standards. You agree to promptly notify us of any and all customer complaints alleging a safety or health violations, seeking damages or payment in excess of One Thousand Dollars (\$1,000), or that are otherwise alleging material claims against you or your Amazing Lash Studio.

H. ~~Online Presences.~~ Without our prior written approval, which we may give or withhold in our sole discretion, you may not develop, create, generate, register, own, or otherwise use or authorize any Online Presence in connection with your Amazing Lash Studio, mentioning any Amazing Lash Studio, displaying any of the Marks, or linking to any System Website. If we grant our approval for your use of any Online Presence, you acknowledge that the form, content and appearance of any such Online Presence and your use of any such Online Presence must comply with our System Standards, which may include obtaining our approval for any content you create for any Online Presence prior to publishing it. Notwithstanding our approval of any Online Presence, we reserve the right to revoke our approval at any time that the Online Presence to continue to meet our System Standards, and you agree that upon such revocation, you will immediately discontinue use of the Online Presence, and transfer access and credentials of such Online Presence to us. We will own the rights to all Online Presences associated with any Amazing Lash Studio and the Marks, including any Online Presence we have authorized you to develop, manage, or create. ~~At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.~~

I. ~~Legal Compliance.~~ In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and order, at your sole cost, including by securing and maintaining any and all state, county, and/or local

business licenses required for the operation of your Amazing Lash Studio. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, you certify that neither you nor any of your Owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You, your Key Personnel and your Amazing Lash Studio must also adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, us and the public. You and your Owners agree to refrain from any business or advertising practice which may injure our business and the goodwill associated with the Marks and other Amazing Lash Studios. You shall notify us in writing within: (1) 24 hours of your receipt of any notice of violation of any law, ordinance, regulation, or standard relating to health, sanitation, or safety at your Amazing Lash Studio, or (2) two days of receipt of any other notice from any person, entity or governmental authority claiming that you (or your Affiliates or representatives) have violated any laws, regulations, permits, licenses, intellectual property rights, agreements or other committed any other breach, default or violation in connection with your operation of your Amazing Lash Studio, including any default notices from any landlord or supplier, any customer complaints alleging violations of law, and any notice from a third-party of intellectual property infringement. All such notices shall include a copy of all notices, reports, demands, court documents, or other related documents.

~~J. Information Security. You must implement all administrative, physical and technical safeguards that we require to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government issued identification numbers and credit report information ("Personal Information"). No assistance, guidance, standards or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Amazing Lash Studio or business is compliant with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is your responsibility to confirm that the safeguards you use to protect Personal Information comply with all laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. We reserve the right to conduct a data security and privacy audit of your Amazing Lash Studio and your Computer System at any time, from time to time, to ensure that you are complying with our requirements for handling Personal Information. The cost of such audit shall be paid by you. You agree to cooperate with us fully during the course of this audit. If we exercise any of these rights, we will not interfere unreasonably with your Amazing Lash Studio's operation.~~

~~K. Pricing. We may periodically set a maximum or minimum price that you may charge for products and services offered by your Amazing Lash Studio. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested~~

retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

~~L. — Memberships.~~

~~(1) — You will offer and sell rights of access or service packages to your Amazing Lash Studio (each a “Membership”) as we require from time to time. All Memberships must be evidenced by a written agreement and may not be for a term that extends beyond the expiration of this Agreement (a “Membership Agreement”). We reserve the right to provide you a form of Membership Agreement, and if we do so, you will use the form of Membership Agreement that we provide to you, and you will not make any modifications in the forms without our prior written consent. Notwithstanding the foregoing, you acknowledge that you are responsible for ensuring that the Membership Agreements and your offer of Memberships comply with all applicable laws for your Amazing Lash Studio. If such laws require that you modify the Membership Agreements or the terms of Membership that you offer, you may do so only to the extent necessary to comply with such applicable laws, provided that you provide us with written notice at least fourteen (14) days prior to such modifications. Any Membership Agreement that has been modified without our consent shall be void.~~

~~(2) — You agree to comply with our System Standards regarding Memberships, including regarding the following matters: (i) the types and terms of Memberships you may offer; (ii) the form(s) of Membership Agreement; (iii) the terms and conditions upon which a member may transfer his or her Membership from your Amazing Lash Studio to another Amazing Lash Studio and vice versa; (iv) admission of members of your Amazing Lash Studio to other Amazing Lash Studios; (v) procedures to follow when members transfer to or from your Amazing Lash Studio; (vi) use and acceptance of coupons, passes, certificates, and gift cards; (vii) group accounts and group Memberships (and discounts applicable thereto); and (viii) payment terms for Memberships.~~

~~(3) — You agree that we and our Affiliates own all information relating to clients and members of your Amazing Lash Studio, including names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, that it comprises Personal Information and part of the Confidential Information, and that we and our Affiliates may use such membership information in our and their business activities. We may contact any member(s) of your Amazing Lash Studio at any time for any purpose.~~

~~M. — Employees and Agents. You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Amazing Lash Studio. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Amazing Lash Studio in compliance with federal, state, and local employment laws.~~

**IX. — ADVERTISING**

~~A. — Local Advertising. You are solely responsible for conducting all local advertising for your Amazing Lash Studio. You must advertise and market your Amazing Lash Studio in any advertising medium we determine, using forms of advertisement we approve. You must comply with all of our System Standards for your local advertising, including your Online Presences. During the term of this Agreement, you agree to spend at least an amount equal to the greater of (i) One Thousand Seven Hundred Fifty Dollars (\$1,750) per month or (ii) four percent (4%) of your Amazing Lash Studio’s Gross Sales for advertising and promotion of your Amazing Lash Studio in the Protected Area (the “Local Advertising~~

~~Expenditure”). In our sole discretion, we may increase or otherwise modify the amount or intervals of your Local Advertising Expenditures upon not less than thirty (30) days’ written notice to you. At our request, you must submit to us a report (including substantiating receipts) detailing your Local Advertising Expenditures during the time period specified in the request. In addition, we have the right to review your books and records from time to time to determine your expenditures for Local Advertising Expenditure. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area. We reserve the right to approve the type of expenditure that will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Franchise Location, such as in-store materials and signage, will not be counted towards your Local Advertising Expenditure.~~

~~B. — Cooperatives. We have the right, but not the obligation, to designate any geographic area in which two (2) or more company-owned or franchised Amazing Lash Studios are located as a region for purposes of establishing an advertising cooperative (“Cooperative”). If we do, each Cooperative will be organized and governed as, and will begin operation on a date, we determine. Furthermore, we may modify or disband any Cooperative in our sole discretion from time to time upon written notice to the Cooperative members. We may designate that specific vendors be used by any Cooperative. You agree that contributions to the Cooperative may be used to pay the costs of preparing and producing video, audio and written advertising and direct-sales materials for Amazing Lash Studios in your geographic area; purchasing direct mail and other media advertising for Amazing Lash Studios in that geographic area; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); and implementing direct sales programs, and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for Amazing Lash Studios in such area. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes all or part of the Protected Area, you will be required to execute the Cooperative’s applicable governing documents and participate as a member of the Cooperative. Among other things, this means that you must: (i) submit to the Cooperative and to us all statements and reports that we or the Cooperative may require; and (ii) contribute to the Cooperative the amounts required by the Cooperative’s governing documents, which shall be at least two percent (2%) of your Amazing Lash Studio’s Gross Sales; provided, however, in no event will your contributions to the Cooperative exceed your required Local Advertising Expenditure pursuant to Section IX.A. Any contribution you make to a Cooperative will be applied toward your required Local Advertising Expenditure under Section IX.A.~~

~~C. — Advertising Fund.~~

~~(1) — We have established an advertising program fund (the “Advertising Fund”) for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to make periodic contributions to the Advertising Fund equal to one percent (1%) of your Amazing Lash Studio’s Gross Sales; which will be increased to two percent (2%) beginning on August 1, 2019. In our sole discretion, we may modify the amount you must contribute to the Fund upon not less than thirty (30) days’ written notice to you; provided, however, that you shall not be required to contribute more than two percent (2%) of your Amazing Lash Studio’s Gross Sales to the Advertising Fund. Your required contributions to the Fund are in addition to amounts you are required to spend for your Local Advertising Expenditure. Advertising Fund contributions will be due and payable at the same time and in the same manner that royalty fee payments are due and payable.~~

~~(2) — We will direct all programs financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement~~

~~and allocation thereof. You agree that the Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs, including purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an System Websites or other software or applications intended to operate on electronic or mobile devices; developing and maintaining gift card, membership and other customer loyalty programs; developing regional or local advertising programs or funds; and supporting public relations, market research and other advertising, promotion and marketing activities.~~

~~(3) The Advertising Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs, including collecting and accounting for contributions to the Advertising Fund. We do not have any fiduciary obligation for administering the Advertising Fund or for any other reason. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Advertising Fund contributions at the Advertising Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Advertising Fund. However, except as provided in this Agreement, we assume no direct or indirect liability or obligation to you for collecting, maintaining, directing, or administering the Advertising Fund.~~

~~(4) We may spend, on behalf of the Advertising Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Amazing Lash Studios to the Advertising Fund in that year, and the Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to you upon written request, within 120 days after the end of the previous fiscal year. We have the right to cause the Advertising Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. Amazing Lash Studios owned by us and our Affiliates may, but are not required to, contribute to the Advertising Fund.~~

~~(5) You acknowledge that the Advertising Fund is intended to maximize recognition of the Marks and patronage of Amazing Lash Studios generally. Although we will attempt to use the Advertising Fund to develop advertising and marketing materials and programs that will benefit all Amazing Lash Studios, we undertake no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Advertising Fund by Amazing Lash Studios operating in that geographic area or that any Amazing Lash Studio will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the Advertising Fund.~~

~~(6) We reserve the right, upon thirty (30) days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate such contributions) and to suspend operations of, the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund. If the Advertising Fund is terminated, we will continue to spend all unspent monies in accordance with this Agreement until all amounts are exhausted.~~

~~D. Promotional Programs. We may from time to time develop and administer advertising and sales promotion programs designed to promote all Amazing Lash Studios, including customer loyalty and rewards programs, contests, and sweepstakes. We will be responsible for the design and administration of such programs, including the type, quantity, timing, placement and choice of media, market areas and advertising agencies. If we do establish these programs, you agree to participate in them in accordance~~

~~with the terms and conditions we establish and in accordance with our System Standards. You shall purchase and distribute all coupons, gifts, prizes, and other collateral merchandise we designate for use in connection with each such program. You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time to time. Any reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.~~

~~E. Advertising Standards. You agree that any advertising, promotion and marketing you conduct, whether required by this Agreement or voluntarily undertaken by you, will be completely clear and factual and not misleading and will conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least twenty (20) days before you use them or deliver them to a third party for use in any advertisement. If you do not receive written approval within fifteen (15) days after our receipt of such materials, we will be deemed to have disapproved such materials. You may not use any advertising or promotional materials that we have disapproved. Our approval of any advertising material may be withdrawn in our sole discretion at any time.~~

~~F. Grand Opening. During the period beginning ten (10) days prior to the Opening Date and ending sixty (60) days after the Opening Date (the “Grand Opening Period”), you must carry out a grand opening promotion for your Amazing Lash Studio in accordance with our System Standards. You must spend at least Ten Thousand Dollars (\$10,000) on advertising and promoting your Amazing Lash Studio during the Grand Opening Period. This cost is in addition to your required Local Advertising Expenditure. We must approve all advertising items, methods and media you use in connection with such grand opening promotion prior to your use of them.~~

~~G. Business Listings. You agree to place and pay the cost of the business listings acceptable to us, including on any Online Presence, in such directories and categories as we may specify from time to time. The cost of placing and maintaining such business listings is in addition to your required Local Advertising Expenditures.~~

~~H. System Website.~~

~~(1) We may establish one or more System Websites over which we will have sole discretion and control, including timing, design, contents and continuation. We may include information about you or your Amazing Lash Studio on any such System Website, and you must: (i) provide us the information and materials we request to develop, update, and modify the content relating to you and your Amazing Lash Studio; (ii) notify us whenever any information relating to you and your Amazing Lash Studio is not accurate; and (iii) if we give you the right to modify any such information directly, notify us whenever you change any information or content relating to you and your Amazing Lash Studio. If you are in default of any obligation under this Agreement or our System Standards, then we may remove your references to your Amazing Lash Studio from any or all System Websites until you fully cure the default. We will permanently remove references to your Amazing Lash Studio from all System Websites upon this Agreement’s expiration or termination.~~

~~(2) We may require you to provide notice of any System Website in the advertising, marketing, and promotional materials that you develop for your Amazing Lash Studio in the manner we designate. We reserve the sole right to sell the products sold by Amazing Lash Studios through any Online Presence, including on any System Website. You agree that you will not sell any products or services offered by an Amazing Lash Studio or using the Marks to customers through any Online Presence or through any alternative channels of distribution.~~



~~(3) We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then current terms and conditions. We reserve the right to charge you a fee for each email address we provide you as part of the Monthly Software and Technology Licensing and Support Fee.~~

D. ~~X.~~ Operations Manual.

We will make one (1) copy of our manual for the operation of Studios available to you during the term of this Agreement, which may include one or more separate manuals, as well as information available on an internet site, other electronic media, bulletins and/or other written materials (collectively, the “Operations Manual”). The Operations Manual contains the mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Studio (“System Standards”), other specifications, standards and procedures that we suggest, and information on your other obligations under this Agreement. Any mandatory specifications, standards, operating procedures, and rules exist to protect our interests in the Franchise System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. We may modify the Operations Manual at any time.

If there is a dispute over its contents, our master copy of the Operations Manual shall control. You agree that the Operations Manual’s contents are confidential and that you will not disclose the Operations Manual to any person other than any employee of yours who needs to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

You agree to keep your copy of the Operations Manual current and in a secure location at your Studio. At our option, we may post some or all of the Operations Manual on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access the website or extranet for any updates to the Operations Manual. Any passwords or other digital identifications necessary to access the Operations Manual on a website or extranet will be deemed to be part of Confidential Information (as defined in Section 6 below).

~~3.5.~~ MARKS.

A. ~~A.~~ Your Right to Use the Ownership and Goodwill of Marks.

~~We grant you the right to use the Marks during the term of this Agreement in accordance with this Agreement and our System Standards. Your right to use the Marks is derived only from this Agreement. You may only~~ and is limited to the operation of your Studio according to this Agreement and all System Standards we prescribe during the term of this Agreement. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. Your unauthorized use of the Marks ~~to~~ will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and this Agreement does not confer any goodwill or other interests in the Marks to you (other than the right to operate your Amazing Lash Studio according to this Agreement and Studio under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement’s term contest or assist any other person in contesting the validity, ownership, distinctiveness, or enforceability of the Marks.



## B. Limitations on Your Use of Marks.

You agree to use the Marks as your Studio's sole identification, except that you agree to identify yourself as its independent owner and operator in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind ("**Online Presence**"), except in accordance with **System Standards**. ~~You have no right to sublicense or assign your right to use the Marks~~our guidelines set forth in the Operations Manual or otherwise in writing from time to time; (5) in advertising the transfer, sale, or other disposition of your Studio or an ownership interest in you without our prior consent, or (6) in any other manner that we have not expressly authorized in writing. You agree to display the Marks prominently as we prescribe at your Studio and on forms, advertising, supplies, and other materials we designate. 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.

### ~~B. Your Agreements Regarding the Marks. You expressly acknowledge that:~~

- ~~(1) We are the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.~~
- ~~(2) Neither you nor any of your Owners will take any action that would prejudice, infringe or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you or your Owners any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.~~
- ~~(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to the benefit of us and our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.~~
- ~~(4) You and your Owners agree not to contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.~~
- ~~(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks. You and your Owners agree to provide us with all assignments, affidavits, documents, information and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of us or our Affiliates in the Marks.~~

### C. (6) We have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and your Amazing Lash Studios operating under the System. If we do so, you agree, at your expense, to 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 possible infringement, challenge, or claim. You may not settle any claim without our written consent. We may take any 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 your reasonable costs of taking any action that we have asked you to take.

#### D. Discontinuance of Use of Marks.

We may at any time require you to modify or ~~discontinue or modify your use of any of the Marks or~~ ~~to using any Mark and/or~~ use one or more additional or substitute ~~marks~~ Marks. You agree to replace the Marks at your Studio with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks at your Amazing Lash Studio within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark. ~~We may exercise these~~ Our rights ~~at in this Section 5.D. apply to any time and~~ ~~for all of the Marks (and any reason, business or otherwise, portion of any Mark)~~ that we think best and ~~authorize you to use in this Agreement. You~~ acknowledge ~~both our right to take this action and~~ your obligation to comply with our directions.

#### E. Indemnification for Use of Marks.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding ~~disputing your authorized use of any Mark under this Agreement if you~~ ~~have timely notified us of the proceeding and complied with our directions in responding to it and have used~~ the Marks in accordance with the terms of this Agreement. We will not pay any of your attorneys' fee if you ~~hire your own attorney. At our option, we may defend and control the defense of any proceeding arising from~~ your use of any Mark under this Agreement.

#### 6. CONFIDENTIAL INFORMATION.

~~C. Your Restrictions on the Use of the Marks. You agree that you will not use any Mark: (i) with any prefix or suffix or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (ii) as part of your corporate or other legal name; (iii) in selling any unauthorized services or products; (iv) as part of any Online Presence, except in accordance with our guidelines set forth in the Manuals or otherwise in writing from time to time; (v) in advertising the transfer, sale, or other disposition of your Amazing Lash Studio or an ownership interest in you; or (vi) in any other manner that we have not expressly authorized in writing.~~

~~D. Independent Owner. You must identify yourself as the independent owner of your Amazing Lash Studio in conjunction with any use of the Marks in the manner we prescribe from time to time and in accordance with our System Standards, including on invoices, order forms, receipts and contracts, employee handbooks and materials, bank checks and financial records. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.~~

~~E. Infringement. You agree to notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We will have complete~~

discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. ~~You agree to execute all such instruments and documents, render such assistance, and do such acts or things as we may reasonably deem necessary or advisable to protect and maintain our or our Affiliates' interests in the Marks.~~

~~F. Survival. The covenants in this Article X shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.~~

#### ~~XI. RESTRICTIVE COVENANTS~~

~~A. Manuals. During the term of this Agreement, we will provide you access to the Manuals. The Manuals are our property and you agree to return any hard copies to us at our request and in any event when this Agreement expires or is terminated for any reason. You and your Owners must at all times maintain the Manuals, and the information contained in them, as confidential in compliance with this Article XI. You may make the Manuals available only to those of your Owners and employees who must have access to them in order to operate your Amazing Lash Studio. You agree to maintain any hard copies and/or login credentials for the Manuals in a secure place at your Amazing Lash Studio. We have the right to add to or modify the Manuals from time to time. You agree to comply with the terms of all additions and modifications to the Manuals and to keep your copy of the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at our offices shall control. We will charge a fee of Five Hundred Dollars (\$500) for any hard-copy copies of the Manuals that we agree to provide you. You may not print, download, copy, or duplicate the Manuals in any manner without our consent. At our option, we may post some or all of the Manuals on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access the website or extranet for any updates to the Manuals. Any passwords or other digital identifications necessary to access the Manuals will be deemed Confidential Information.~~

#### ~~B. Nondisclosure of A. Confidential Information~~

~~We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**," ~~We will disclose to you those parts of our~~"), relating to developing and operating Studios, including:~~

- ~~1) training and operations materials, including the Operations Manual;~~
- ~~2) the System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Studios;~~
- ~~3) market research, promotional, marketing and advertising strategies and programs for Studios;~~
- ~~4) strategic plans, including expansion strategies and targeted demographics;~~
- ~~5) knowledge of, specifications for and suppliers of, and methods of ordering, Operating Assets and other products and supplies;~~

- 6) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- 7) knowledge of the operating results and financial performance of Studios (other than your Studio);
- 8) information generated by, or used or developed in, your Studio's operation, including information relating to clients such as client names, addresses, telephone numbers, email addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System ("Client Information"); and
- 9) any other information designated as confidential or proprietary by us.

All Confidential Information ~~we deem necessary or advisable from time to time for the establishment~~ will be owned by us. You acknowledge ~~and operation of your Amazing Lash Studio. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the it as we specify in operating your Studio during this Agreement's term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you in operating your Amazing Lash Studio during the term of this Agreement, and only on the condition that you agree, and you in fact do agree, that you and your owners;~~

(a) will not use Confidential Information in any other business or capacity and the use or duplication of any Confidential Information in any other business or capacity would constitute an unfair method of competition. ~~You agree to disclose the Confidential Information to your Owners and employees only to the extent reasonably necessary for the operation of your Amazing Lash Studio pursuant to this Agreement. Our;~~

(b) will keep each item deemed to be part of Confidential Information is proprietary to us and our Affiliates and includes trade secrets owned by us and our Affiliates. The absolutely confidential, both during this Agreement's term and then thereafter;

(c) will not make unauthorized copies of any Confidential Information is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will via electronic medium or in written or other tangible form;

(d) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including restrictions on by restricting its disclosure of the and/or by requiring persons who have access to the Confidential Information to execute confidentiality, non-competition and non-solicitation agreements in the form attached as Exhibit D; and

(e) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us.

Confidential Information to Amazing Lash Studio personnel and does not include information, knowledge, or know-how, which (i) before we provided it to you, lawfully came to your attention, (ii) before

we disclosed it to you, had already lawfully become known to you through publication or communication by others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners, (without violating an obligation to us or our affiliates), or (iii) after we disclosed it to you, lawfully becomes known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

~~C. Noncompetition Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including information regarding operational, sales, promotional and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:~~

~~(1) With respect to you, during the term of this Agreement (or with respect to each of the Owners, for so long as such person satisfies the definition of "Owner" under this Agreement), neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity or association:~~

~~(a) divert, or attempt to divert, any current or potential business or customer of Amazing Lash Studios to any Competitive Business;~~

~~(b) own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, or All ideas, concepts, techniques, or materials relating to a Studio, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, you hereby 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.~~

#### B. Trade Secrets

You understand and agree that you will come into possession of certain of our trade secrets concerning the manner in which Studios conduct business including: methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; and any other materials clearly marked or labeled as trade secrets. You agree that the forgoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to us. You agree that you derive independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by another person. You agree to take reasonable measures, as we may describe further in the Operations Manual, to keep such information secret. Upon termination of this Agreement, you must not use, sell, teach, train, or disseminate in any manner to any other person, firm, corporation, or association any trade secret pertaining to our business and/or the manner in which it is conducted.

## 7. EXCLUSIVE RELATIONSHIP DURING TERM.

### A. Covenants Against Competition.

You acknowledge that we have granted you a franchise in consideration of and reliance on your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' immediate family members will:

- 1) have any direct or indirect controlling or non-controlling ownership interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive 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 subparagraph);

~~act as a director, officer, manager, employee, consultant, lessor, representative, or agent for, any Competitive Business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; or~~

~~(c) — solicit, interfere, or attempt to interfere with our or our Affiliates' relationships with any customers, vendors, or consultants.~~

~~(2) — With respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of Owner under this Agreement) and continuing for two (2) years thereafter, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:~~

- ~~1)2) (a) — divert, or attempt to divert, any current or potential business or customer of~~  
Amazing Lash Studios to any a Competitive Business, wherever located or operating;

~~(b) — own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, or act as a director, officer, manager, employee, consultant, lessor, representative, or agent for, any Competitive Business that is or is intended to be located (i) at the Franchise Location, (ii) within the Protected Area, (iii) within a three (3) mile radius of the Franchise Location, or (iv) within a three (3) mile radius of the location of any Amazing Lash Studio then in existence or under construction; or~~

- 3) ~~(c)~~ divert or attempt to divert any actual or potential business or client of your Studio to a Competitive Business; or

- 4) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

You agree to obtain similar covenants from your personnel as we specify, including officers, directors, managers and other employees attending our Training Program or having access to Confidential Information. 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.

1. The term “Competitive Business” means any business (excluding any Studios operated under a franchise agreement with us or our affiliate) operating, or granting, franchises or licenses to others to operate any business that: (i) offers eyelash services, eyebrow services, facial hair removal, facial or beauty treatments or related products or services; and/or (ii) offers or sells products or educational materials, or conducts workshops, that are the same as or similar to products, educational materials, and workshops, offered by us or other Studios.

**B. Non-Interference.**

You further agree that, during the term of this Agreement, neither you, any of your owners, nor any of your or your owners’ immediate family members will solicit, interfere, or attempt to interfere with our or our ~~Affiliates~~<sup>2</sup> affiliates’ relationships with any ~~customers~~ clients, vendors, or consultants.

~~(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XI.C is held unreasonable or unenforceable by a court, arbitrator or other tribunal having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XI.C. You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section XI.C without your or their consent, effective immediately upon notice to you; and you and your Owners agree to promptly comply with any covenant as modified.~~

~~(4) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section XI.C, and that the 2-year non-competition period shall be tolled during any periods of non-compliance and shall be extended for a time period equal to the duration of the non-compliance.~~

~~B.C. D.~~ Non-Disparagement.

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, ~~Affiliates~~ affiliates, successors and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our ~~Affiliates~~ affiliates, any of our or our ~~Affiliates~~ affiliates’ directors, officers, employees, representatives or ~~Affiliates~~ affiliates, the “Amazing Lash Studio” brand, the Franchise System, any ~~Amazing Lash~~ Studio, any business using the Marks, or (ii) take any other action which would, directly or indirectly, subject the “Amazing Lash Studio” brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the “Amazing Lash Studio” brand.

**8. SYSTEM STANDARDS.**

**A. Compliance with System Standards.**

You acknowledge and agree that operating and maintaining your Studio according to our System Standards is essential to preserve the goodwill of the Marks and all Studios. Therefore, you agree, at all times, to operate and maintain your Studio according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard is not in the Franchise System’s or your best interests. Although we retain the right to establish and periodically modify System Standards, you (or your

Operating Partner) are solely responsible for the management and operation of your Studio and for implementing and maintaining System Standards at your Studio.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8.B. through 8.N. below:

- 1) amounts and types of equipment and inventory you must purchase and/or maintain;
- 2) sales, marketing, advertising, and promotional campaigns, including prize contests, special offers and other national, regional or location marketing programs, and materials and media used in these programs;
- 3) if we require you to offer any off-site services, the methods you use to operate, offer and sell such services;
- 4) use and display of the Marks at your Studios and on uniforms, labels, forms, paper, products, and other supplies;
- 5) issuing and honoring gift cards, gift certificates and similar items, and participating in loyalty card programs;
- 6) pre-opening and ongoing staffing levels for your Studio; and employee credentials and qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);
- 7) days and hours of operation;
- 8) client-service standards and policies, and participation in quality-assurance and client-satisfaction programs;
- 9) product and service development programs, including participation in market research and testing;
- 10) participation in, and dues assessed for, advisory councils;
- 11) accepting cash, credit and debit cards, other payment systems, and check-verification services (and any evolutions or “next generations” of any of the foregoing payment methods);
- 12) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and
- 13) any other aspects of operating and maintaining your Studio that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Studios.



## B. Variation and Modification of System Standards.

You acknowledge that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right to vary System Standards for any franchise owner as we determine. We may choose not to authorize similar variations or accommodations to you or other franchise owners.

~~E. — Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of an Amazing Lash Studio (an “Improvement”), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we will be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney in fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section XI.E are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.~~

~~F. — Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Article XI would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Article XI, without the requirement that we post a bond. You and your Owners agree to pay all filing costs and reasonable attorneys’ fees and costs that we incur in connection with the enforcement of this Article XI, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Article XI, or any part of it.~~

~~G. — Execution of Covenants by Your Owners and Management. You agree to require and obtain the execution of covenants similar to those set forth in Sections XI.B to F from all General Managers, and, at our request, any Assistant Managers or other of your personnel. We also reserve the right to require that any other employee, agent, or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We reserve the right to regulate the form of non-disclosure and non-competition agreement that you use and to be a third party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of non-disclosure and non-competition agreement that we require you to use, provide to you, or regulate the terms of, may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-competition agreement that your employees, agents and independent contractors sign.~~

## **XII. — BOOKS AND RECORDS**

~~A. — Maintenance of Books and Records. You must maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete and accurate books, records and accounts of your Amazing Lash Studio, including sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers. You agree to preserve such books and records for at least five (5) years from the date of preparation.~~

~~B. Reporting. In addition to other reports required by this Agreement, you~~ We may also permit variations in the System Standards between Studios owned by us (or our affiliates) and Studios owned by franchisees.

We will periodically modify System Standards. These modifications may obligate you to invest additional capital in your Studio and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling your Studio, buying new Operating Assets, adding new products and services, adding personnel or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date. We may require you to conduct mystery-shopper, client-survey, or other market-research testing, and quality-assurance inspections at your Studio at your expense.

C. Condition and Appearance of Your Studio.

During the term of this Agreement, you must regularly clean, repaint, and repair the interior and exterior of the Premises, repair or replace damaged, worn-out, or obsolete Operating Assets, and otherwise maintain the condition of your Studio, the Premises, and the Operating Assets to meet the highest standards of professionalism, cleanliness, sanitation, efficiency, courteous service, and pleasant ambiance.

You will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve.

D. Approved Products and Services.

You agree that: (1) you will offer for sale or sell at your Studio only the products and services that we specify from time to time; (2) you will offer for sale or sell at your Studio approved products and services only in the manner and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution (including, the internet or retail stores); (3) you will not offer for sale or sell at your Studio, the Premises or any other location any products or services we have not approved (including any off-site services we have not authorized); (4) you will discontinue selling and offering for sale at your Studio any products or services that we at any time decide to disapprove; (5) you will purchase and use only the brands, types, or models of products, materials, supplies and services (including the Operating Assets and the Computer System) that we designate for operating your Studio; and (6) your Studio will provide services and sell products only on the days and during the hours approved by us.

If we at any time (including after our initial approval) determine that you fail to meet our System Standards for providing any products or services that we require, we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein shall be deemed a waiver of our right to terminate pursuant to Section 14.

E. Approved Distributors and Suppliers.

We may designate, approve or develop standards and specifications for manufacturers, distributors and suppliers of products and services to your Studio, which may be us or our affiliates (collectively, “suppliers”). You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve. We may designate a single supplier for any product, service (including digital marketing services), Operating Asset, or other material, or approve a supplier only for certain products.

You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases (including from charging you for products and services we or our affiliates provide to you and from

promotional allowances, rebates, volume discounts and other payments, services or consideration we receive from suppliers that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may use such revenue or profit without restriction.

Unless we designate certain items or services used in the development or operation of your Studio that you may purchase from a supplier of your choosing, you must purchase those items or services only from suppliers that are then approved by us. If you would like us to consider approving a supplier that is not then approved, you must submit your request in writing before purchasing any items or services from that supplier. We will not be obligated to respond to your request, and we may require that you pay us a fee to compensate us for the time and resources we spend in evaluating the proposed supplier. Approval of a supplier may be conditioned on any factors we determine, including requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, and standards of service. We may, with or without cause, revoke our approval of any supplier at any time.

F. Compliance with Laws and Good Business Practices.

You must secure and maintain all required licenses, permits and certificates relating to your Studio and must, at all times, operate your Studio in full compliance with all applicable laws, ordinances, and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to truth-in-lending, retail salon businesses, safety and sanitation, truth-in-advertising, occupational hazards, health and anti-discrimination laws (including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, if applicable to your Studio), and anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Studio as may be required by us or by law. You confirm that you and your owners are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 16.D.) apply to your obligations under this Section 8.F.

You and your employees must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with clients, suppliers, us and the public. You agree to ~~submit to us, in the form we prescribe from time to time and at your expense:~~

~~(1) — At our request, a monthly income statement (which may be unaudited), signed by your treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.~~

~~(2) — Not later than March 15th after the end of each calendar year during the term of this Agreement, your complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us (or, in the alternative, you may prepare internal annual financial statements signed by your treasurer, chief financial officer or comparable officer attesting that they are true, complete and correct) and showing the results of your operations during such calendar year. We may require you to prepare audited financial statements, at our discretion, if we determine or have reason to believe, that you are not accurately reporting your revenues or other financial information to us for any reason.~~

~~(3) — Not later than five (5) days after filing, copies of your federal income tax returns (including any extension requests) and within five (5) days after the end of each calendar quarter, copies of your state sales tax returns. If your Amazing Lash Studio is in a state which does not impose a sales tax,~~

you agree to submit a copy of your state income tax return (including any extension requests) not later than five (5) days after filing.

~~(4) At the times reasonably required by us, such other forms, reports, records, information and data as we may reasonably designate.~~

~~C. Audits. We or our designees will have the right at all reasonable times to review, audit, examine and copy your books and records relating to your Amazing Lash Studio. If any required payments to us are delinquent, or if an examination or audit should reveal that any Gross Sales have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section V.E. If an examination or audit discloses an understatement of Gross Sales of two percent (2%) or more, you must, in addition, reimburse us for all costs and expenses connected with the audit (including, legal and accounting fees and costs). These remedies shall be in addition to any other remedies we may have at law or in equity.~~

~~D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.~~

~~E. Authorization to Release Information. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do refrain from any business to disclose to us any financial information in their possession relating to you or your Amazing Lash Studio which we may request. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.~~

### ~~XIII. INSURANCE~~

~~A. Required Coverage. Not later than sixty (60) days before the Opening Date, you must procure, at your expense, insurance policies for personal injury, death or property damage, or any loss, liability that meet our System Standards, including the types and minimum coverage amounts we require. You must maintain these policies in full force and effect at all times during the term of this Agreement. We require you to purchase all insurance policies from a licensed insurer we have approved or designated, and must include a one-year tail following the termination, expiration or transfer of this Agreement. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time. Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Amazing Lash Studio's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Amazing Lash Studio that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.~~

~~B. Subrogation. Such policies shall also include a waiver of subrogation in favor of us, our Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.~~

~~C. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XVI of this Agreement.~~

~~D. — Additional Insured Designation. All insurance policies required under this Agreement, with the exception of workers' compensation, shall name us and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors (including the area representative for your territory, if applicable), servants and employees of each of them, as additional named insureds, using a form of endorsement we have approved, and shall expressly provide that our and their interest shall not be affected by your breach of any policy provisions. All public liability and property damage policies shall contain a provision that we and or advertising practice which may injure our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents or employees.~~

~~E. — Certificates of Insurance. Upon the execution of this Agreement and thirty (30) days before the expiration of any policy required under this Agreement, you agree to deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Article XIII. In addition, if we request, you agree to deliver to us a copy of the insurance policy or policies required. All required insurance policies must expressly provide that we are entitled to no less than thirty (30) days' prior written notice in the event of a material alteration to or cancellation of the policies.~~

~~F. — Remedies. If you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (but no obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.~~

#### ~~**XIV. — DEBTS AND TAXES**~~

~~A. — Payment of Taxes and Other Obligations. You agree to promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with your Amazing Lash Studio. You are solely liable for the payment of all Taxes and other indebtedness and agree to indemnify us for the full amount of all such Taxes and other indebtedness and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes and other indebtedness, whether or not correctly or legally assessed. You will pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or other taxes levied or assessed against us on all fees and other payments paid to us under this Agreement, including any income tax, franchise or other tax levied or assessed against us for the privilege of doing business in your state.~~

~~B. — Disputed Liability. If there is a bona fide dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against your Amazing Lash Studio.~~

~~C. — Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to and the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you agree to promptly pay when due all amounts owed by you to us, our Affiliates, and other suppliers, lenders, landlords and other third parties.~~

~~D. — Notice of Adverse Orders. You agree to other Studios. Except as otherwise set forth in the Operations Manual, you must notify us in writing within five (5) days of the threat of or 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, which may adversely affect ~~the~~ your operation or financial condition or that of your Amazing Lash Studio, and of any notice of violation of any law, ordinance, or regulation relating to your Studio.

#### G. Information Security.

You must implement all administrative, physical and technical safeguards required under applicable law or that we require to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“Personal Information”), which includes complying with then-current Payment Card Industry Data Security Standards currently found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org), or any similar or subsequent standard, for the protection of cardholder data throughout the term of this Agreement. By way of example and not limitation, you shall institute a data privacy and security policy at your Studio to safeguard the Personal Information. No assistance, guidance, standards or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Studio or business is compliant with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is your responsibility to confirm that the safeguards you use to protect Personal Information comply with all laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. ~~XV. ——— TRANSFER~~

~~A. ——— By Us. We will have reserve the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, conduct a data security and upon such transfer or assignment, the transferee or assignee shall be~~ privacy audit of your Studio and your Computer System at any time, from time to time, to ensure that you are complying with our requirements for handling Personal Information. You shall pay the cost of such audit. You agree to cooperate with us fully during this audit. If we exercise any of these rights, we will not interfere unreasonably with your Studio’s operation.

#### H. Management of Your Studio.

Subject to the terms and conditions of this Agreement, you are solely responsible for ~~all~~ the management, direction and control of your Studio. However, you (or your Operating Partner) may elect not to supervise your Studio on a full-time basis, provided that you appoint a manager who has completed our then-current Training Program to work full-time at your Studio (your “Designated Manager”). Your Designated Manager must supervise the management and day-to-day operations of your Studio and continuously exert his or her best efforts to promote and enhance your Studio and the goodwill associated with the Marks. You must identify your Designated Manager on Exhibit A. If you elect not to appoint a Designated Manager, your Designated Manager’s employment at your Studio is terminated, or we disapprove your Designated Manager at any time, you (or your Operating Partner) must immediately assume the full-time responsibilities of supervising the management and day-to-day operations of your Studio and continuously exert your best efforts to promote and enhance your Studio and the goodwill associated with the Marks pursuant to the terms of this Agreement. You must notify us of any changes to your Designated Manager’s employment as set forth in the Operations Manual.

## I. Employees, Agents, and Independent Contractors.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Studio. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision, obligations arising subsequent to the transfer or assignment. Without limitation of You agree to manage the employment functions of your Studio in compliance with federal, state, and local employment laws. Any best practices or sample resources we provide related to the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; employment matters are optional and for recommendation purposes only.

You must perform background checks (meeting the standards we set forth in the Operations Manual) for all employees you hire and update such background checks as specified in the Operations Manual. These requirements may merge with or, acquire other corporations, or affect who you may be acquired by another corporation; hire.

You must ensure that all your stylists are properly licensed (if required in your jurisdiction). By way of example and not limitation, a number of states and local jurisdictions have enacted laws, rule, regulations and ordinances which may undertake a refinancing, recapitalization, leveraged buyout or other economic apply to the operation of your Studio, including those which: (1) establish licensing and certification requirements for stylists (such as requirements that stylists be certified health professionals, licensed as either an esthetician, cosmetologist, or financial restructuring. You further agree that we have nurse); or (2) otherwise impose a similar minimum certification or license requirement on stylists who apply eyelash extensions or perform other services offered by Studios.

We reserve the right to delegate the performance of any require that any employee, agent or independent contractor that you hire execute a confidentiality and non-solicitation agreement to protect the Confidential Information. We reserve the right to regulate the form of confidentiality, non-competition and non-solicitation agreement that you use (including by requiring you to use the agreement attached as **Exhibit D**) and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of confidentiality, non-competition and non-solicitation agreement that we require you to use, provide to you, or regulate the terms of (including the agreement attached as **Exhibit D**) may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-solicitation agreement that your employees, agents and independent contractors sign.

## J. Insurance.

During the term of this Agreement you must maintain in force at your sole expense general liability, professional liability, sexual abuse and molestation, motor vehicle liability, property, worker's compensation, employment practices liability, and other types of insurance we require. We reserve the right to require that you obtain all or a portion of your insurance policies from designated vendors and on the terms and according to the specifications we approve. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Studio's operation or activities of your personnel in the course of their employment (within and outside your Studio and the Premises). All policies must contain the minimum coverage we prescribe from time to time and must have deductibles not to exceed the amounts we specify. We may periodically increase the amounts of coverage required under these

insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time.

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely furnish us copies of your Certificates of Insurance, insurance policy endorsements or other evidence of your maintaining this insurance coverage and paying premiums.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Studio's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Studio that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances. No insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations under Section 16.D. or otherwise.

#### K. Pricing.

Subject to applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Studio. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. ~~or all of our~~ You must comply with any advertising policy we adopt which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

#### L. Membership Sales.

You must offer and sell rights of access to your Studio, referred to as a "Membership" or "Memberships." All Memberships must be evidenced by a written agreement (a "Membership Agreement") and may not be for a term that extends beyond the expiration of this Agreement. When selling Memberships, you will use the form of Membership Agreement that we will provide to you, and you will not make any modifications in the forms without our prior written consent. Notwithstanding the foregoing, you acknowledge that you are responsible for ensuring that the Membership Agreements comply with all applicable laws and you may modify the Membership Agreements to the extent necessary to comply with such applicable laws, provided that you provide us with immediate written notice of all such modifications. We may modify the types and terms of Memberships to be offered, terminate your right to offer certain types of Memberships, and/or approve or require other types of Memberships for sale at any time.

You will only offer for sale the Memberships in strict compliance with our System Standards. These System Standards may regulate, among others, the following topics: (1) the types and terms of Memberships you may offer; (2) the form(s) of Membership Agreement; (3) the terms and conditions upon which a client may transfer their Membership from your Studio to another Studio and vice versa; (4) admission of clients of your Studio to other Studios; (5) procedures to follow when clients transfer to or from your Studio; (6) use and acceptance of coupons, passes, and certificates; (7) group accounts and group Memberships (and discounts applicable thereto); and (8) payment terms for Memberships.



You agree, upon notice from us, to accept any Memberships we assign to you, honor those Memberships on the terms and conditions of the existing Membership Agreements, and to accept as remuneration only such payments as accrue pursuant to the applicable Membership Agreement from the time of assignment.

**M. Audio Entertainment.**

You must play the types of music we require. You must acquire or install any audio equipment that we designate or require for use by your Studio and subscribe to music services as we may periodically specify to enable you to broadcast music and other content as specified by us from time to time. We may prohibit you from displaying, exhibiting, broadcasting or providing any media we choose, regardless of content, including prohibiting use of political, religious, or social content in such media.

**N. Gift Cards and Loyalty Programs.**

You must participate in all gift card, gift certificate, loyalty card, promotional card, award card, or other similar prepaid card, code or other device (collectively, “Gift Cards”) programs and loyalty programs we periodically establish or approve for Studios. You acknowledge and agree that we may charge you a fee in connection with your participation in these programs, which may include the cost of any third-party vendor commissions or fees incurred by us in connection with the programs. You must purchase Gift Cards from our designated supplier and must use and honor Gift Cards only in the manner we designate and require. We may establish and periodically modify System Standards for calculating Gross Receipts for revenue associated with Gift Cards. Participation in loyalty programs may require you to honor redemption policies that we implement from time to time, which may require you to provide services or products without charge or to reimburse other Studios for services and products provided by them.

**9. MARKETING.**

**A. Grand Opening.**

You must spend \$15,000 in advertising, marketing, and promoting your Studio in accordance with an advertising and marketing plan we approve before the opening of your Studio (the “Grand Opening Spend Requirement”) as follows: (1) you must spend \$10,000 beginning sixty (60) days prior to the opening of your Studio; and (2) you must spend \$5,000 within the first thirty (30) days after your Studio opens. Notwithstanding the foregoing, if you purchase an existing Studio, you shall instead be responsible for spending \$5,000 as your Grand Opening Spend Requirement within sixty (60) days after the date you take possession of the Studio. The Grand Opening Spend Requirement is in addition to your Local Marketing Spend Requirement described below. We will have the right to obtain from you information with respect to the results achieved from meeting your Grand Opening Spend Requirement and implementing your approved advertising and marketing plan. In addition, we have the right to review your books and records from time to time to determine your expenditures for the Grand Opening Spend Requirement.

**B. Local Marketing Spend Requirement.**

- 1) You must spend the greater of: (1) \$1,750 per month, or (2) four percent (4%) of the Gross Receipts of your Studio each year toward approved advertising, marketing and promotional programs for your Studio within an area reasonably surrounding your Studio (the “Local Marketing Spend Requirement”). We may increase or otherwise modify the amount or intervals of the Local Marketing Spend Requirement upon thirty (30) days’ written notice to you. Your Local Marketing Spend Requirement excludes any contributions you make to the Brand Marketing Fund, defined in 9.D. below, but any contributions you make to a Marketing Cooperative, defined in 9.E. below, will count

toward your Local Marketing Spend Requirement. Your required Marketing Cooperative contributions could, by themselves, exceed the Local Marketing Spend Requirement.

- 2) We or our affiliates may be a supplier of local advertising, marketing and promotional programs for your Studio.
- 3) At least ninety (90) days before you open your Studio (or if you are purchasing an existing Studio, at least thirty (30) days before taking possession of the Studio), you must submit to us a completed trade area survey and submit to us for approval an advertising and marketing plan describing your pre-opening advertising plan and your plan for the first three (3) months after the opening or purchase. You will not be permitted to open and/or operate your Studio until we receive the completed trade area survey and approve this advertising and marketing plan. Subsequent to such period, and during the term of this Agreement, you must prepare and execute an advertising and marketing plan that you must provide to us upon our request. You must also provide to us upon request information about the results achieved from implementing your advertising and marketing plan and meeting your Local Marketing Spend Requirement. In addition, we have the right to review your books and records from time to time to determine your expenditures for the Local Marketing Spend Requirement.

#### C. Advertising by You.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the System Standards, and any marketing and the advertising and marketing policies that we prescribe from time to time. At least fourteen (14) days before you intend to use them, you agree to send us samples of all advertising, promotional and marketing materials that we have not previously approved. If we do not approve of the materials within seven (7) days of our receipt of such materials, then they shall be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. You must participate in and market any promotion we require.

#### D. Brand Marketing Fund.

We have established an advertising and marketing fund (the “**Brand Marketing Fund**”) for the marketing, recruiting, advertising, and promotional programs and materials we deem appropriate that will be used nationally, regionally, or locally, and you agree to contribute to the Brand Marketing Fund an amount equal to two percent (2%) of the Gross Receipts of your Studio. Your contribution to the Brand Marketing Fund shall be payable at the same time as the payment of the Royalty, based on Gross Receipts for the immediately preceding reporting period. We have the right to collect for deposit into the Brand Marketing Fund any advertising, marketing, or similar allowances paid to us by suppliers to the Franchise System who instruct us to use the allowances for advertising or marketing purposes. We may incorporate the Brand Marketing Fund or operate it through a separate entity as we deem appropriate. We have no fiduciary obligations to you in connection with our administration of the Brand Marketing Fund. We do not use any of the funds contributed to the Brand Marketing Fund principally to solicit new franchise sales. If we or our affiliates own any Studios, those Studios make contributions to the Brand Marketing Fund on the same basis as you and our other franchisees.

We designate all programs to be financed by the Brand Marketing Fund and have sole control over the creative concepts, materials, and endorsements prepared and used and their geographic, market, and media placement and allocation. The Brand Marketing Fund may be used for any purpose to promote the Franchise System, the Marks, the patronage of Studios, and the Amazing Lash Studio brand generally as we determine.

including paying for: (1) preparing and producing video, audio, and written materials (including marketing and promotional materials and local studio marketing advertisements we prepare) and electronic media; (2) administering national, regional, multi-regional, and local marketing, recruiting, advertising, and promotional programs, including purchasing space in print publications, direct mail, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; (3) supporting public relations, market research, and other marketing, recruiting, advertising, and promotional activities; (4) developing and maintaining website(s) for the Franchise System; (5) administering online marketing, recruiting, advertising, and promotional campaigns (including search engine, social media, email, and display ad campaigns); and (6) developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices. We determine the use of the funds contributed to the Brand Marketing Fund, including allocating a portion of any Brand Marketing Fund contributions to any national, regional, multi-regional, or local marketing, recruiting, advertising, and promotional programs we may establish in the future. We are not required to spend any particular amount on marketing, recruiting, advertising or promotion in the area in which your Studio will be located. In addition, we are not required to ensure that Brand Marketing Fund expenditures for or affecting any geographic area be proportionate or equivalent to Brand Marketing Fund contributions by Studios operating in that area, or that any Studio benefits from the development or placement of marketing, recruiting, advertising, or promotional materials directly or in proportion to its Brand Marketing Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Marketing Fund. Except as specifically provided in this Agreement, we assume no other direct or indirect liability or obligation to you for collecting amounts due, or maintaining, directing, or administering the Brand Marketing Fund.

We account for the Brand Marketing Fund separately from our other funds and do not use the Brand Marketing Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Brand Marketing Fund and its programs, including conducting market research, preparing marketing, recruiting, advertising, and promotional materials, and collecting and accounting for Brand Marketing Fund contributions. The Brand Marketing Fund may spend in any fiscal year more or less than the total Brand Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If we terminate the Brand Marketing Fund, we will spend all unspent amounts on marketing activities specified by this Section 9.D.

We prepare annual unaudited statement of contributions and disbursements for the Brand Marketing Fund that are available to you upon written request one hundred and twenty (120) days after the end of the Brand Marketing Fund’s fiscal year for the previous fiscal year. We are not required to audit the Brand Marketing Fund.

#### E. Marketing Cooperative.

We may designate a geographic area in which three (3) or more Studios are located as an area in which to establish a marketing cooperative (“Marketing Cooperative”). The Marketing Cooperative’s members will include all Studios operating in the geographic area, including us and our affiliates, if applicable. We may also require that you join an existing Marketing Cooperative operating in a geographic area encompassing or near your Studio. We may collect Marketing Cooperative fees and transfer those fees to the Marketing Cooperative, or the Marketing Cooperative may collect the fees directly, as we determine. We may designate, approve or develop standards and specifications for Marketing Cooperative suppliers. We will determine how any Marketing Cooperative is organized and governed, but the Marketing Cooperative’s members are responsible for its administration and determination of contribution levels. All Marketing Cooperatives will be governed by written documentation we designate or approve. Such documentation is available for Marketing Cooperative member review. We may form, modify, change, dissolve, or merge

Marketing Cooperatives. We will not use funds contributed to a Marketing Cooperative to solicit new franchise sales.

**F. Franchise System Website.**

We may establish, acquire, or host any website(s) for recruitment purposes or to advertise, market, and promote Studios, the products and services that they offer and sell, and/or a Studio franchise opportunity (a “Franchise System Website”). We may (but are not required to) provide you with a webpage on a Franchise System Website that references your Studio. If we provide you with a webpage on a Franchise System Website, you must: (1) provide us the information and materials we request to develop, update, and modify your webpage; (2) notify us whenever any information on your webpage is not accurate; and (3) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage and obtain our approval. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply). If we provide you with a webpage on a Franchise System Website, we reserve the right to charge you a fee for such webpage as part of the Technology Fee. We periodically may update and modify any Franchise System Website (including your webpage).

Even if we provide you a webpage on a Franchise System Website, we will only maintain this webpage while you are in full compliance with this Agreement and all System Standards we implement (including those relating to Franchise System Websites). If you are in default of any obligation under this Agreement or our System Standards, then we may temporarily remove your webpage from any Franchise System Website (or all Franchise System Websites) until you fully cure the default. We will permanently remove your webpage from all Franchise System Websites upon this Agreement’s expiration or termination.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions, which may include additional monthly fees.

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Studio, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Studio, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

**10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You must use the Computer System to maintain certain sales data, Client Information, and other information. You agree that we will, at all times, have access to your Computer System and that we have the right to collect and retain from the Computer System any and all data concerning your Studio. We may require that you hire a service-provider that we designate as your provider of accounting, payroll and/or bookkeeping services. If we designate a service-provider for accounting, payroll and/or bookkeeping services, you agree to cooperate with such service-provider and provide such service-provider with all information you would appropriately provide us under this Section 10.

Each month, you agree to generate, in the manner and format that we may prescribe from time to time, an income statement (including a standard chart of the accounts designated by us) for your Studio covering the most recently completed month. On our request, you agree to send us such statements. You also agree to give us in the manner and format that we prescribe from time to time:

- 1) on or before the Royalty payment, a report on your Studio's Gross Receipts during the preceding calendar month (or week if we elect to collect Royalties on a weekly basis);
- 2) within twenty-five (25) days after the end of each calendar month, the operating statements, financial statements, statistical reports and other information we request regarding your Studio covering the preceding month;
- 3) within the time limits specified in the Operations Manual, such other periodic operating statements, financial statements, statistical reports and other information we request regarding you and your Studio;
- 4) by March 30 of each year, annual profit and loss and source and use of funds statements and a balance sheet for your Studio as of the end of the prior calendar year prepared on an accrual basis, including all adjustments necessary for a fair presentation of your financial results; and
- 5) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we may periodically require relating to you and your Studio.

2. One of your officers must certify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in materials that we circulate publicly.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at your Studio for at least three (3) years (including sales checks, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts journals, cash disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during the term of this Agreement.

## 11. INSPECTIONS AND AUDITS.

### A. Our Right to Inspect Your Studio.

To determine whether you and your Studio are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you, but in all cases subject to client privacy: (1) inspect your Studio; (2) photograph your Studio and observe and videotape your Studio's operation for consecutive or intermittent periods we deem necessary; (3) continuously or periodically monitor your Studio using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) interview your Studio's personnel and clients; (6) inspect your Computer System, including hardware, software, security, configurations, connectivity, and data access; and (7) inspect and copy any books, records, and documents relating to your Studio's operation. We may designate certain books, records, and documents which must be available for on-site inspection. Additionally, we may contract with third parties to conduct mystery-shopper, client-survey, or other market-research testing, and quality-assurance inspections at your Studio. You agree to cooperate with us fully during these inspections and tests. If we exercise any of these rights, we will not interfere unreasonably with your Studio's operation.

**B. Our Right to Audit.**

We may at any time during your business hours, and without prior notice to you, examine all of your and your Studio's business, bookkeeping, and accounting records, sales and income tax records and returns, and any other records necessary to complete an audit, and we may require that you send us copies of such records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Studio's Gross Receipts, you agree to pay us the Royalty, Brand Marketing Fund contribution, and any other fees understated, plus interest on the understated amounts from the date originally due until the date of payment, within fifteen (15) days after receiving the examination report. 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 Gross Receipts exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

**12. TRANSFER.**

**A. By Us.**

We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement ~~to third parties we designate~~, we no longer will have any obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

**B. ~~B.~~ By You ~~and Your Owners.~~**

You acknowledge that the rights and duties ~~set forth in this Agreement~~ creates are personal to you, ~~and your owners~~ and that we have granted you ~~rights under this Agreement~~ the franchise in reliance on ~~your business~~ our perception of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity and personal character and that of your Owners. Accordingly, neither ~~you nor any of your Owners, nor any of your or their permitted successors or assigns, shall sell, assign, without our prior written approval, you may not transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in your Amazing Lash Studio, or in you without our prior written consent. Any purported assignment or any of the following, or attempt to transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void: any of the following, including by listing any of the following for sale on any directory or listing: (i) this Agreement (or any interest in this Agreement); (ii) your Studio (or any right to receive all or a portion of your Studio's profits or losses or capital appreciation related to your Studio); (iii) substantially all of the assets of your Studio; or (iv) any direct or indirect ownership interest in you (regardless of its size) if you are an Entity. A transfer of your Amazing Lash Studio's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. If you wish to~~ Any transfer all or part without our approval is a breach of your interest in your Amazing Lash Studio or this Agreement; or if you or an Owner wishes to transfer any ownership interest in you, the transferor shall apply to us for our consent and has no effect. In this Agreement, the term **"transfer"** includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law. ~~You agree that, other than a transfer pursuant to Section XV.C, there may be no transfers before you~~

~~have commenced operations of the Studio in compliance with Section III.E. Additionally, you may not pledge or encumber this Agreement, your Amazing Lash Studio or any direct or indirect ownership interest in you as security for any loan or other financing, unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our Affiliates. We will require the following conditions to be met prior to any restricted transfer:~~

~~(4) — You~~ Additionally, you may not pledge or encumber this Agreement, your Studio or an ownership interest in you or your owners (to someone other than us) as security for any loan or other financing, unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

If you intend to list your Studio for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer or other disposition of your Studio or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Studio or of any ownership interest in you without our prior written approval of such materials.

#### C. Conditions for Approval of Transfer.

You may not transfer this Agreement before your Studio has opened for business. Thereafter, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the following conditions before or concurrently with the effective date of the transfer:

- 1) you submit an application in writing requesting our consent and providing us all information or documents we request about the transferee and its owners to allow us to evaluate their ability to satisfy their respective obligations under our then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners ~~or Affiliates~~ (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or ~~performs~~ perform services for a Competitive Business; At the time you sign a conditional consent to transfer, you must pay us, by wire transfer, a deposit of \$5,000 ("Fee Deposit"). We will refund you the Fee Deposit, less any amounts which may be due under this Agreement, within thirty (30) days following the effective date of the transfer or the date on which you and the transferee have complied with all terms set forth in any applicable consent to transfer that we and you sign in connection with the transfer, whichever is later;
- 2) ~~(2) — You~~ you have provided us executed versions of any documents executed by you (or your ~~Owners~~ owners) and ~~the~~ the transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms;

~~(3) — All accrued monetary obligations of you (and your Affiliates to us-owners) and our Affiliates arising under this Agreement or any other agreement, shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts and amounts owed to any third parties of whatever nature or kind in a timely manner;~~

~~(4) — You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;~~

3) ~~(5) — You (and your Owners) and the~~ transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a general release of any and all claims against us and our ~~Affiliates~~ affiliates and our and their owners, officers, directors, employees, and agents, (ii) a covenant that you and your transferring ~~Owners~~ owners (and your and their immediate family members) will not, for two ~~(2)~~ years beginning on the transfer's effective date, engage in any of the activities ~~prohibited~~ proscribed in ~~Article XI; Section 15.F. below,~~ and (iii) covenants that you and your transferring ~~Owners~~ owners satisfy all other post-termination obligations under this Agreement;

~~(6) — The proposed transferee and its personnel that we require must, at the transferee's expense, complete to our satisfaction, within thirty (30) days following the effective date of the proposed transfer, any training programs then in effect for franchisees of Amazing Lash Studios upon such terms and conditions as we may reasonably require;~~

4) ~~(7) — If you have paid all Royalties, Brand Marketing Fund contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;~~

5) ~~you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;~~

6) ~~the transferee (or its operating partner) and any other manager and/or assistant manager we designate (including any applicable designated manager), satisfactorily complete our then-current Training Program;~~

~~4)7) — if the proposed transfer (including any assignment of the Lease or subleasing of the Franchise Location Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, you have taken such appropriate action and delivered us evidence of the same;~~

~~(8) — The the transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade your Amazing Lash Studio to conform to our then-current System Standards;~~

~~(9) — The transferee shall execute (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this~~

~~Agreement), and the ancillary related documents we require in connection therewith, including that each of, any and all of the transferee's direct and indirect owners shall execute such guaranty and assumption as we provisions of which may require;~~

~~5)8) (10) — The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer, shall obtain a one-year tail on each of its insurance policies to cover any liabilities that may have been incurred~~



~~prior to the effective date of the transfer, and shall execute~~ differ materially from any and all instruments reasonably requested by us to evidence such liability of those contained in this Agreement, including the Royalty and the Brand Marketing Fund contribution; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining term of this Agreement;

(11) ~~You must~~ you pay us a transfer fee ~~in an amount~~ equal to fifty percent (50%) of our then-current initial franchise fee;

6)9) (12) ~~If for new franchises, unless the transfer relates to the grant~~ is of a security non-controlling ownership interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we will have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default you (if you are an entity), in which case you must only reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees;

10) (13) ~~We~~ we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of your ~~Amazing Lash Studio, and~~;

7)11) if you ~~have financed~~ or your owners finance any ~~portion~~ part of the purchase price, you ~~agree that the amounts the transferee owes you will be~~ and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Studio are subordinate in all respects to the transferee's obligations obligation to pay Royalties, Brand Marketing Fund contributions, and other amounts you owe due to us ~~and~~ our Affiliates affiliates, and third-party vendors relating related to the operation of your Amazing Lash Studio; and and otherwise to comply with this Agreement;

12) (14) ~~You~~ you have corrected any existing deficiencies of your Studio of which we have notified you, and/or the transferee agrees to upgrade, remodel, and refurbish your Studio in accordance with our then-current requirements and specifications for Studios within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken); and

8)13) you provide us the evidence we reasonably request to show that appropriate measures have been taken to ~~effect~~ effectuate the transfer as it relates to the operation of your ~~Amazing Lash Studio, including~~, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

~~C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section XV.B, except that the fee provided for in Section XV.B(11) shall be limited to our reasonable out of pocket costs and expense (including legal and accounting fees and costs). In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.~~

~~D. Right of First Refusal. If you or an Owner wishes to transfer any interest in this Agreement, your Amazing Lash Studio, or you pursuant to any bona fide offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We may review all information regarding your Studio that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Studio.~~

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

D. Transfer to a Wholly Owned Entity.

Notwithstanding Section 12.C. above, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests; provided, that (1) that Entity will own all of your Studio's assets, and will conduct all of your Studio's business, (2) that Entity will conduct no business other than your Studio and, if applicable, other Studios, and (iii) you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees. The Entity must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur and sign the form of consent to assignment and assignment satisfactory to us which may include a general release of any and all claims against us and our owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the Entity that we require.

E. Our Right of First Refusal.

If you (or any of your owners) at any time decide to sell an interest in this Agreement, your Studio, substantially all the assets of your Studio, or an ownership interest in you or one of your owners (except to or among the current owners of such Entity), you (or your owners) agree to obtain a bona fide executed written offer, relating exclusively to the transfer of this Agreement, your Studio, substantially all the assets of your Studio, or the ownership interest in you or one of your owners (as applicable), from a responsible and fully disclosed buyer and send to us a true and complete copy of that written offer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. ~~We will have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of our notice to seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. Our failure to exercise the option afforded by this Section XV.D shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XV.B. We~~

We may also require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction. We may elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- 1) we notify you or your selling owner(s) that we intend to purchase the interest or within thirty (30) days after we receive a copy of the offer and all other information we request;
  - 2) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately held entity);
  - 3) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);
  - 4) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and
- 9)5) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in an ~~entity~~Entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section ~~XV.D~~12.E.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 12.B. and 12.C. above, and if you (and your owners) and the transferee comply with the conditions in Sections 12.B. and 12.C. above.

~~E.~~ Notwithstanding anything in this Section to the contrary, the right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.B. and 12.C. above.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to notify us of promptly), we or our designee will have an additional right of first refusal. We or our designee must exercise this additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

~~C.F.~~ Your Death or Permanent Disability.

~~(H) Upon your death (if you are a natural person) or the death of any Owner who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six (6) months after the death of the Deceased.~~

~~(2) Upon your permanent disability (if you are a natural person) or the permanent disability of your Principal Owner, we may, in our sole discretion, require that person's interest to be transferred to a third party in accordance with the conditions described in this Article XV within six (6) months after notice to you. "Permanent~~ On the death or disability of you, your Operating Partner or any owner with a controlling ownership interest in you (a "Controlling Owner"), your or the Operating Partner's or such Controlling Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Operating Partner's or Controlling Owner's ownership interest in you, to a third party (which may be your or the Operating Partner's or Controlling Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12 (except that any transferee that is the spouse or immediate family member of you or your Operating Partner or such Controlling Owner, shall not have to pay the Fee Deposit described in Section 12.C.a or the transfer fee described in Section 12.C.i if the transfer meets all the other conditions in Section 12.C.; provided, that the transferee reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees). A failure to transfer your interest in this Agreement or the Operating Partner's or such Controlling Owner's ownership interest in you within this time period is a breach of this Agreement.

~~The term "disability" shall mean any means a mental or physical , emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely, as determined by us in our reasonable discretion.~~

~~(3) In the event of the death of you (if you are an individual) or your Principal, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Partner or such Controlling Owner (if you are a legal business entity), if your Amazing Lash from supervising the management and operation of your Studio. If your Studio is not otherwise being managed by an General approved Designated Manager, the deceased person's at the time of your or your Operating Partner's death or disability, your or the Operating Partner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager who we approve and who has completed our then current Training Program to supervise the day-to-day operations of your Amazing Lash Studio under the terms of this Agreement. A new Principal Owner or General Designated Manager in accordance with the terms and conditions of Section 8.H. A new Operating Partner acceptable to us also must be appointed for your Amazing Lash Studio within sixty (60) days. In the event of the death of your General Manager, if applicable, a new General Manager acceptable to us must be appointed for your Amazing Lash Studio within sixty (60) days, and your Principal Owner must manage your Amazing Lash Studio in all respects until such time as a new Approved Manager is duly appointed, trained and accepted. If your Amazing Lash If your Studio is not being managed properly at any time after your or the Operating Partner's death or disability, in our sole judgment, we may, but need not, assume your Amazing Lash Studio's management (or appoint a third party to assume its management) in accordance with Section XVIII.D.14.C.~~

~~F. No Waiver. Our consent to the transfer of any interest described in this Article XV shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee's exact compliance with any of the terms of this Agreement, or any other agreement to which we and the transferee are parties.~~

#### **XVI. INDEMNIFICATION**

You agree to indemnify, defend and hold harmless us, our Affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties")

against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of your Amazing Lash Studio or your breach of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of us or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from our gross negligence or willful misconduct (as determined in a final and unappealable ruling issued by a court or arbitrator with competent jurisdiction), except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you, your Owners, officers, directors, employees, independent contractors or Affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including accountants', mediators', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. We have the right to defend any such claim against us at your expense, including settling the claim and/or taking any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

#### **XVII. INDEPENDENT CONTRACTOR**

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, you agree to hold yourself out to the public as an independent contractor conducting the operations of your Amazing Lash Studio pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom.

#### **XVIII. TERMINATION**

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof; or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you

~~are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against your Amazing Lash Studio premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Amazing Lash Studio shall be sold after levy thereupon by any sheriff, marshal or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.~~

~~B. Termination on Notice: No Cure. You will be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:~~

~~13. <sup>(1)</sup> If you operate your Amazing Lash Studio or sell any products or services authorized by us at any location other than the Franchise Location~~ EXPIRATION OF THIS AGREEMENT.

A. Your Right to Acquire a Successor Franchise.

Upon expiration of this Agreement, you will have the option to acquire a successor franchise to operate your Studio for one (1) additional term of ten (10) years, if you meet the following conditions:

- 1) you (and each of your owners) have substantially complied with this Agreement during its term;
- 2) you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13.B. below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards;
- 3) you maintain possession of and agree to remodel and/or expand your Studio, add or replace improvements and Operating Assets, and otherwise modify your Studio as we require to comply with System Standards then-applicable for new Studios, or, at your option, you secure substitute premises that we approve and you develop those premises according to System Standards then-applicable for Studios;
- 4) you sign the franchise agreement we then use to grant franchises for Studios (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from those contained in this Agreement;
- 5) you and your owners agree to sign, in a form satisfactory to us, guarantees and general releases of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns; and
- 6) you pay a successor franchise fee equal to \$10,000, in the form of a lump sum payment, by wire transfer.

If you (and your owners) fail to meet the conditions set forth in this Section, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14.B.

**B. Grant of a Successor Franchise.**

You agree to give us written notice (“Your Notice”) of your election to acquire a successor franchise no more than one (1) year and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice (“Our Notice”) of our decision to grant or not to grant you a successor franchise not more than six (6) months after we receive Your Notice. If applicable, Our Notice will describe the remodeling, maintenance, expansion, improvements, technology upgrades, trade dress updates, and/or modifications required to bring your Studio into compliance with then-applicable System Standards for new Studios and state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If Our Notice states that you must remodel your Studio and/or must cure certain deficiencies of your Studio or its operation as a condition to our granting you a successor franchise, and you fail to complete the remodeling and/or to cure those deficiencies, we will give you written notice of our decision not to grant a successor franchise, not less than ninety (90) days before this Agreement expires; provided, that we need not give you ninety (90) days’ notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before it expires. We may extend this Agreement’s term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days’ notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

**14. TERMINATION OF AGREEMENT.**

**A. Termination by You.**

You may terminate this Agreement if you are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (1) we fail correct the failure within thirty (30) days after you deliver written notice of the material failure to us, or (2) if we cannot correct the failure within thirty (30) days, we fail to give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section will be effective thirty (30) days after you deliver to us the written notice of termination.

If you terminate this Agreement other than according to this Section 14.A., the termination will be deemed a termination without cause and a breach of this Agreement.

**B. Termination by Us.**

We may terminate this Agreement, effective on delivery of written notice of termination to you, if:

- 1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the franchise or operating your Studio;
- 2) you do not obtain our approval of your Lease or deliver us a fully executed copy of the Lease and Lease Rider, in each case by the deadlines set forth in 2.B.;
- 3) you do not comply with the conditions specified in Section 2.H., and open your Studio for full use by clients by the deadline specified in Section 2.H.;
- 4) you (or your Operating Partner) and your Designated Manager (if applicable) do not satisfactorily complete the Training Program in accordance with Section 4.A.;

without our prior ~~written~~ consent;

~~(2) If, you abandon or fail to open~~actively operate your Amazing Lash Studio for business ~~by the deadlines specified in this Agreement;~~

~~4)5) (3) If you at more than two (2) consecutive days, or fourteen (14) days during any time cease to operate or otherwise abandon your Amazing Lash Studio, or lose the right to occupy the Franchise Location~~twelve-month period, or notify~~provide us or any other party notice (written or oral) that you intend to permanently close or otherwise abandon the operation of your Amazing Lash Studio, or otherwise forfeit the right to do or transact business in the jurisdiction where your Amazing Lash Studio is located;~~ provided, that this provision shall not apply upon the occurrence of an event of Force Majeure, if you immediately notify us of such closure, and apply within thirty (30) days after such event for our approval to relocate or reconstruct your Amazing Lash Studio and you diligently pursue such reconstruction or relocation;

~~(4) you cause or allow any threat or danger to public health or safety or the health and safety of your customers or employees to exist in connection with the construction or operation of your Amazing Lash Studio;~~

~~6) (5) If you (or your owners) make or attempt to make any transfer in violation of~~ Section 12;

~~2)7) you (or any of your Owners is owners) are or have been convicted of, or has entered a plea of pleaded guilty or not a contendere no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein; or you are arrested or convicted of any other criminal activity in any manner that materially interferes your or your Principal Owners' ability to manage your Amazing Lash Studio or satisfy your obligations under this Agreement, in our sole judgment, is reasonably likely to harm or unfavorably affect the Marks, the Franchise System, or their associated goodwill and reputation;~~

~~(6) If you or any of your Owners transfer or attempt to transfer any rights or obligations under this Agreement or any interest in you or your Amazing Lash Studio contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section XV.E;~~

~~8) (7) If you you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;~~

~~9) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects your Studio's reputation or the goodwill associated with the Marks;~~

~~10) you lose the right to occupy the Premises whether or not through any fault of yours;~~

~~3)11) you (or any of your Owners disclose or divulge owners) knowingly or negligently make any unauthorized use or disclosure of any Confidential Information, contrary to the terms of Section XI.B;~~



~~(8) If you or any of your Owners fail to comply with the restrictions against competition set forth in Section XI.C of this Agreement;~~

~~(9) If you knowingly maintain false books or records, or submit any false reports to us, or you understate your Amazing Lash Studio's Gross Sales two (2) times or more during this Agreement's term or by more than two percent (2%) on any one occasion;~~

~~(10) If you or your Owners have falsely made any of the representations or warranties to us, including any breach of representations and warranties in this Agreement, or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;~~

~~(11) If you fail to comply with our quality assurance program (including any applicable cure periods provided under such program);~~

~~(12) If you or any of your Owners commit more than two (2) events of default in any twelve (12) consecutive month period, or more than three (3) times during the term of this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;~~

~~(13) If your or your Owners assets, property or interests are 'blocked' or otherwise restricted under any Anti Terrorism Law or if you are otherwise in violation of any such Anti Terrorism Law;~~

~~(14) you fail to pay when due any third party supplier and do not cure such failure within the applicable cure period; or~~

~~(15) If you or any of your Affiliates are in default of any other franchise agreement or other agreements with us and fail to cure such default within the applicable cure period, if any.~~

~~C. Termination on Notice: Opportunity to Cure. We may terminate this Agreement by giving you written notice of termination effective immediately upon the expiration of the cure period described below, as follows:~~

~~(1) If you fail to procure and maintain the insurance policies required by our System Standards and fail to cure such default within seven (7) days following notice from us;~~

~~(2) If your Key Personnel fail to satisfactorily complete the Training Program for any reason, or fail to complete the Training Program prior to your Opening Date, and do not cure such default within ten (10) days following notice from us;~~

~~(3) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within twenty-four (24) hours following notice from us;~~

~~(4) If you fail to obtain the execution of the confidentiality and related covenants as required under Section XI.G of this Agreement within ten (10) following notice from us;~~

~~(5) If you or any of your Affiliates fail, refuse, or neglect to promptly pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial or other information we require under this Agreement, and do not cure such default within five (5) days following notice from us;~~

~~4)12) (6) If you violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Studio in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation;~~

~~(7) — If you fail to secure all required state, county or local license(s) by the date your Amazing Lash Studio is otherwise ready (and/or required) to open for business and fail to cure such default within ten (10) days following notice from us;~~

~~13)~~ (8) — If you create or allow to exist any condition in connection with your operation of your Studio that we reasonably determine to present an immediate health or safety concerns for your Studio's clients or employees;

~~5)14)~~ you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within ten (10) days after we or any applicable government agency deliver notice to you of that violation or failure;

~~15)~~ (9) — If you or your Owners fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

16) you fail to pay when due any federal or state income, service, sales, employment or other taxes due on your Studio's operation, unless you are in good faith contesting your liability for these taxes;

17) you have insufficient funds in your designated account to cover your payments owed for Royalties, Brand Marketing Fund contributions and other amounts due on three (3) separate occasions within a twelve (12) month period;

18) you intentionally underreport your Studio's Gross Receipts by any amount or negligently underreport your Studio's Gross Receipts by five percent (5%) or more during any reporting period;

19) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any other System Standards or any other requirement imposed by this Agreement, or fail to carry out the terms of whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with the same obligation under this Agreement in good faith, and fail to cure such default, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

~~6)20)~~ 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 Studio is attached, seized, subjected to a writ or distress warrant, or levied on, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or your Studio is not vacated within thirty (30) days following notice from us; the order's entry;

~~21) D. — Our Right to Provide Interim~~ 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;

- 22) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;
- 23) there is a termination of any other franchise agreement, area development agreement, area director agreement, or master franchise agreement between you (or any of your owners) or your affiliates and us or any of our affiliates;
- 24) you fail to perform background checks for all employees you hire and update the background checks pursuant to Section 8.I. and as specified in the Operations Manual;
- 25) you fail to ensure that all your stylists are properly licensed (if required in your jurisdiction) pursuant to Section 8.I. and as specified in the Operations Manual;
- 26) you fail to report incidents at your Studio which could negatively impact the goodwill of the "Amazing Lash Studio" brand as specified in the Operations Manual; or
- 27) you fail to pay when due any third-party supplier, including landlords or lenders, and do not cure such failure within the applicable cure period.

C. Assumption of Management. ~~We may (but are not obligated to) assume management of your Amazing Lash Studio if~~

If: (1) you abandon or fail ~~to~~ actively to operate your ~~Amazing Lash Studio~~; (2) you fail to comply with any provision of this Agreement or any System Standards and do not cure within any Standard and do not cure the failure within the time period we specify in our notice to you; or (3) this Agreement is terminated and we are deciding whether to exercise our option to purchase your Studio under Section 15.E.;

~~applicable cure period, or we are determining whether to exercise our option to purchase your Amazing Lash Studio under Section XV.D or Section XIX.B. If we elect to assume management of your Amazing Lash Studio (i) our election will not relieve you of your obligations under this Agreement; (ii) we will not be liable for any debts, losses, costs or expenses incurred in the operation of your Amazing Lash Studio during any such management period; (iii) you must reimburse all of our out of pocket costs and expenses for such management service, and we will have the right to charge a reasonable fee; and (iv) you agree to, and hereby do, indemnify and hold us harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including attorneys' fees) incurred in connection with our management of your Amazing Lash Studio, other than those arising solely from our gross negligence or willful misconduct. If we assume your Amazing Lash Studio's management, you acknowledge that we will have a duty to utilize only reasonable efforts. We reserve the right to assign our rights and privileges under this Section XVIII.D.~~

**XIX. POST TERMINATION**

- ~~A. Your Obligations Upon Termination. Upon the termination or expiration of this~~
- (a) Agreement for any reason, all rights granted to you we have the right (but not the obligation): (i) to enter the Premises to make any modifications we deem necessary to protect the Operating Assets; (ii) to remove any equipment, signage, or other materials featuring the Marks; (iii) to cure any defaults under the Lease; and (iv) to assume all of your rights under the Lease; and/or
  - (b) we have the right (but not the obligation) to enter the Premises and assume your Studio's management for any period of time we deem appropriate.

We may assign our rights under this Section 14.C, to any person or entity without your consent.

All funds from your Studio's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. If we (or a third party) assume your Studio's management, you agree to pay us (in addition to the Royalty, Brand Marketing Fund contributions, and other amounts due to us or our affiliates) our then-current monthly management fee (currently, \$7,500 per month), plus our (or the third party's) direct out-of-pocket costs and expenses.

If we (or a third party) assume your Studio's management, you acknowledge that we (or the third party) will have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Studio incurs, or to any of your creditors for any supplies, products, or other assets or services your Studio purchases, while we (or the third party) manage it.

Our decision to assume management of your Studio (or to appoint a third party to assume management of your Studio) will not affect our right to terminate ;and you must:

~~(1) — Immediately cease to operate your Amazing Lash Studio under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as one of our present or former franchisees under Section 14.B.~~

~~(2) — Unless we elect to acquire your Amazing Lash Studio under the terms of Section XIX.B, immediately take all actions we specify to de-identify your Franchise Location from that of an Amazing Lash Studio, including removing all interior and exterior signage, removing or replacing all trade dress associated the Marks or System, and otherwise taking all actions we prescribe.~~

~~(3) — Immediately and permanently cease to use, in any manner whatsoever, the Marks and any Confidential Information associated with the System. Without limitation of the foregoing, you must cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.~~

~~(4) — Take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains the mark "Amazing Lash Studio" or any other Mark, and furnish us with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.~~

~~(5) — Not use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor shall you use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.~~

~~(6) — Promptly pay all sums owing to us and our Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Article XIX, which obligation shall give rise to and remain a lien in favor of us against any and all of your assets, until such obligations are paid in full.~~

~~(7) — Promptly deliver to us all Confidential Information, including the Manuals, all Personal Information, and other materials related to the operation of your Amazing Lash Studio in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.~~

15. ~~(8)~~ Comply with the restrictive covenants contained in Article XI of RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

A. Payment of Amounts Owed to Us.

You agree to pay us the Royalties, Brand Marketing Fund contributions, interest, and all other amounts owed to us (and our affiliates), which accrued prior to termination or expiration, within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine, calculated as of the date of payment. You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you (or your owners or affiliates) owe any third-parties or creditors and we do not assume any such liabilities.

B. Liquidated Damages.

~~If this Agreement and cause any other person required to by Article XI to also comply with such covenants.~~

~~(9) At our option, assign to us all rights to the telephone numbers of your Amazing Lash Studio and any related business listings and execute all forms and documents required by us to transfer such service and numbers to us. You agree to use different telephone numbers at or in connection with any subsequent business conducted by you.~~

~~(10) If we do not elect to exercise our option to acquire the lease or sublease for the Franchise Location (as described below), you agree to make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Franchise Location from that of an Amazing Lash Studio, at your expense.~~

~~(11) Immediately cease using or operating any Online Presence related to your Amazing Lash Studio or the Marks, including any email addresses associated with a domain name we own or the Marks; and take any action as may be required to disable such Online Presence, or transfer exclusive control and access of such Online Presence to us.~~

~~(12) Notify the members of your Amazing Lash Studio that you are no longer our franchisee and that your Amazing Lash Studio will cease to operate under the Marks and the System, in accordance with our System Standards, which may include notifying such members of how they may transfer their Membership to another Amazing Lash Studio, but which in no event will include assumption of any then existing liability arising out of or relating to any Membership Agreement or act or failure to act by you or arising from the operation of your Amazing Lash Studio. If any members of your Amazing Lash Studio are entitled by law or by their Membership Agreement to full or partial refund of any monies paid to you, you will refund such monies promptly and in full and will cooperate with us to preserve customer goodwill with such members.~~

~~(13) Give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with the obligations in this Article XIX.~~

~~(14) If you fail to take any of the actions in this Article XIX (or refrain from taking any of the actions) described in this Article XIX, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including without liability to you or third parties for trespass or any other claim, to enter the Franchise Location and remove any signs or other materials containing any Marks from your Amazing Lash Studio.~~

~~B. Our Post-Term Purchase Options. Upon the termination or expiration of this Agreement, we will have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, as applicable, to acquire any or all the assets of your Amazing Lash Studio~~

from you (subject to any rights of approval retained by the owner of the leasehold), including the Franchise Location if you own the Franchise Location, as follows:

~~(1) We will have the unrestricted right to assign this option and we or our assignee will be entitled to all customary warranties and representations in connection with the asset purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and a general release.~~

~~(2) If we elect to obtain your Franchise Location, you agree to assign your leasehold interest to us at no cost to us other than our assumption of the obligation to make post-assignment rental payments to the landlord under the lease; or if you own the Franchise Location, to lease the Franchise Location to us at a reasonable commercial rent and upon terms comparable to rental terms for similar leased property in the marketplace where your Amazing Lash Studio is located.~~

~~(3) The purchase price for the assets will be their fair market value, provided that no value will be attributed to the rights granted by this Agreement, any goodwill attributable to our Marks, brand image, and other intellectual property, or any participation in the System. For any tangible assets, fair market value shall be determined in a manner consistent with reasonable depreciation, and shall consider the age and condition of the improvements, equipment, fixtures, furnishings, decor, and signs of your Amazing Lash Studio. Fair market value will be determined by you and us, provided, that is terminated because of your default or if we and you cannot agree on fair market value, it will be determined by one (1) independent accredited appraiser who will conduct an appraisal and, in doing so, be bound by the criteria described in this Agreement. If we and you cannot agree on an independent appraiser, you will select one appraiser, we will select one appraiser, and these two appraisers will appoint the appraiser to determine the fair market value. You and we agree to select an appraiser within fifteen (15) days, and, if necessary, the two appraisers selected by you and us are obligated to appoint the actual appraiser within fifteen (15) days after the last of the two is selected. you You and we will share equally the appraisers' fees and expenses. The appraiser must complete its appraisal within thirty (30) days after its appointment.~~

~~(4) We may exclude from the assets we elect to purchase cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to your Amazing Lash Studio's operation or that we have not approved as meeting the System Standards for Amazing Lash Studios, and the purchase price will reflect such exclusions.~~

~~(5) The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after the determination of the purchase price. We will have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of your Amazing Lash Studio which may be assigned or transferred; and (iii) a leasehold interest in (or unencumbered title to) the Franchise Location and improvements. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. As a condition of our purchase of your Amazing Lash Studio, you and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our subsidiaries, shareholders, officers, directors, employees, agents, successors and assigns.~~

~~(6) We may assign our options under this Section XIX.B to any person or entity without your consent.~~

~~C. Lost Revenue Damages. If we terminate this Agreement because of your breach or if you terminate this Agreement without cause before its expiration, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of~~

the revenue stream we otherwise would have derived from your continued payment of ~~royalties, and that the Advertising Fund and Cooperatives would have otherwise derived from your continued contributions to those funds, through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the “Lost Revenue Damages”), is an amount equal to the net present value of the royalties and contributions to the Advertising Fund and Cooperative that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) two (2) years following the date of termination, or (b) the scheduled expiration of the term of this Agreement. For the purposes of calculating Lost Revenue Damages, royalties and contributions to the Advertising Fund and Cooperative will be calculated based on the average monthly Gross Sales of your Amazing Lash Studio during the twelve (12) full calendar months immediately preceding the termination date; provided, that if as of the termination date, your Amazing Lash Studio has not been operating for at least twelve (12) months, such amounts will be calculated based on the average monthly Gross Sales of all Amazing Lash Studios operating during the our fiscal year immediately preceding the termination date. You agree to pay us Lost Revenue Damages within fifteen (15) days after this Agreement is terminated. You and we agree that the payment of Lost Revenue Damages is exclusively intended to constitute damages for lost royalties and contributions to the Advertising Fund and Cooperative, Royalties, Brand Marketing Fund contributions, and Marketing Cooperative contributions, less any cost savings, through the remainder of the term of this Agreement (the “Liquidated Damages”). Liquidated Damages will be equal to the combined monthly average of Royalties, Brand Marketing Fund contributions, and any other fees under this Agreement (without regard to any fee waivers, or other reductions) payable during the thirty-six (36) months preceding the date of early termination, multiplied by the lesser of (i) thirty-six (36) or (ii) the number of full months remaining in the term. The present value of the total calculated at a discount rate of 8%, assuming payment at the end of each month, will be our Liquidated Damages. You and we agree that the calculation described in this Section 15.B. is a calculation only of the Liquidated Damages~~ and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of ~~the~~ this Agreement.

C. Marks.

Upon termination or expiration of this Agreement, you and your owners must immediately:

- 1) close the Studio for business to clients and cease to directly or indirectly sell any products and services of any kind and in any manner from the Studio and/or using the Marks, unless we direct you otherwise in connection with our exercise of our option to purchase pursuant to Section 15.E.;
- 2) cease to directly or indirectly use any Mark, any colorable imitation of a Mark, any other indicia of a Studio, or any trade name, trademark, service mark, or other commercial symbol that indicates or suggests a connection or association with us, in any manner or for any purpose;
- 3) cease to directly or indirectly identify yourself or your business as a current or former Studio or as one of our current or former franchise owners (except in connection with other Studios you operate in compliance with the terms of a valid franchise agreement with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;
- 4) if we do not exercise our right to purchase your Studio, promptly and at your own expense, remove all materials bearing the Marks and remove from both the interior and exterior of the Premises all materials and components of our trade dress as we determine to be necessary to avoid any association between the Premises and our System or that would, in any way, indicate that the Premises are or were associated with our brand or System;

- 5) cease using and, at our direction, either disable or instruct the registrar of any Contact Identifiers or Online Presence to transfer exclusive control and access of such Contact Identifiers and Online Presence to us or our designee in accordance with our instructions; and
- 6) comply with all other System Standards we establish from time to time (and all applicable laws) in connection with the closure and de-identification of the Studio.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Studio. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

#### D. Confidential and Personal Information.

You agree that when this Agreement expires or is terminated you will immediately cease using any of our Confidential Information in any business or otherwise and return to us all copies of the Operations Manual and any other Confidential Information that we have loaned you. You also agree to comply with all of our directions for returning or disposing of Personal Information, in any form, in your possession or the possession of any of your employees. We may require you to certify in writing that you have returned or securely disposed of all Personal Information.

#### E. Our Right to Purchase Your Studio.

We have the option to purchase your Studio and the Premises (if you or one of your affiliates owns the Premises) upon the occurrence of a Termination Event (as defined below). We may exercise this option by giving you written notice within thirty (30) days after the date of the Termination Event. We have the unrestricted right to assign this option to purchase. If we purchase your Studio and/or the Premises, we are entitled to all customary warranties and representations in our asset purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

If you lease the Premises from an unaffiliated lessor, or if we choose not to purchase the Premises from you (or one of your affiliates), you agree, at our election to (1) assign your Lease to us or our assignee, (2) enter into a sublease with us or our assignee for the remainder of the Lease term on the same terms (including renewal options) as the Lease, or (3) lease the Premises to us or our assignee for an initial term of five (5) years with, at our option, up to three (3) additional terms of five (5) years each, on commercially reasonable terms.

We (or our assignee) will pay the purchase price (calculated as described below) for your Studio and/or Premises at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to purchase your Studio and/or the Premises. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee):

- 1) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;



- 2) all of your Studio's licenses and permits which may be assigned or transferred; and
- 3) the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

A "Termination Event" occurs if, (i) you terminate this Agreement (other than in accordance with Section 14.A.), (ii) we terminate this Agreement for any reason, or (iii) the term of this Agreement (including any successor term) expires.

If we purchase your Studio upon a Termination Event, the purchase price for your Studio and the Premises will be their reasonable fair market value at the time of the Termination Event, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to our Marks, brand image, and other intellectual property, or any participation in the network of Studios. We may exclude from the assets purchased any Operating Assets and supplies that are not reasonably necessary (in function or quality) to your Studio's operation or that we have not approved as meeting System Standards, and the purchase price will reflect these exclusions.

If we and you cannot agree on a fair market value, the fair market value will be determined by one (1) independent accredited appraiser selected by us who will conduct an appraisal and, in doing so, be bound by the criteria for the purchase price described above. You and we will share equally the appraisers' fees and expenses. The appraiser must complete its appraisal within thirty (30) days after its appointment.

#### F. Covenant Not to Compete.

Upon termination, transfer, or expiration of this Agreement for any reason, you and your owners and guarantors agree that, for two (2) years beginning on the effective date of termination or expiration, neither you nor any of your owners (or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating at the Premises or within a three (3) mile radius of the Premises or any other Studio then in existence or under construction.

If any person restricted by this Section 15.F. fails to comply with these obligations as of the date of termination or expiration, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section 15.F., which may be the date a court order is entered enforcing this provision.

You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 15.F. will not deprive you of your personal goodwill or ability to earn a living.

#### G. Non-Solicitation and Non-Interference.

On termination or expiration of this Agreement for any reason, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15.G. begin to comply with this Section 15.G., whichever is later, neither you nor any of your owners or guarantors (or their immediate family members) will: (1) solicit, interfere, or attempt

to interfere with our or our affiliates' relationships with any clients, vendors, consultants, or other franchisees; or (2) engage in any other activity that might injure the goodwill of the Marks and/or the Franchise System.

#### H. Obligations Regarding Clients.

You acknowledge that, as between you and us, we have the sole right to, and interest in, the Client Information. Accordingly, upon expiration or termination of this Agreement for any reason, we or our designee may, but are not obligated to, contact clients of your Studio and offer such clients continued rights to use one or more Studios on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising out of or relating to any Membership Agreement or act or failure to act by you or arising from the operation of your Studio. If, upon expiration or termination of this Agreement, clients of your Studio are legally entitled to full or partial refund of any monies paid to you, you will refund such monies promptly and in full and will cooperate with us to preserve client goodwill with such clients.

#### I. 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 its expiration or termination and until they are satisfied in full or by their nature expire.

### 16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

#### A. Independent Contractors.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including clients, suppliers, public officials, and your Studio employees) as your Studio's owner, and indicate clearly that you operate your Studio separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time. You may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in our name or on our behalf or represent that your and our relationship is anything other than franchisor and franchise owner.

We have no right or duty to supervise, manage, control or direct your employees in the course of their employment for you. You are solely responsible for all terms and conditions of employment of your 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 Studio's operation or the business you conduct under this Agreement.

If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party (and not related to the availability of funds to such party), such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to

perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

C. Taxes.

**XX. MISCELLANEOUS**

A. We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied on you or your Studio, 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 (except for our income taxes).

D. Indemnification.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the “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 your Studio’s operation, the business you conduct under this Agreement, or your breach of this Agreement, including claims or damages alleged to have been caused by the Indemnified Party’s gross negligence or willful misconduct, 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 or arbitrator with competent jurisdiction.

For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party 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 for indemnity under this Section 16.D. 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 under this Section 16.D.

**17. ENFORCEMENT.**

A. Security Interest.

As security for the performance of your obligations under this Agreement, including payments owed to us or our affiliates, you shall grant us a security interest in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of your Studio, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof (including cash derived from the operation of your Studio), wherever located, used in connection with your Studio. You agree to execute such other documents as we may reasonably request in order to further document, perfect, and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our

other rights under this Agreement and at law. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and/or state that we deem appropriate to protect our interests. If a third-party lender requests that we subordinate our security interest in the assets of your Studio as a condition to issuing a loan to you, we will agree to do so in accordance with our then-current form of subordination agreement.

~~Notices.~~ Any and all notices required or permitted under this Agreement shall be in writing and shall be will be deemed delivered (i) at the time personally delivered, (ii) one (1) day after being sent by nationally recognized commercial courier service for next business day delivery, (iii) three (3) days after being sent by certified or registered mail, (iv) on the date sent via electronic transmission. Any notice sent by courier or mail must be sent to the respective parties at the addresses reflected below, unless and until a different address has been designated by written notice to the other party; provided, however, that delivery to the address of your Amazing Lash Studio will always be deemed sufficient:

Notices to us: \_\_\_\_\_ Amazing Lash Franchise, LLC  
9780 Meridian Blvd., Suite 400  
Englewood, Colorado 80112  
Attention: Legal Department

Notices to you and  
your Owners:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

B. ~~No Waiver.~~ No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. ~~Approval or Consent.~~ Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to you, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

B. ~~D.~~ Severability and Substitution of Valid Provisions.

Except as expressly provided to the contrary in this Agreement, each ~~portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or paragraph, term, and provision is determined~~ of this Agreement is severable, and if any part of this Agreement is held to be invalid ~~and~~ contrary to, or in conflict with, any ~~existing~~ applicable present or future law or regulation ~~by a court or for any reason (in a final, unappealable ruling issued by any court, agency having valid, or tribunal with competent jurisdiction, this shall), that ruling will~~ not impair the operation of, or ~~have otherwise affect, any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall, which will~~ continue to be given ~~have~~ full force and effect and bind the parties; ~~the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.~~

~~E. —~~ If any covenant which restricts competitive activity 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 judge or arbitrator has the power and authority to modify the covenant such that it 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.

If any applicable and binding law or rule of any jurisdiction requires more notice of this Agreement's termination or of our refusal to enter into a successor franchise agreement, than this Agreement requires, or some other action that this Agreement does not require, or 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. Waiver of Obligations.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on 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 on delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) 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 on the other's compliance with this Agreement, including 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 Studios; the existence of franchise agreements for other Studios which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach 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. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Brand Marketing Fund contributions due afterward.

#### D. Costs and Attorneys' Fees.

The prevailing party in any arbitration or litigation shall be entitled to recover from the other party all costs and expenses, including arbitration and court costs, witness fees, and reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration or litigation. In addition, if you withhold amounts owed to us and we pursue collection of such amounts, you must pay to us all of our costs and expenses.

including arbitration and court costs, attorneys' fees, the value of our employees' time, witness fees and travel expenses in connection with our collection efforts.

E. Rights of Parties Are Cumulative.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

D.F. Arbitration.

~~(1) — We~~ Except for injunctive relief and actions for amounts that you owe us, we and you agree that all controversies, disputes, or claims between us or any of our Affiliates affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your Owners, Affiliates owners, guarantors, affiliates, and employees, ) on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your Owners or Affiliates owners) and us (or any of our Affiliates affiliates); (2) our relationship with you; (3) ~~the scope or validity of this Agreement or any other agreement between you (or any of your Owners or Affiliates) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and~~ scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section ~~XX.E~~, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted ~~for~~ to binding arbitration, on demand of either party, to the American Arbitration Association (~~the~~ "AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our then-current principal place of business (currently, Englewood, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the ~~arbitrator's~~ arbitrator's awards may be entered in any court of competent jurisdiction.

~~(2) — The arbitrator must have a minimum of five (5) years' experience in franchising or distribution law. The arbitrator has the right to award or include in his or her award awards any relief which he or she deems proper, including, without limitation, money damages (with, pre- and post-award interest on unpaid amounts from the date due), interim costs and attorneys' fees, specific performance, and injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section XX.E, or XX.J below, award any punitive, or exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, or exemplary, or multiple damages against any party to the arbitration proceedings) proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.~~

~~(3) — We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier.~~ We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

(4) ~~WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.~~ We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

(5) ~~We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to."~~ You and we further agree that no interrogatories or requests to admit shall be ~~propounded~~ allowed, unless the parties ~~later~~ mutually agree to their use.

(6) ~~With respect to any discovery of electronically stored information, you and we agree that such requests must balance the need for production of electronically stored information relevant and material to the outcome of a disputed issue against the cost of locating and producing such information. You and we agree that:~~

- 1) ~~(a)~~ production of electronically stored information need only be from sources used in the ordinary course of business. No party shall be required to search for or produce information from back-up servers, tapes, or other media;
- 2) ~~(b)~~ the production of electronically stored information shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the information and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;
- 3) ~~(c)~~ the description of custodians from whom electronically stored information may be collected shall be narrowly tailored to include only those individuals whose

electronically stored information may reasonably be expected to contain evidence that is relevant and material to the outcome of a disputed issue;

(1) ~~the description of custodians from whom electronically stored information may be collected shall be narrowly tailored to include only those individuals whose electronically stored information may reasonably be expected to contain evidence that is relevant and material to the outcome of a disputed issue;~~

~~3)4) (d)~~ the parties shall attempt to agree in advance upon, and the arbitrator may determine, reasonable search parameters; and

~~4)5) (e)~~ where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, which cost advance will not be awarded to the prevailing party in any final award.

~~(7)~~ In any arbitration each side may take no more than ~~3~~three depositions, unless the parties mutually agree to additional depositions. Each side's depositions are to consume no more than a total of ~~fifteen~~ (15) hours, and each deposition shall be limited to ~~five~~ (5) hours, unless the parties mutually agree to additional time.

~~(8)~~ The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

#### G. ~~F.~~ Governing Law.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.) ~~GOVERNING LAW.~~ EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER ~~UNITED STATES~~ FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE ~~OF IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, COLORADO)~~ WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ~~(4)~~ ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

#### H. Consent to Jurisdiction.

SUBJECT TO SECTION 17.F. ABOVE AND ~~(2) THE ENFORCEABILITY OF THOSE PROVISIONS OF THIS AGREEMENT WHICH RELATE TO RESTRICTIONS ON YOU BELOW, WE~~ AND ~~YOUR OWNERS' COMPETITIVE ACTIVITIES WILL BE~~



~~GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR AMAZING LASH STUDIO IS LOCATED.~~

~~G. CONSENT TO JURISDICTION, SUBJECT TO THE OBLIGATION TO ARBITRATE UNDER SECTION XX.E ABOVE,~~ YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT NEAREST CLOSEST TO OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, ENGLEWOOD, COLORADO), AND WE AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT CONSENT TO THE EXCLUSIVE JURISDICTION OF ~~THAT COURT~~ THOSE COURTS AND WAIVE ANY OBJECTION ~~YOU (OR THE OWNER) MIGHT HAVE~~ TO EITHER THE JURISDICTION OF OR VENUE IN ~~THAT COURT~~ THOSE COURTS. NONETHELESS, WE AND YOU (AND YOUR OWNERS) AGREE THAT ANY OF US MAY ENFORCE ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR YOUR STUDIO IS LOCATED.

~~I. H. PARTIES' ACKNOWLEDGMENTS, YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE~~ Waiver of Punitive Damages and Jury Trial.

~~STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.~~

~~I. WAIVER OF PUNITIVE DAMAGES~~—EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION ~~XVI~~ 16.D., WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

~~J. LIMITATIONS OF CLAIMS~~—WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

J. Injunctive Relief.

Nothing in this Agreement, including the provisions of Section 17.F., bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to

such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

**K. Binding Effect.**

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly authorized officers.

**L. Limitations of Claims and Class Action Bar.**

EXCEPT FOR CLAIMS ~~WE BRING WITH REGARD TO~~ ARISING FROM YOUR OBLIGATIONS TO PAY US ANY MONETARY NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS OWED, INCLUDING PURSUANT TO YOUR OBLIGATION INDEMNIFY, REIMBURSEMENTS, AND OTHER PAYMENTS YOU OWE US PURSUANT TO ARTICLE XVI, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ~~THE OUR~~ RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WITH YOU WILL BE BARRED UNLESS ~~AN ACTION~~ A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE ~~ACT OR EVENT GIVING RISE TO~~ PARTY ASSERTING THE CLAIM OCCURRED, OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO ~~SUCH THE~~ CLAIMS, ~~WHICHEVER OCCURS FIRST.~~

~~K. JURY WAIVER. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.~~

~~L. NO CONSOLIDATION OR CLASS ACTIONS.~~ WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

M. ~~M.~~ Construction.

The preambles and exhibits are a part of this Agreement which constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Studio. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “control” means the power to direct or cause the direction of management and policies. The use of the term “including” in this Agreement, means in each case “including, without limitation”.

If two or more persons are at any time the owners of your Studio, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Studio or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Studio and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “controlling ownership interest” in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

~~**Injunctive Relief.** Nothing in this Agreement, including the provisions of Section XX.E, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).~~

~~**N. — Costs and Attorneys' Fees.** If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including filing costs and any accounting, attorneys', mediators', arbitrators' and related fees. The prevailing party in any arbitration or litigation shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration or litigation.~~

~~**O. — Modification of Agreement.** Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing.~~

~~**P. — Construction.** The term "**person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. The use of the term "**including**" in this Agreement, means in each case "including, without limitation". As used in this Agreement, the term "**you**" shall include all persons who succeed to the interest of the original franchisee by transfer or operation of law. If two or more persons are at any time the Franchisee under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.~~

~~**Q. — Headings.** The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.~~

~~**R. — Survival.** Any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, or which by their nature, survive termination of this Agreement, shall be deemed to survive such termination, expiration or transfer, including the restrictive covenants set forth and described in Article XI, the indemnification obligations set forth in Article XVI, the post termination obligations set forth Article XIX, and the dispute resolution and other provision set forth in Article XX.~~

~~**S. — Gender.** All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.~~

~~T. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article XVIII of this Agreement shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.~~

~~U. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, as authorized by Article XV), any rights or remedies under or as a result of this Agreement.~~

~~V. Further Assurances. You and we agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.~~

~~W. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.~~

~~X. Entire Agreement. This Agreement, and the exhibits hereto, which are incorporated herein by reference, constitute the entire, full and complete Agreement between the parties hereto concerning the subject matter hereof, and they supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document that we furnished to you. You acknowledge and agree that no other representations by us or any third party have induced you to execute this Agreement.~~

~~Y. Execution. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.~~

~~The term "your Studio" includes all of the assets of the Studio you operate under this Agreement, including its revenue and the Lease.~~

## 18. 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.

## 19. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered:

- 1) at the time delivered by hand;
- 2) at the time delivered electronically or by e-mail and, in the case of the Royalty, Brand Marketing Fund contributions, and other amounts due, at the time we actually receive payment via the Automatic Bank Draft Authorization;
- 3) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next-business-day delivery; or
- 4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Premises.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

## 20. BUSINESS JUDGMENT.

We retain the right to operate, develop and change the Franchise System and the products and services offered by Studios in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests, the best interests of our affiliates and/or the best interests of Studios as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

## 21. EXECUTION

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

*{SIGNATURE PAGE TO FOLLOW}*

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, ~~each of the parties hereto has caused~~ have executed and delivered  
this Agreement to be ~~executed by its duly authorized representative~~ effective as of the ~~date indicated~~  
~~below.~~

**FRANCHISO  
R:**

~~AMAZING LASH FRANCHISE,  
LLC, a Delaware limited liability  
company~~

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

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

Effective ~~Title:~~ Date: \_\_\_\_.

**FRANCHISE  
E:**

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

AMAZING LASH FRANCHISE, LLC,  
a Delaware limited liability company

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DATED\*:** \_\_\_\_\_  
(\*This is the Effective Date of this Agreement)



**FRANCHISE OWNER**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature

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

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

\_\_\_\_\_  
**DATED:**

**FRANCHISE OWNER**

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
**DATED:**

## **EXHIBIT A**

### **TO THE FRANCHISE AGREEMENT-OWNERS' GUARANTY AND ASSUMPTION AGREEMENT**

This Guaranty and Assumption Agreement (the "**Guaranty**") is given by each of the undersigned persons, jointly and severally (individually, a "**Guarantor**" and collectively, the "**Guarantors**") in connection with the Franchise Agreement between Amazing Lash Franchise, LLC ("**Franchisor**") and ("**Franchisee**") to which this Guaranty is affixed. This Guaranty will be effective and binding on the all Guarantors as of the same date as the Franchise Agreement.

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each Guarantor hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including, without limitation, amounts due for initial franchise fees, royalties, advertising fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

- (i) ~~acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and~~
- (ii) ~~notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and~~
- (iii) ~~protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and~~
- (iv) ~~any right he or she may have to require that an action be brought against Franchisee, any Guarantor or any other person as a condition of liability; and~~
- (v) ~~all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee or any other Guarantor arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and~~
- (vi) ~~any and all other notices and legal or equitable defenses to which he or she may be entitled.~~

Each Guarantor consents and agrees that:

- (i) ~~his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and~~
- (ii) ~~he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and~~
- (iii) ~~such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee, any other Guarantor, or any other person; and~~
- (iv) ~~such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other~~

~~person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and~~

- ~~(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court, arbitrator or other tribunal of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.~~

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Article VI (Your Representations, Warranties, and Covenants), Article XI (Restrictive Covenants), Article XV (Transfer), Article XVI (Indemnification), Article XIX (Post Termination) and Article XX (Miscellaneous). Each Guarantor is personally bound and personally liable for any and all such provision of the Franchise Agreement.

If Franchisor is required to incur any costs or expenses in connection with any failure by the undersigned to comply with this Guaranty, including, without limitation, legal fees, and the cost of any administrative, judicial or arbitration proceeding, the Guarantors will reimburse Franchisor for any such costs and expenses promptly upon demand.

The provisions contained in Article XX of the Agreement, including Section XX.E (Arbitration), Section XX.G (Consent to Jurisdiction), and Section XX.N (Costs and Attorneys' Fees) of the Franchise Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and Franchisor.

By signing below, the undersigned spouse of each Guarantor acknowledges and consents to the terms of this Guaranty and the guarantee given herein by his/her spouse. ~~Such consent also serves to bind the assets of the marital estate to each such Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.~~

~~Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.~~

*[SIGNATURE PAGE TO FOLLOW]*

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

**GUARANTOR(S):**

Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____

~~The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.~~

**You and Your Owners**

**1. Form of Owner.**

You operate as a sole proprietorship: Yes No

You operate as a \_\_\_\_\_ corporation, \_\_\_\_\_ limited liability company, or \_\_\_\_\_ partnership (CHECK ONE). You were formed on \_\_\_\_\_ under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and (INSERT ANY ASSUMED NAME OR DBA THAT YOU HAVE USED): \_\_\_\_\_

**2. Management.** The following is a list of your managers, directors, and officers, as applicable, as of the date of this Agreement.

Name	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

Owner's Name	Percentage/Description of Interest

4. **Name and Address of Operating Partner.**

(a) Name:

(b) Postal Address:

(c) E-mail Address:

(d) Telephone Number:

5. **Name and Address of Designated Manager (if applicable).**

(a) Name:

(b)

Name of Guarantor	Name of Guarantor
Name of Guarantor's Spouse	Name of Guarantor's Spouse
Signature of Guarantor's Spouse	Signature of Guarantor's Spouse

<del>Name of Guarantor</del>	<del>Name of Guarantor</del>
<del>Name of Guarantor's Spouse</del>	<del>Name of Guarantor's Spouse</del>
<del>Signature of Guarantor's Spouse</del>	<del>Signature of Guarantor's Spouse</del>

Postal Address:

(c) E-mail Address:

(d) Telephone Number:

**EXHIBIT B**  
**TO THE FRANCHISE AGREEMENT**

**SELECTED TERMS:**

~~DESIGNATED SEARCH AREA, FRANCHISE LOCATION~~ TERRITORY / PREMISES,  
PROTECTED AREA, AND OPENING DATE & INITIAL FRANCHISE FEE

~~1. ———~~ DESIGNATED SEARCH AREA:

1. The ~~Designated Search Area in which~~ Territory consists of:

---

---

---

The Premises of your ~~Amazing Lash~~ Studio ~~may be located is:~~

---

~~2. ———~~ FRANCHISE LOCATION:

~~1. 2.~~ Your Amazing Lash Studio shall will be located at the following [insert address: \_\_\_\_\_]:

---

---

---

~~3. ———~~ PROTECTED AREA: ~~{Insert description and attach map}~~

~~2. 3.~~ The Protected Area shall be *[select one]*:

~~(a)~~ ☐ The circular geographic area having a radius of one and one-half (1.5) miles and its center point located at the front door of the ~~Franchise Location~~ Premises (as described above in this Exhibit B);  
or

~~(b)~~ ☐ The geographic area described below:

---

---

---





~~Amazing Lash~~

~~3.~~4. The Initial Franchise ~~LLC (Studio)~~ Fee shall be *[select one]*:

~~June~~ ☐ \$39,900; or

☐ (Section 4(a) shall apply by default if this line is blank)

~~2019 FDD | Ex. A – Franchise Agreement~~

Exhibit B

**EXHIBIT C**

**TO THE FRANCHISE AGREEMENT-OWNERSHIP AND MANAGEMENT INFORMATION**

1. ~~The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in you, and a description of the nature of their interest:~~

<b>NAME</b>	<b>OWNERSHIP INTEREST IN YOU</b>	<b>NATURE OF INTEREST</b>

2. Your Principal Owner is: \_\_\_\_\_

3. Your General Manager (if applicable) is: \_\_\_\_\_

4. Your Assistant Managers are:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Exhibit C

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. A – Franchise Agreement](#)

**EXHIBIT D TO THE FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS  
TRANSFER  
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE  
TO**

**PAYEE:** AMAZING LASH FRANCHISE, LLC

**DEPOSITORY:** \_\_\_\_\_ (BANK NAME)

**ACCOUNT NAME:** \_\_\_\_\_ **ACCOUNT #:** \_\_\_\_\_ **ABA#:** \_\_\_\_\_ **FEIN:** \_\_\_\_\_

(Please attach one voided check for the above account.)

The undersigned Depositor hereby authorizes and requests the Depository designated above to honor and to charge to the following designated account, checks, and electronic debits (collectively, "**debits**") drawn on such account which are payable to the above-named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. This authorization shall continue in force until Depositor and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization.

THIS AUTHORIZATION IS NON-NEGOTIABLE AND NON-TRANSFERABLE.

**DEPOSITO  
R:**

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. A – Franchise Agreement](#)

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

Exhibit D Page  
4

**EXHIBIT E TO THE FRANCHISE AGREEMENT REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

The purpose of this Statement is to demonstrate to Amazing Lash Franchise, LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of an Amazing Lash Studio® franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement, at least 14 calendar days (10 business days in Michigan <u>and New York</u> ) before I executed the Franchise Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD <u>or as indicated below (write “None” if none provided):</u> _____.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

<p><del>I have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of my success) except as contained in the FDD or as indicated below (write "None" if none provided):</del></p> <p>_____</p>	<p><del>INITIAL:</del></p>
--	----------------------------

<p><u>I have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of my success) except as contained in the FDD or as indicated below (write "None" if none provided):</u></p> <p>_____</p>	<p><u>INITIAL:</u></p>
--	------------------------

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**  
**(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)**

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

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

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_



Signature

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

Dated: \_\_\_\_\_

**Prohibited Parties Clause.** I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. ~~the U.S. Treasury Department's List of Specially Designated Nationals;~~
2. ~~the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;~~
3. ~~the U.S. State Department's Debarred List or Nonproliferation Sanctions; or~~
4. ~~the Annex to U.S. Executive Order 13224.~~

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

*[Signature Page Follows]*

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you are an individual  
or a partnership but the partnership is not a  
separate legal entity)

\_\_\_\_\_  
**Signature**

Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Print Name:** \_\_\_\_\_  
Dated: \_\_\_\_\_

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Print Name of Legal Entity**

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

\_\_\_\_\_  
**Signature**

**Print Name:** \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

**Print Name:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

**Print Name:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

NOTE TO MARYLAND RESIDENTS OR FRANCHISEES WITH A STUDIO LOCATED IN MARYLAND: This Representations and Acknowledgment Statement is not intended to and shall not waive any liability Franchisor may have under the Maryland Franchise Registration and Disclosure Law.

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. A – Franchise Agreement](#)

[C-1](#)

~~-1-~~

~~Amazing Lash Franchise, LLC (Studio)~~  
~~June 2019 Amended FDD | Ex. A – Franchise Agreement~~

**EXHIBIT F-D**

**TO THE FRANCHISE AGREEMENT**

**CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION  
AGREEMENT**

This Confidentiality, Non-Competition and Non-Solicitation Agreement (the “Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among \_\_\_\_\_ (“Employer”) and \_\_\_\_\_ (“Employee”).

**1. RECITALS.**

A. Employer is a party to a franchise agreement (the “Franchise Agreement”) with Amazing Lash Franchise, LLC (“Franchisor”), under which Franchisor granted Employer certain rights with regard to an Amazing Lash Studio® location found at the following address: \_\_\_\_\_ (the “Studio”);

B. Employer has hired Employee to perform services at Employer’s Studio;

C. Before allowing Employee to have access to the Confidential Information and as a material term of the Franchise Agreement necessary to protect Franchisor’s confidential know-how and distinctive systems, designs, décor, trade dress, specifications, standards, techniques and procedures authorized or required by Franchisor from time to time for use in the operation of Employer’s Studio (the “Franchise System”), Employer requires that Employee enter into this Agreement; and

D. As a condition of employment or continued employment by Employer, Employee has agreed to enter into this Agreement.

**2. DEFINITIONS.**

Certain terms that are capitalized in this Agreement are defined in this section or at the places they first appear.

(a) The term “Client” as used in this Agreement means any individual who is or was a client of the Studio or the Franchise System at any time during the term of Employee’s employment with the Employer.

(b) The term “Confidential Information” as used in this Agreement means (1) training and operations materials, including the operations manual; (2) the methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and

experience used in developing and operating Studios; (3) market research, promotional, marketing and advertising strategies and programs for Studios; (4) strategic plans, including expansion strategies and targeted demographics; (5) knowledge of, specifications for and suppliers of, and methods of ordering, Studio assets and other products and supplies; (6) any computer software or similar technology which is proprietary to Franchisor or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (7) knowledge of the operating results and financial performance of the Studio and other Studios; (8) information generated by, or used or developed in, the Studio's operation, including information relating to clients such as client names, addresses, telephone numbers, email addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Studio's computer system ("Client Information"); and (9) any other information designated as confidential or proprietary by Franchisor or Employer.

(c) The term "Services" as used in this Agreement means luxury semi-permanent and temporary eyelash services, eyebrow services, facial hair removal, facial and beauty treatments, and related products and services that the Studio and the Franchise System may offer in the future.

### **3. PROTECTION OF CONFIDENTIAL INFORMATION.**

Employee agrees to use the Confidential Information only to the extent reasonably necessary to perform his or her duties on behalf of Employer taking into consideration the confidential nature of the Confidential Information. Employee may disclose the Confidential Information only as an agent for Employer. Employee acknowledges and agrees that neither Employee nor any other person or entity will acquire any interest in or right to use the Confidential Information under this Agreement or otherwise other than the right to utilize it as authorized in this Agreement and that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any other business would be detrimental to Franchisor and Employer and would constitute a breach of Employee's obligations of confidentiality and an unfair method of competition with Franchisor and/or other Studios owned by Employer or franchised by Franchisor.

Employee acknowledges and agrees that the Confidential Information is confidential to, and a valuable asset of, Franchisor. The Confidential Information will be disclosed to Employee solely on the condition that Employee agrees to the terms and conditions of this Agreement. Employee therefore agrees that during the term of the Franchise Agreement and thereafter, he or she: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed or in written form; and (d) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Employer to prevent the unauthorized use or disclosure of or access to the Confidential Information.

Notwithstanding anything to the contrary contained in this Agreement, the restrictions on Employee do not apply to (a) disclosure or use of information, methods, or techniques which are generally known and used in the industry (as long as the availability is not because of an unauthorized disclosure by Employee or Employee's agents), provided that Employee has first given Franchisor written notice of his or her intended disclosure and/or use; and (b) disclosure of the Confidential Information in legal proceedings when Employee is legally required to disclose it, provided that Employee has first given Franchisor the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to Franchisor that the information required to be disclosed will be treated confidentially.

Notwithstanding any provisions in this Agreement or Employer policy applicable to the unauthorized use or disclosure of trade secrets, you are hereby notified that, pursuant to the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b):

An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

#### 4. NON-COMPETITION.

For a period of twelve (12) months following the termination of Employee's employment, Employee will not own, operate, or be employed by a competing business within three (3) miles of the front door of any Amazing Lash Studio location, including the Studio at which Employee was employed. Nothing in this Agreement modifies the rights of Employee or Employer to terminate the at-will employment relationship at any time with or without cause; provided, however, that Employee will take requested steps to help Employer retain its business and maintain the secrecy of its Confidential Information and trade secrets after Employee's departure from Employer.

#### 5. NON-SOLICITATION.

Employee agrees that during the term of Employee's employment with Employer and for a period of 1 year following the first to occur of: (a) termination or expiration without renewal of the Franchise Agreement; or (b) the date as of which Employee is no longer an employee of, or

otherwise providing Services for, Employer (each of these events is referred to as a “Termination Event”), Employee shall not, directly or indirectly, on Employee’s own behalf or on behalf of any other person, whether as owner, employee, agent, consultant or in any other capacity, solicit, induce or attempt to solicit or induce any Client to terminate or modify its use of the Services at Employer’s Studio.

#### **6. SURRENDER OF DOCUMENTS.**

Employee agrees that as of the effective date of a Termination Event, Employee shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Employee and return to Employer or to Franchisor (if directed by Franchisor) all copies of the Confidential Information loaned or made available to Employee.

#### **7. INJUNCTIVE RELIEF AND DAMAGES.**

Both parties recognize that the services to be rendered by Employee for Employer are special, unique and of an extraordinary character. Upon breach of this Agreement, Franchisor or Employer shall be entitled, if it/they so elects, to seek injunctive relief in any court of competent jurisdiction to enforce the covenants set forth herein. In addition to injunctive relief, Franchisor or Employer shall be entitled to seek such other and further relief, including the recovery of damages as may be permitted by law or in equity. Employee expressly acknowledges that he/she possesses other skills, experience, education and abilities of a general nature and has other opportunities for exploiting such other skills, experience, education and abilities to derive income from other endeavors. Consequently, enforcement of the covenants made in this Agreement is fair and reasonable, and will not deprive Employee of his/her personal goodwill or ability to earn a living, or otherwise impose any undue hardship on him/her. Employee further acknowledges and agrees that any violation of the covenants contained in this Agreement will result in irreparable harm to Employer, Franchisor, and its affiliates. If any covenant is held by any arbitrator or court of competent jurisdiction to be broader in time, scope, or subject matter than legally permitted, then the parties authorize the arbitrator or court to impose that covenant to the maximum lawful extent. Employer is permitted at any time to reduce the time, scope, or subject matter of any covenant to render it enforceable under applicable law.

#### **8. COSTS AND ATTORNEYS’ FEES.**

In the event that Franchisor or Employer is required to enforce this Agreement in an action against Employee, Employee shall reimburse Franchisor and/or Employer if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorneys’ fees, whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal.

## **9. WAIVER.**

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

## **10. SEVERABILITY.**

Each section, paragraph, term and provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision 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 in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto. Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Employee is a party thereto or upon Employee's receipt of a notice from Franchisor that it will not enforce the section, paragraph, term or provision in question.

## **11. RIGHTS OF PARTIES ARE CUMULATIVE.**

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce.

## **12. BENEFIT.**

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Franchisor shall be deemed a third-party beneficiary of this Agreement and shall have the right to enforce this Agreement directly.

## **13. GOVERNING LAW.**

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of Colorado without regard to its conflict of laws principles.

*[Signature page follows]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written.

**EMPLOYER:**

If a Legal Entity:

[Name of Employer]

Signature:

Name:

Title:

If an Individual:

[Name]

**EMPLOYEE:**

[Name]

**EXHIBIT E**

**TO THE FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given on \_\_\_\_\_  
\_\_\_\_\_, by \_\_\_\_\_ (the "Guarantor").

In consideration of, and as an inducement to the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by Amazing Lash Franchise, LLC (the "Franchisor"), and \_\_\_\_\_ ("Franchisee"), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each Guarantor hereby consents and agrees that:

(a) his or her liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners of Franchisee;

(b) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement;

(c) Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

(d) this undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(e)          Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

          (f)          Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor; and

          (g)          Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement.

Guarantor agrees to be personally bound by the arbitration obligations under Section 17.F. of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in Section 17.F. of the Agreement in accordance with its terms.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

*[Signature page follows]*

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

**GUARANTOR(S):**

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

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

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

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

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

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

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

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

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

Name of Guarantor \_\_\_\_\_

Name of Guarantor's Spouse \_\_\_\_\_

Signature of Guarantor's Spouse \_\_\_\_\_

Name of Guarantor \_\_\_\_\_

Name of Guarantor's Spouse \_\_\_\_\_

Signature of Guarantor's Spouse \_\_\_\_\_

Name of Guarantor \_\_\_\_\_

Name of Guarantor's Spouse \_\_\_\_\_

Signature of Guarantor's Spouse \_\_\_\_\_

Name of Guarantor \_\_\_\_\_

Name of Guarantor's Spouse \_\_\_\_\_

Signature of Guarantor's Spouse \_\_\_\_\_

EXHIBIT F  
TO THE FRANCHISE AGREEMENT  
LEASE RIDER

Ex. F

**RIDER AND SPECIAL STIPULATIONS**

TO LEASE AGREEMENT DATED \_\_\_\_\_  
BY AND BETWEEN

\_\_\_\_\_  
~~AND~~ \_\_\_\_\_, AS "LANDLORD"

AND

AS "TENANT" FOR THE DEMISED PREMISES  
("PREMISES") DESCRIBED THEREIN

This Rider and Special Provisions (the "**Rider**") and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the "**Lease**"), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

~~1.~~ Consent to Collateral Assignment to Franchisor; Disclaimer. Landlord acknowledges that Tenant intends to operate an AMAZING LASH STUDIO® location in the Premises, and that Tenant's rights to operate an AMAZING LASH STUDIO® location and to use the AMAZING LASH STUDIO® franchise system's trade and service marks are solely pursuant to a franchise agreement dated                     , 20       (the

1. "**Franchise Agreement**") between Tenant and Amazing Lash Franchise, LLC (the "**Franchisor**"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of this Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, and/or (ii) Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement, Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights and other rights stated to be personal to Tenant shall not be terminated in the event of any assignment referenced herein, but shall inure to the benefit of the applicable assignee.

2. ~~2.~~ Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have five (5) 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 five (5) days after Franchisor's receipt of such notice. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Amazing Lash Franchise, LLC

- 2 -

9780 South Meridian Blvd, Suite 400  
Englewood, CO 80112  
Attention: Legal Department

With a copy to:

Arnall Golden Gregory, LLP  
Attention: Jonathan L. Neville, Esq.  
171 17<sup>th</sup> Street, Suite 2100  
Atlanta, GA 30363

3. ~~3.—Assignment Rights of Franchisor and Affiliates.~~ Notwithstanding anything to the contrary contained in the Lease or this Rider, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the “Tenant” entity under the Lease, whether pursuant to the terms of Section 1 of this Rider or otherwise consistent with the terms of the Lease, then as of and following such date of Franchisor’s (or any entity owned or controlled by, or under common control or ownership with, Franchisor’s) becoming “Tenant”: (i) the transfer of equity interests among existing holders of equity interests in Tenant or any direct or indirect parent thereof, to or among family members, or to trusts for the benefit of any of such parties, (ii) the transfer of equity interests in Tenant or any direct or indirect parent thereof in connection with a public offering of equity interests, (iii) any transfer of equity interests in Tenant or any direct or indirect parent thereof, if Tenant or any direct or indirect parent of Tenant is a public company, (iv) any direct or indirect transfers, including any sale, of equity interests in Tenant or any affiliate thereof, or (v) any change in the members of the board of managers, directors, management or organization of Tenant or any affiliate thereof, shall not be deemed an assignment, subletting, change of control or other transfer of Tenant’s interest in and to this Lease.
4. ~~4.—Radius and Relocation Clauses Ineffective.~~ Notwithstanding anything as set forth in the Lease to the contrary or in conflict, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the “Tenant” entity under the Lease, whether pursuant to the terms of Section 1 of this Rider or otherwise consistent with the terms of the Lease, then as of and following such date of Franchisor’s (or any entity owned or controlled by, or under common control or ownership with, Franchisor’s) becoming “Tenant”: (i) all “radius” restrictions or other limitations contained within the Lease limiting the operation of other locations/stores/units within a certain geographic area shall be of no further force or effect; and (ii) all rights of Landlord to directly or indirectly relocate the Premises shall be of no further force or effect.
5. ~~5.—Franchisor’s Right to Enter.~~ Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of the Tenant’s business, on Tenant’s behalf, under certain circumstances (to-wit: Tenant’s abandonment, Tenant’s failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the AMAZING LASH STUDIO® ~~at~~ location); Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of the AMAZING LASH STUDIO® location or taking other corrective actions 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 unless Franchisor exercises such rights to assume the Lease as set forth in Section 1 of this Rider. Further, upon the expiration or earlier termination of this Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing the AMAZING LASH STUDIO® ~~Trademarks~~ trademarks or other commercial symbols of Franchisor.



6. ~~6.—Third Party Beneficiary.~~ For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third party beneficiary of the Lease, including, without limitation, this Rider, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.
7. ~~7.—Amendments.~~ Tenant agrees that the Lease may not be terminated, 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.
8. ~~8.—Default Under Franchise Agreement.~~ Any default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.
9. ~~9.—Remaining Provisions Unaffected.~~ Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect.
10. ~~10.—Counterparts.~~ This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

\*\*\*

~~Lease.~~

\*\*\*\*

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the  
Lease.

**LANDLORD:**

**TENANT:**

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

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

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

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

**EXHIBIT G**

**TO THE FRANCHISE AGREEMENT**

**AUTOMATIC BANK DRAFT AUTHORIZATION**

Franchisee: \_\_\_\_\_

Owner Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_  
(if different from owner)

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

I hereby authorize Amazing Lash Franchise, LLC and its successors and assigns ("Franchisor") to initiate entries to my checking or savings account identified below for Royalty (as defined in my Franchise Agreement with Franchisor), technology, website, default, late and other fees and amounts that may be incurred by me under the Franchise Agreement or otherwise and, if necessary, to initiate any adjustments for transactions credited in error.

Name and Address on Account: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Pay to the order of: Amazing Lash Franchise, LLC

Your Financial Institution: \_\_\_\_\_  
(Name, Address & Phone #)  
\_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

**PLEASE ATTACH A VOIDED CHECK**

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

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

Studio Number: \_\_\_\_\_ Studio Name: \_\_\_\_\_

**EXHIBIT H**

**TO THE FRANCHISE AGREEMENT**

**ASSIGNMENT OF ~~TELEPHONE~~ CONTACT IDENTIFIERS AND ONLINE PRESENCES**

The undersigned (“**Franchisee**”) hereby acknowledges and agrees that AMAZING LASH FRANCHISE, LLC (“**Franchisor**”) has granted a franchise to Franchisee to operate a franchised business

located at \_\_\_\_\_ (the “Franchised ~~Studio~~”; ~~Business~~”), pursuant to a Franchise Agreement dated \_\_\_\_\_

(the “Franchise Agreement”); and that in connection with the operation of that Franchised ~~Studio~~Business, Franchisor may have authorized Franchisee to ~~acquired~~acquire and/or ~~maintained~~maintain certain: (1) telephone ~~and facsimile~~ numbers, ~~telephone listings~~ and ~~telephone~~other directory ~~advertisements listings~~ (each a “~~Telephone Presence~~Contact Identifier”), and/or (2) website, domain name, email address, social media account, user name, other online presence or presence on any electronic medium of any kind (each an “~~Online Presence~~”).

1. Assignment. In the event of termination or expiration of the Franchise Agreement, Franchisee hereby sells, assigns, transfers and conveys to Franchisor all of its rights, title and interest in and to all ~~Telephone Presences~~Contact Identifiers and Online Presences pursuant to which Franchisee operated its Franchised ~~Studio~~Business in any manner, or which display, connect to, or are relating to the franchise system operated by Franchisor, or any tradenames, trademarks or other proprietary materials or symbols of any kind of Franchisor’s or its affiliates relating to such franchise system or the Franchised ~~Studio~~Business. Upon termination or expiration of the Franchise Agreement, Franchisee shall immediately notify the telephone company, listing agencies and any other third-party owning or controlling any ~~Telephone Presences~~Contact Identifiers, and any internet service provider, website hosting company, domain registrar, social network or other third-party owning or controlling any Online Presence (all such entities collectively “~~Registrars~~”) to assign the ~~Telephone Presences and Online Presences, as applicable, to Franchisor.~~Contact Identifiers and Online Presences, as applicable, to Franchisor. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify any applicable Registrar to effectuate the assignment pursuant to the terms hereof, and in such case, Franchisor’s liability will accrue exclusively from and after the date of such assignment.

2. Attorney-in-Fact. Franchisee irrevocably appoints Franchisor as Franchisee’s true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct ~~the any third party company controlling, hosting, or each Registrar~~ to assign ~~same~~all Contact Identifiers and Online Presences to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. If Franchisee fails to promptly direct the Registrars to assign the ~~Telephone Presences~~Contact Identifiers and Online Presences to Franchisor, Franchisor shall direct the Registrars to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Registrars may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the ~~Telephone Presences~~Contact Identifiers and Online Presences, as applicable, upon such termination or expiration. The parties further agree that if the Registrars require that the parties execute any assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor’s execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee’s consent and agreement to the assignment.

3. Further Assurances. The parties agree that ~~at any time after the date hereof~~ they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

4. Representation and Warranties of Franchisee. Franchisee hereby represents, warrants and covenants to Franchisor as of the date hereof, and as of the date of expiration or termination of the Franchise Agreement, that:

- (a) All of Franchisee’s obligations and indebtedness ~~for~~ related to its ~~Telephone Presences~~Contact Identifiers and Online Presences ~~shall-behave been~~ paid and are current;

(b) Franchisee has full power and legal right to enter into, execute, deliver and perform this ~~Assignment;~~

~~Agreement;~~

(c) This ~~Agreement~~Assignment is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) Franchisee has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and Franchisee has obtained all necessary consents to this Assignment.

5. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of Colorado. All agreements, covenants, representations and warranties made herein shall survive the execution hereof. All rights of Franchisor shall inure to its benefit and to the benefit of its successors and assigns. ~~This Agreement~~Franchisor may assign its rights under this Assignment to any designee. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This ~~Agreement~~Assignment may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically.

[Signature Page Follows]

~~[SIGNATURE PAGE TO FOLLOW]~~

IN WITNESS WHEREOF, ~~each of the parties hereto has caused this Agreement to be~~have executed ~~by its duly authorized representative~~and delivered this assignment as of the ~~date~~dates indicated below.

**~~FRANCHISOR:~~**

**~~AMAZING LASH FRANCHISE, LLC,~~**  
~~a Delaware limited liability company~~

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

**~~FRANCHISEE:~~**

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

**AMAZING LASH FRANCHISE, LLC,**  
a Delaware limited liability company

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. A – Franchise Agreement



**FRANCHISE OWNER**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature

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

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

**DATED:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**FRANCHISE OWNER**

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**DATED:** \_\_\_\_\_

**EXHIBIT B**

**TO THE FRANCHISE AGREEMENT**

**SOFTWARE USE AND LICENSE AGREEMENT**

**SOFTWARE USE AND LICENSE AGREEMENT**

This Software Use and License Agreement (this “**Agreement**”), ~~dated~~

~~—~~, 20

~~effective~~  
~~as of~~  
the

last signature date below (the “Effective Date”), is made by and between Amazing Lash Franchise, LLC, a Delaware limited liability company (“**Licensor**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Licensee**”).

## RECITALS

A. ~~A.~~ Licensor has spent considerable time, money and effort to develop the Amazing Lash Studio ~~concept~~<sup>®</sup> brand, is the franchisor of the Amazing Lash Studio ~~franchises~~franchise system, and has purchased a master license for the use of software or developed software for the use in the operation of Amazing Lash Studio ~~franchises~~locations, including any updates and revisions (the “**Software**”); and

B. ~~B.~~ Licensee and Licensor have entered into an Amazing Lash Studio franchise agreement (the “**Franchise Agreement**”) under which Licensee has the right and obligation to operate an Amazing Lash Studio franchised business (the “**Franchised Business**”); and

C. ~~C.~~ The Software is required for the operation of the Franchised Business in compliance with the Franchise Agreement; and

D. ~~D.~~ Pursuant to the Franchise Agreement, Licensee is required to execute this Agreement and obtain a license to use the Software; and

E. ~~E.~~ Licensor wishes to grant certain rights and licenses to Licensee with respect to the Software, and Licensee wishes to obtain such rights and licenses with respect to the Software, on the terms and conditions set forth herein.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. ~~1.~~ Grant of License to Use the Software. Licensor hereby grants to Licensee a non-exclusive, non-transferable, revocable license (with no sublicensing rights) to use the Software exclusively for the internal operations of the Franchised Business and for no other purpose. Licensor shall provide all documentation reasonably necessary for the operation of the Software.

2. ~~2.~~ Term. Unless sooner terminated, the term of this Agreement and of the license granted herein will begin on the Effective Date set forth above and will continue until the expiration or termination of the Franchise Agreement (“**Term**”). If Licensee renews its franchise rights upon the expiration of the initial term of the Franchise Agreement (by signing a successor franchise agreement with Licensor), Licensee ~~must~~may be required to execute Licensor’s then-current form of Software Use and License Agreement, pay all fees required under such agreement, and comply with all terms and conditions set forth in Licensor’s then-current form of Software Use and License Agreement. Licensee acknowledges that the terms and conditions of Licensor’s then-current form of Software Use and License Agreement may be substantially different from the terms and conditions of this Agreement, including without limitation, increased ~~Software License~~Technology Fees (as defined below).

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. A – Franchise Agreement

Amazing Lash Franchise, LLC (Studio)  
June 2019 Amended FDD | Ex. A – Franchise Agreement

3. 3

~~Technical Requirements.~~ Licensee agrees to comply with the applicable hardware, software and other technical and pre-setup requirements for Licensee's use of the Software as Licensor may periodically establish during the Term, including but not limited to any standards and specifications set forth in the Operations Manual (as such term is defined in the Franchise Agreement).

4. ~~4.~~ Software Support.

(a) ~~(a)~~—Licensor shall provide reasonable technical support for the Software during normal business hours Monday through Friday (excluding holidays). ~~If Licensee requests additional support during non-business hours,~~ Licensor may, but is not obligated to, provide ~~such~~ additional support at an additional fee to Licensee. Licensor will have the absolute right to contract with third parties to provide any or all maintenance and support services specified in this Agreement. ~~If, in Licensor's sole judgment,~~ If Licensor believes it is not commercially feasible to provide any maintenance or support services, Licensor will have the right to terminate any or all of such support or maintenance services upon notice to Licensee.

(b) ~~(b)~~—Certain locations may be susceptible to power outages and/or fluctuations that can cause a computer to crash or shut down. Licensee is solely responsible for the installation and maintenance of battery backups systems and data backup at its Franchised Business. Licensor is not responsible for any such losses of data, nor does Licensor assume responsibility or liability for any losses or damages arising, directly, or indirectly, from Licensee's improper use or maintenance of the Software or associated hardware.

(c) ~~(c)~~—Licensee is solely responsible for installing and maintaining updated anti-virus software at all times on any hardware that runs the Software.

5. ~~5.~~ Payment.

(a) ~~(a)~~—Throughout the Term, Licensee must pay Licensor ~~as follows: (i) during the period from the amount of \$605 per month (the Effective Date of this Agreement through "Technology Fee"), beginning two (2) months prior to the date the Franchised Business first opens for business (the "Opening Date"), the amount of \$175 per month; and (ii) beginning on the Opening Date for the remainder of the Term, the amount of \$350 per month (the "Monthly Software and Technology Licensing and Support Fees").~~ Licensor may, upon thirty (30) days' prior written notice to Licensee, increase the ~~Monthly Software and Technology Licensing and Support Fees.~~ Fee.

(b) —All applicable fees under this Agreement are to be paid to Licensor via an ACH bank transfer, ~~due on the 10th~~ first day of each calendar month (as further set forth in the Franchise Agreement); provided, however, Licensor may change the day of the month ~~or by the morning of the next business day if the~~

(b) ~~10th day of a given month is not a business day. Anyon which it collects any fees not received by their due date will be assessed a late fee penalty of \$5.00 per day until such fees are paid in full.~~ hereunder.

(c) ~~(e)~~—Licensee will not, on grounds of the alleged nonperformance by Licensor of any of its obligations or for any other reason, withhold payment of any ~~Software License~~[Technology Fees](#) or payments due to Licensor pursuant to this Agreement or pursuant to any other contract, agreement, or obligation. Licensee will not have the right to “offset” any liquidated or unliquidated amounts, damages or other sums allegedly due to the Licensee by Licensor against any payments due to Licensor under this Agreement.

(d) ~~(d)~~—If Licensee transfers the Franchised Business to a third party (a “**Transferee**”), such Transferee will be obligated to enter into Licensor’s then-current form of Software Use and License. As a condition to such transfer, Licensee or Transferee shall pay Licensor a software transfer fee of \$350. For purposes of this Agreement, the term “**transfer**” shall have the meaning set forth in the Franchise Agreement.

(e) ~~(e)~~—~~For purposes of this Agreement, any applicable software transfer/setup fees and the required Monthly Software and Technology Licensing and Support Fees will be collectively referred to as “Software License Fees.”~~ Licensee acknowledges that it has agreed, pursuant to the Franchise Agreement, to obtain and maintain at all times such computer equipment and software (including without limitation, the most current version of the Software) as may from time to time be required by Licensor for use in the operation of the Franchised Business. Licensee further acknowledges that future changes and upgrades in technology and the opportunity and need to meet and surpass competition may necessitate that Licensor increase the ~~Software License~~[Technology Fees](#) due hereunder. Licensee further acknowledges that any upgrade to the Software may necessitate upgrades in Licensee’s computer hardware and third-party software required to operate the Software, which may result in additional costs or fees payable by Licensee.

6. ~~6.~~—Access to Software and Information. Licensee agrees that Licensor will at all times have the right to access the Software and its data, by internet, print-out of data, or any other means selected by Licensor, for purposes of obtaining financial, sales, customer, business and supplier information as well as all other data and information contained in, or otherwise available on, Licensee’s computer system, for purposes of verifying Licensee’s compliance with the terms of this Agreement, the Franchise Agreement, and for such other purposes as may be determined by Licensor, ~~in its sole judgment~~. Licensor will have the right to retain and use any information obtained by accessing the Licensee’s Software and computer system for any purposes deemed appropriate by Licensor, ~~in its sole judgment~~.

7. ~~7.~~—Ownership. Licensee acknowledges that Licensor has the sole right to license and control Licensee’s use of the Software. Licensee acknowledges that it has no ownership ~~right~~[rights](#) in any data or information generated by the Software, including ~~customer lists, customer data~~[Client Information \(as defined in the Franchise Agreement\)](#) and other sales information. Licensee further acknowledges that it does not acquire any right, title or interest in or to the Software except as expressly set forth herein. Licensor specifically retains all right, title and interest in and to all proprietary and intellectual property rights in and to the Software, including without limitation, trade secrets, data, customer lists, copyrights, trademarks, patents, functionality and business methodology embodied therein, and the like. All rights not expressly granted to Licensee herein are specifically reserved to Licensor. Upon termination of this Agreement, Licensee shall have no right to utilize the Software or any data generated by the Software.

8. ~~8.~~—Restrictions on Use.

(a) ~~(a)~~ Licensee is prohibited from, and shall not under any circumstances, decompile, reverse compile, reverse engineer, reverse assemble or otherwise attempt to derive any source code or its equivalent for the Software. In addition, Licensee shall not copy the Software without the Licensor's written consent. Licensee shall not download any portion of the Software except as Licensor may expressly permit or instruct in writing. Licensee shall not permit any third party to access the Software, and Licensee shall use the Software only on computers for which Licensee controls access to the Software. Licensee shall not assign, transfer, sell, rent, license, sublicense, or grant any rights to or interests in the Software to any corporation, partnership, limited liability company, or other business entity or any other person or individual. Licensee shall not, at any time, use or exploit (or authorize or permit any third party to use or exploit) any of the Software's content or data. Licensee will comply with all terms and conditions applicable to or accompanying any third party software furnished to Licensee under or in connection with this Agreement. ~~(b)~~ Licensee is prohibited from printing or copying (including, without limitation, for back-up, training, testing or disaster recovery), in whole or in part, the Software except to the extent expressly permitted in advance in writing by Licensor, which permission Licensor may withhold ~~in its sole discretion~~. Any back-up training, testing or disaster recovery system intended to be or used by Licensee must be approved in advance in writing by Licensor, which approval Licensor may withhold ~~in its sole discretion~~. Licensee acknowledges and agrees that any and all diskettes, CDs or any other physical embodiments or media, including, but not limited to, authorized and unauthorized copies, of the Software are the sole and exclusive property of Licensor. Any authorized copies of the Software must contain appropriate proprietary and trade secret, copyright, trademark or other applicable legends as designated by Licensor. Except as otherwise set forth in this Agreement, Licensee shall take reasonable measures to store, secure and prevent unauthorized access to each physical embodiment of the Software. Licensee shall not use the name of Software or refer to Software directly or indirectly in any papers, articles, advertisements, sales presentations, news releases or releases to any third party without the prior written approval of Licensor for each such use. Licensee may not release the results of any performance or functional evaluation of any portion of the Software to any third party.

9. ~~9.~~ EXCLUSION OF WARRANTIES. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, LICENSOR DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE SOFTWARE, OR ANY COMPONENT OF THE FOREGOING, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, CORRECTNESS, COMPLETENESS, COMPREHENSIVENESS, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE (IRRESPECTIVE OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE), OR ANY REPRESENTATION THAT THE SOFTWARE WILL MEET LICENSEE'S REQUIREMENTS OR THAT LICENSEE'S USE THEREOF WILL BE UNINTERRUPTED OR ERROR-FREE, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES.

10. ~~10.~~ LIMITATION OF LIABILITY. LICENSOR SHALL HAVE NO LIABILITY TO LICENSEE OR TO ANY APPROVED LICENSEE WITH RESPECT TO LICENSOR'S OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES, OR ANY LOSS OF PROFIT, REVENUE, DATA OR GOODWILL, WHETHER INCURRED OR SUFFERED AS A RESULT OF ANY ERRORS, DEFECTS OR NON-FUNCTIONING OF THE SOFTWARE OR OTHERWISE, EVEN IF LICENSOR

HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL LICENSOR'S AGGREGATE LIABILITY HEREUNDER FOR ANY CAUSE IN ANY CALENDAR YEAR ARISING OUT OF OR RELATED TO THE SOFTWARE, LICENSOR'S PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT OR OTHERWISE EXCEED THE AMOUNT OF THE ~~MONTHLY SOFTWARE AND TECHNOLOGY LICENSING AND SUPPORT~~ FEES PAID HEREUNDER TO LICENSOR IN THE CALENDAR YEAR IN WHICH SUCH DIRECT DAMAGES ARE INCURRED. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION OR CLAIMS IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF LIMITED WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION AND OTHER TORTS.

11. ~~11. Remedies for Third Party Infringement.~~ In the event that the Software is held by any court of competent jurisdiction to infringe the rights of a third party or to violate a patent, and its use is enjoined, Licensor shall have the obligation, at its expense, to: (i) modify the infringing Software, without impairing in any material respect its functionality, so that it is non-infringing or non-violative; ~~or~~ (ii) procure for Licensee the right to continue to use the infringing Software for any remaining unexpired portion of the Term; or (iii) replace the infringing Software with equally suitable non-infringing software. The foregoing is Licensee's sole remedy for infringement. If Licensor is unable to make any of the foregoing alternatives available to Licensee, Licensee shall receive a rebate of a prorated portion of the ~~Monthly Software and Technology Licensing and Support~~ Fees charged hereunder, representing the fees due for the remaining unexpired portion of the Term.

12. ~~12. Confidentiality; Non-Disclosure.~~ Licensee agrees that the Software contains valuable proprietary information and that, except for those rights expressly conveyed to Licensee in this Agreement, Licensee has no ownership rights or other rights in the Software. During the Term, Licensee shall maintain the confidentiality of this information and not disclose the same to any third party or use it except as authorized by this Agreement. Licensee shall have no obligation of confidentiality or non-use with regard to information which (i) is or becomes a part of the public domain through no act or omission of Licensee, (ii) was in the Licensee's lawful possession prior to the disclosure by Licensor and had not been obtained by Licensee either directly or indirectly from Licensor, (iii) is lawfully disclosed to Licensee by a third party without restrictions on disclosure, (iv) is independently developed by Licensee, or (v) is required to be disclosed by law.

13. ~~13. Termination.~~ This Agreement shall automatically terminate upon the termination or expiration of the Franchise Agreement or upon the termination or expiration of Licensor's agreement with the creator(s) of the Software. In addition, Licensor may terminate this Agreement:

(a) ~~(a)~~ —without notice to Licensee at any time if Licensee is in default of the Franchise Agreement;

~~(b) —if Licensee fails to pay one or more Monthly Software and Technology Licensing and Support Fees when due and such failure is not cured within five (5) days after written notice from Licensor; and~~

(b) ~~(e)~~ —upon ten (10) days written notice of Licensee's failure to comply with any other term of this Agreement if such failure is not cured within ten (10) days following such notice; or

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. A – Franchise Agreement](#)



(c) if Licensors determine that this Agreement is no longer necessary or advisable to facilitate Licensee's use of the Software or any replacement software.

In the event of termination, and without limiting Licensors' remedies hereunder, Licensee shall be responsible for payment of all past-due Monthly Software and Technology Licensing and Support Fees and charges up to the date of such termination.

14. ~~14.~~ Third-Party Beneficiary. Licensee understands, acknowledges, and agrees with Licensors that Licensors, and its affiliates, assigns and designees (which may include the creator(s) of the Software) are an intended third-party beneficiary of the terms and conditions of this Agreement.

15. ~~15.~~ Restriction on Assignment. Licensee may not sell, assign or otherwise transfer any of its rights or delegate any of its duties under this Agreement to any party without the prior written consent of Licensors, which may be withheld ~~in its sole and absolute discretion.~~ Any attempted transfer in violation of this Section 15 will be null and void and of no legal effect. Licensors may assign its rights and obligations under this Agreement to any third party without Licensee's consent.

16. ~~16.~~ Dispute Resolution. This Agreement shall be construed in accordance with the substantive laws of ~~the State~~ Licensors' then-current principal place of business (currently, Englewood, Colorado) (excluding Colorado's conflicts of law rules). The parties agree that any controversy, dispute, or claim arising out of, or in connection with, this Agreement will be subject to and governed by the binding arbitration provision set forth in Section ~~XX-E~~ 17.F. of the Franchise Agreement. The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including filing costs and reasonable attorney's fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

Notices. ~~17.~~ Notices. All notices required to be given under this Agreement shall be in writing and shall be transmitted either by (a) personal delivery, (b) reliable overnight courier (such as Federal Express), or (c) through the facilities of the United States Post Office, postage prepaid, certified or registered mail, return receipt requested. Any such notice shall be effective upon delivery, if delivered by personal delivery or overnight courier, and three business days after dispatch, if mailed in accordance with the above. Notices to the respective parties shall be sent to the following addresses unless written notice of a change of address has been previously given pursuant hereto:

To Licensors:

Amazing Lash Franchise, LLC  
9780 Meridian Boulevard, Suite 400  
Englewood, Colorado 80112  
Attn: Legal Department

To Licensee:

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

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. A – Franchise Agreement

17. ~~18.~~ All notices required to be given under this Agreement shall be made in accordance with Section 19 of the Franchise Agreement.

~~17.~~ 18. **Waiver.** No waiver by Licensor of any breach of a provision of this Agreement by Licensee will constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver will be effective unless made in writing and signed by an authorized representative of Licensor.

~~18.~~ 19. **Entire Agreement; Interpretation.** This Agreement (including any exhibits or addenda hereto), along with the Franchise Agreement, contain the entire understanding of the parties with respect to the transactions and matters contemplated hereby, and this Agreement supersedes all previous agreements concerning the subject matter hereof. This Agreement cannot be amended except by a writing signed by both parties. ~~Nothing in~~ In the event of a conflict between this Agreement ~~is intended to disclaim anything contained in~~ and the Franchise ~~Disclosure Document Licensor provided to Licensee~~ Agreement, the Franchise Agreement shall control.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement as of the ~~date first~~  
above written. Effective Date below.

**LICENSOR:**  
**AMAZING LASH FRANCHISE, LLC**

By: \_\_\_\_\_ Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**LICENSEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**~~EXHIBIT C~~**

**LICENSOR:**

**AMAZING LASH FRANCHISE, LLC,**  
a Delaware limited liability company

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DATED\*:** \_\_\_\_\_  
(\*This is the Effective Date of this Agreement)

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. A – Franchise Agreement

Amazing Lash Franchise, LLC (Studio)  
June 2019 Amended FDD | Ex. A – Franchise Agreement

**Exhibit E – Page 4**

1-7

**LICENSEE:**

**(IF YOU ARE A CORPORATION, LIMITED  
LIABILITY COMPANY, OR  
PARTNERSHIP):**

Entity Name

Signature

Name:

Title:

**DATED:**

**(IF YOU ARE AN INDIVIDUAL AND NOT A  
LEGAL ENTITY):**

Signature

Print Name

**DATED:**

**EXHIBIT B**

**AREA DEVELOPMENT AGREEMENT**

**AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**(MULTI-UNIT DEVELOPMENT)**

~~DEVELOPER~~

~~DATE OF AGREEMENT~~

~~DEVELOPMENT AREA~~

DEVELOPER

DATE OF AGREEMENT

DEVELOPMENT AREA

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
1. Preambles and Grant of Rights.....	1
A. Preambles.....	1
B. Grant of Rights; Term.....	1
C. Grant Of Rights To Others; Rights We Reserve.....	2
D. Best Efforts/Business Entity.....	2
E. Financing; Maximum Borrowing Limits; Minimum Liquidity.....	3
2. Exercise of Development Rights.....	3
A. Execution of Franchise Agreements.....	3
B. Proposed Sites For Studios.....	3
C. Compliance With Development Schedule.....	4
<del>D. 1. Preambles and Grant of Rights.....</del>	<del>1</del>
<del>2</del>	<del>2</del>
<del>    A. Preambles.....</del>	<del>2</del>
<del>    B. Grant of Rights; Term.....</del>	<del>2</del>
<del>    C. Grant Of Rights To Others; Rights We Reserve.....</del>	<del>3</del>
<del>    D. Best Efforts/Business Entity.....</del>	<del>3</del>
<del>    E. Financing; Maximum Borrowing Limits; Minimum Liquidity.....</del>	<del>11</del>
2. Exercise of Development Rights.....	11
A. Execution of Franchise Agreements.....	11
B. Proposed Sites For Studios.....	12
C. Compliance With Development Schedule.....	12
D. Failure to Comply With Development Schedule.....	12
E. Records And Reporting.....	12
3. Fees.....	13
4. Confidential Information; Innovations.....	14
A. Confidential Information.....	14
B. Innovations.....	14
C. General.....	15
5. Restrictive Covenants During Term.....	15
A. Covenants Against Competition.....	15
B. Covenants from Others.....	16
6. Transfer.....	16
A. By Us.....	16
B. By You.....	16
C. Our Right of First Refusal.....	18



7.	Termination of Agreement .....	19
A.	Events of Termination .....	19
B.	Effects of Termination or Expiration. ....	20
C.	Covenant Not to Compete / Non-Solicitation. ....	1
D.	Survival of Covenants. ....	1
8.	Relationship of the Parties/Indemnification. ....	2
A.	Independent Contractors.....	2
B.	Indemnification. ....	2
9.	Enforcement; Arbitration.....	3
A.	Arbitration .....	3
B.	GOVERNING LAW. ....	5
C.	CONSENT TO JURISDICTION. ....	6
D.	WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS. ....	6
E.	Injunctive Relief .....	7
F.	Limitation of Claims. ....	7
G.	Attorneys' Fees and Costs. ....	7
10.	MISCELLANEOUS.....	7
A.	Notices.....	7
B.	Joint and Several Obligation. ....	8
C.	Severability.....	8
D.	Headings; Construction. ....	8
E.	Waiver.....	8
F.	Further Assurances. ....	9
G.	Entire Agreement. ....	9
H.	Binding Agreement. ....	9
I.	Counterparts. ....	9
	<del>FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE</del>	
	.....	4
E.	Records And Reporting.....	4
3.	Fees.....	5
4.	Confidential Information; Innovations. ....	5
A.	Confidential Information. ....	5
B.	Innovations.....	6
C.	General.....	6
5.	<del>RESTRICTIVE COVENANTS DURING TERM</del>	
	.....	7
A.	Covenants Against Competition. ....	7
B.	Covenants from Others. ....	7

6.	Transfer.....	8
A.	By Us.....	8
B.	By You.....	8
C.	Our Right of First Refusal.....	9
7.	Termination of Agreement.....	10
A.	Events of Termination.....	10
B.	Effects of Termination or Expiration.....	11
C.	Covenant Not to Compete / Non-Solicitation.....	12
D.	Survival of Covenants.....	12
8.	Relationship of the Parties/Indemnification.....	12
A.	Independent Contractors.....	12
B.	Indemnification.....	12
9.	Enforcement; Arbitration.....	13
A.	Arbitration.....	13
B.	GOVERNING LAW.....	15
C.	CONSENT TO JURISDICTION.....	15

Page

D. <del>WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.</del>	1
6	
E. Injunctive Relief	16
F. <del>LIMITATION OF CLAIMS.</del>	16
G. Attorneys' Fees and Costs.	17
10. MISCELLANEOUS.	17
A. Notices.	17
B. Joint and Several Obligation.	17
C. Severability.	17
D. Headings; Construction	17
E. Waiver.	1
8	
F. Further Assurances.	18
G. <del>ENTIRE AGREEMENT.</del>	18
H. Binding Agreement.	18
I. Counterparts.	19

**EXHIBITS**

Exhibit A	-	Development Area; Development Schedule; Ownership
Exhibit B	-	Guaranty and Assumption of Obligations
Exhibit C	<del>Form of Amendment to Franchise Agreement</del>	<del>Exhibit D</del>
		Representations and Acknowledgment Statement

ii

**AMAZING LASH FRANCHISE, LLC  
AREA DEVELOPMENT AGREEMENT**

THIS AREA DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“~~we~~”, “us,” or “our”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“you,” or “your”), as of the date signed by us and set forth below our signature on this Agreement (the “Effective Date”).

**PREAMBLES AND** ~~whose principal business address is~~

1. ~~(“you”), as GRANT OF the date signed by us and set forth below our~~ **RIGHTS.**

signature on this Agreement (the “Effective Date”).

~~1. PREAMBLES AND GRANT OF RIGHTS.~~

~~A. PREAMBLES.~~

~~(1)~~

A. PREAMBLES.

We grant, to persons or entities who we determine meet our qualifications, franchises (each a “Franchise”) for the development and operation of retail salon businesses specializing in luxury semi-permanent and temporary eyelash services, eyebrow services, facial hair removal, facial and body beauty treatments, and related products and services (each a “Studio”) using the ~~trademark~~ Amazing Lash Studio® service mark and other trademarks we authorize from time to time (the “Marks”) and the system and system standards under which Studios are developed and operated (the “System”). Each Franchise is granted solely pursuant to a written franchise agreement and related documents and agreements signed by us and a franchisee (each a “Franchise Agreement”).

~~(2)~~—We also grant, to persons or entities who we determine meet certain additional qualifications and who are willing to commit, the right to acquire multiple Franchises for the development and operation of Studios within a defined area (the “Development Area”) pursuant to an agreed upon schedule (the “Development Schedule”).

~~(3)~~—You and, if you are an Entity (defined below), your owners have requested that we grant you such rights, and we are willing to do so in reliance on all of the information, representations, warranties and acknowledgements you and, if applicable, your owners have provided to us in support of your request, and subject to the terms and conditions set forth in this Agreement.

~~B. GRANT OF RIGHTS; TERM.~~

B. GRANT OF RIGHTS; TERM.

We grant you the right, and you undertake the obligation, either yourself or through your approved Affiliates (defined below), to acquire Franchises to develop, own and operate Studios (the “Development Rights”). In exercising the Development Rights, you agree, at a minimum, to strictly comply with the Development Schedule reflected on Exhibit A. The Development Rights may only be exercised for Studios to be developed and operated within the Development Area described on Exhibit A. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, ~~continuing through~~ continue until the earlier of (1) the date on which the last Studio ~~which~~ that is required to be opened in order to satisfy the Development Schedule opens for regular business, or (2) the last day of the last Development Period (defined below) (the “Term”).

The Development Rights are limited to the rights to acquire Franchises in accordance with and as described in this Agreement. Rights to develop and operate Studios or to use the Marks are granted only pursuant to individual Franchise Agreements, and you agree that the Development Rights do not include any such rights. You also acknowledge that we grant rights only pursuant to the expressed provisions of written agreements and not in any other manner, including orally or by implication, innuendo, extension or extrapolation.

An “Affiliate” is an Entity (defined below) in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Entity’s management and policies.

~~C. GRANT OF RIGHTS TO OTHERS; RIGHTS WE RESERVE.~~

C. GRANT OF RIGHTS TO OTHERS; RIGHTS WE RESERVE.

Except as described in this Section 1.C, and provided you and your Affiliates are in full compliance with this Agreement and all Franchise Agreements and other agreements with us (or any of our affiliates), we will not, during the Term, either own Studios located in the Development Area or grant Franchises (or authorize the grant of Franchises) to any other person or entity to own Studios to be located in the Development Area. We are not otherwise restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited by this Agreement, including owning, operating and authorizing others to own and operate Studios outside the Development Area in our discretion. We may also do any of the following anywhere in the world, even within the Development Area:

- 1) ~~(1)~~ — own and operate or authorize others to own and operate retail salon studios under trademarks that are different from the Marks even if such studios offer products and services that are identical or similar to, and/or competitive with, products and services offered by Studios;
- 2) ~~(2)~~ — use the Marks or any other trademarks or commercial symbols to own and operate businesses (other than Studios located in the Development Area as described above) and distribution channels (including the internet or retail stores), regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, even if such businesses sell products and/or services that are identical or similar to, and/or competitive with, those that Studios customarily sell;
- 3) ~~(3)~~ — establish and operate, and allow others to establish and operate, businesses using the Marks or any other trademarks or commercial symbols at Captive Market Locations. “Captive Market Locations” are airports or other transportation terminals, sports facilities, parks and recreation areas, medical campuses, college and university campuses, corporate campuses, a department within an existing retail store, hotels, or other similar types of locations that have a restricted trade area located within the geographic boundaries of the Development Area;
- ~~3)4)~~ — acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchise, license or create similar arrangements with respect to such businesses once acquired;
- ~~4)5)~~ ~~(4)~~ — be acquired or become controlled (regardless of the form of transaction) by any other business, including a Competitive Business; and
- ~~5)6)~~ ~~(5)~~ — operate or grant any third party the right to operate any Studios that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement or any Franchise Agreement.

~~D. BEST EFFORTS/BUSINESS ENTITY.~~

D. BEST EFFORTS/BUSINESS ENTITY.

You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area. You may not subcontract, subfranchise, or delegate any of your obligations under this Agreement to any third parties. If you are a corporation, limited liability company, partnership, or another form of business entity (collectively, an “Entity”), you agree and represent that:

- 1) ~~(1)~~ Exhibit A lists all of your owners and their interests as of the Effective Date;
- 2) ~~(2)~~ such persons as we designate, which may include the spouses of your owners, will execute an agreement, in the form set forth in Exhibit B (the “Guaranty”), under which such persons undertake personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. ~~However, a spouse who signs the Guaranty solely as a spouse and not as an owner will merely be acknowledging and consenting to the execution of the guaranty by his or her spouse and agreeing to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse’s own separate property);~~ and
- 3) ~~(3)~~ the business that this Agreement contemplates will be the only business you operate (although your owners may have other, non-competitive business interests).

~~E. FINANCING; MAXIMUM BORROWING LIMITS; MINIMUM LIQUIDITY.~~

E. FINANCING; MAXIMUM BORROWING LIMITS; MINIMUM LIQUIDITY.

We have granted the Development Rights to you based, in part, on your representations to us, and our assessment of your levels of liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain sufficient liquidity and working capital reserves to meet your obligations under this Agreement. We reserve the right to establish and modify specific liquidity requirements from time to time, and you agree to comply with the liquidity requirements that we reasonably impose. At our request, you will provide us with evidence of your liquidity and working capital availability.

We may from time to time designate the maximum amount of debt that Studios may service, and you will ensure that you (and any Affiliate who has signed a Franchise Agreement) comply with such limits. You must also secure our approval of any debt for which the assets of the business are used as collateral, as described in the “transfer” provisions of the applicable Franchise Agreement.

~~2. EXERCISE OF DEVELOPMENT RIGHTS.~~

~~A. EXECUTION OF FRANCHISE AGREEMENTS.~~

2. EXERCISE OF DEVELOPMENT RIGHTS.

A. EXECUTION OF FRANCHISE AGREEMENTS.

Simultaneously with signing this Agreement, you or an approved Affiliate must sign and deliver to us a Franchise Agreement ~~(as amended by the form of Amendment attached hereto as Exhibit C to which will~~ reflect that no Initial Franchise Fee shall be due) and related documents representing the first Franchise you are obligated to acquire under this Agreement. You or your approved Affiliate must thereafter open and operate a Studio according to the terms of that Franchise Agreement. Thereafter, once we have approved a site, and prior to signing a lease or otherwise securing possession of the site, you or an approved Affiliate must sign our then-current form of Franchise Agreement and related documents, the terms of which may differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date. The Franchise Agreement will govern the development and operation of the Studio at the approved site identified therein.

~~B. PROPOSED SITES FOR STUDIOS.~~

## B. PROPOSED SITES FOR STUDIOS.

You must give us all information and materials we request to assess each Studio site you propose as well as your and your proposed Affiliate's financial and operational ability to fund the development and ~~to operate~~ operation of each proposed Studio. We have the absolute right to disapprove any site or any Affiliate (~~a~~1) that does not meet our criteria or (~~b~~2) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating your or their Studios in compliance with the System Standards (as defined in such Franchise Agreements). We will use our reasonable efforts to review and approve or disapprove any sites you propose within thirty (30) days after we receive all requested information and materials. Once we approve a proposed site, you or your approved Affiliate must sign a separate Franchise Agreement as described in Section 2.A. If you or your approved Affiliate fails to do so within fifteen (15) days after we provide you with an execution copy of the Franchise Agreement, we may withdraw our approval. In addition, we reserve the right to propose sites to you within the Development Area for the development of Studios contemplated by this Agreement.

## ~~C. COMPLIANCE WITH DEVELOPMENT SCHEDULE.~~

### C. COMPLIANCE WITH DEVELOPMENT SCHEDULE.

Each period described in the Development Schedule is a "Development Period." You or your approved Affiliates must satisfy the obligations described on the Development Schedule (reflected on Exhibit A) during and as of the end of each Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Studios specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

We will count a Studio toward the Development Schedule only if it is actually operating in the regular course within the Development Area and substantially complying with the terms of its Franchise Agreement as of the end of the Development Period. However, a Studio which is, with our approval or because of fire or other casualty, permanently closed during the last ninety (90) days of a Development Period, after having been open and operating, will be counted toward the development obligations for the Development Period in which it closed, but not thereafter.

## ~~A.D. FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE.~~

### ~~D. FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE.~~

If you fail to comply with the Development Schedule as of the end of any Development Period, in addition to terminating this Agreement under Section 7 and asserting any other rights we have under this Agreement as a result of such failure, we may (but need not) elect to revoke our agreement under Section 1.C not to grant similar development or franchise rights to others within the Development Area, reduce the size of the Development Area, and re-configure the Development Area, in each case, as we determine.

## ~~E. RECORDS AND REPORTING.~~

### E. RECORDS AND REPORTING.

Upon our request or as otherwise noted, you agree to provide us with the following records and reports:

- (1) ~~(1)~~ Within sixty (60) days after the Effective Date, you ~~must~~ may be required to prepare and give us, a business plan covering your projected revenues, costs and operations under this Agreement.



This business plan will include your detailed projections of development costs and detailed revenue projections for your Studios. ~~Within~~ No more often than once per calendar year and within sixty (60) days after the start of each calendar year during the Term, you ~~must~~ may be required to update the business plan ~~each year~~ to cover both actual results for the previous year and projections for the then current year. You acknowledge and agree that, while we may review and provide comments on the business plan and any updates you submit to us, regardless of whether we approve, disapprove, require revisions or provide other comments with respect to the business plan or any updated business plan, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein. ~~Once~~ If we request and approve your business plan or any updates to it, you must comply with it in all material respects. You bear the entire responsibility for achievement of the business plan you develop.

(2) ~~(2)~~ ~~Within~~ No more often than once per month, within seven (7) days after the end of each month during the Term, you ~~must~~ may be required to send us a report of your business activities during that month, including information about your efforts to find sites for Studios in the Development Area and the status of development and projecting openings for each Studio under development in the Development Area.

(3) ~~(3)~~ ~~Within~~ twenty-eight (28) days after the end of each calendar quarter, you must provide us with consolidated balance sheet and profit and loss statements for you and your Affiliates covering that quarter and the year-to-date and an updated balance sheet and related financial statements for each person signing the Guaranty.

(4) ~~(4)~~ ~~Within~~ sixty (60) days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet, consolidated for you and your Affiliates covering the previous year. We reserve the right to require that you have these financial statements and the financial statements of any prior fiscal years audited by an independent accounting firm designated by us in writing.

Each of the foregoing shall be in the form and format that we reasonably specify, shall be delivered to us in the manner we specify, and shall be certified as correct by you (or one of your owners).

### ~~3. FEES.~~

### 3. FEES.

On your execution of this Agreement, you must pay us a nonrefundable development fee in an amount equal to ~~[\$~~

~~1~~ \$ (the “Development Fee”). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable.

~~4. CONFIDENTIAL INFORMATION; INNOVATIONS.~~

~~4. A. CONFIDENTIAL INFORMATION; INNOVATIONS.~~  
~~A. CONFIDENTIAL INFORMATION.~~

~~4.1. CONFIDENTIAL INFORMATION.~~

All information furnished to you by us, whether orally or in writing, including the Franchise Agreements, this Agreement, the System, plans, specifications, financial or business data or projections, all documents, data, information, materials, reports, proposals, procedures, financial information, compensation information, proposed advertising, advertising and marketing plans, operations manuals, formulas, samples, improvements, models, drawings, programs, compilations, devices, methods, designs, techniques and specifications, inventions, know-how, processes, business plans, marketing techniques, information generated by, or used or developed in, your Studio’s operation, including information relating to clients (such as client names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information, and similar information), purchasing techniques, supplier lists, supplier information, advertising strategies, operations, our trade secrets, or any other forms of business information, whether or not marked as confidential (collectively, the “Confidential Information”): ~~(1)~~ shall be deemed proprietary and shall be held by you in strict confidence; ~~(2)~~ shall not be disclosed or revealed or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance; and ~~(3)~~ shall not be used except to the extent necessary to exercise the Development Rights or as permitted under Franchise Agreements, and then only in circumstances of confidence and in accordance with the obligations set forth in the Franchise Agreements. You will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care.

All Confidential Information will at all times remain our sole property. You agree to return to us or destroy, at our election, all Confidential Information in your possession or control and permanently erase all electronic copies of such Confidential Information promptly upon our request or upon the expiration or termination of this Agreement, whichever comes first. At our request, you will certify in writing signed by one of your officers that you have fully complied with the foregoing obligations.

~~B. INNOVATIONS.~~

~~B. INNOVATIONS.~~

You agree that, as between us, we or our affiliates own the System and any Confidential Information, and that your rights to use the System and Confidential Information, derive solely from this Agreement or from Franchise Agreements executed pursuant to this Agreement. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, “Innovations”) made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us or our affiliates. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including

appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 4.B, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.B with the same legal force and effect as if executed by you.

~~C. GENERAL~~

C. GENERAL

If you breach any of the provisions of this Section 4, we will be entitled to equitable relief, including in the form of injunctions and orders for specific performance, in addition to all other remedies available at law or equity. The obligations under this Section 4 shall survive any expiration or termination of the Agreement.

~~RESTRICTIVE COVENANTS DURING TERM. 5. RESTRICTIVE COVENANTS DURING TERM.~~

~~A. COVENANTS AGAINST COMPETITION~~

5.

A. COVENANTS AGAINST COMPETITION

We have granted you the Development Rights in consideration of and in reliance upon your agreement to deal exclusively with us. Therefore, during the Term, you agree that, other than in accordance with this Agreement, neither you, your Affiliates, nor any of your or their officers, directors, shareholders, members, partners or other owners, nor any spouse of yours or any of these individuals (collectively, “**Bound Parties**”), shall:

- (1) ~~(1)~~ have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), wherever located or operating;
- (2) ~~(2)~~ perform services as a director, officer, manager, employee, consultant, lessor, representative, agent or otherwise for a Competitive Business, wherever located or operating;
- (3) ~~(3)~~ divert or attempt to divert any business or memberships related to the Studios, your business, or any other franchisee’s Studio by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of ours, any of our affiliates, or another franchisee or developer, to any Competitive Business;
- (4) ~~(4)~~ interfere with the relationships we, our affiliates, or our franchisees have from time to time with vendors, suppliers or consultants;

(5) ~~(5)~~ engage in any other activity which might injure the goodwill of the Marks and/or the System; or

(6) ~~(6)~~ directly or indirectly assist an immediate family member of any of the Bound Parties in engaging in any of the activities listed in subsections (1) ~~(1)~~ (5) above.

The term “**Competitive Business**” for purposes of this Agreement, means any business (~~other than a franchise~~excluding any Studios operated under a Franchise Agreement with us or our affiliate) operating, or granting, franchises or licenses to others to operate any business that: (i) offers ~~or sells eye-lash~~eyelash services, eyebrow services, facial hair removal, facial or body beauty treatments or related products or services ~~and/or any other~~(ii) offers or sells products or ~~services~~educational materials, or conducts workshops, that are the same as or ~~substantially~~ similar to ~~the~~ products, educational materials, and services workshops, offered by ~~a Studio~~us or other Studios.

~~B. COVENANTS FROM OTHERS.~~

B. COVENANTS FROM OTHERS.

You agree to obtain from the Bound Parties similar agreements regarding non-competition (Section 5.A and Section 7.C) and Confidential Information (Section 4). You must provide us with copies of all such agreements on our request. We may regulate the forms of agreement that you use and be a third-party beneficiary of the agreement with independent enforcement rights. You may not assume that any such form we provide you is or will be enforceable in a particular jurisdiction. You are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of such forms, but you must secure our approval, prior to use, of any form that contains variations from the form we provide.

~~6. TRANSFER.~~

~~A. BY US.~~

6. TRANSFER.

A. BY US.

This Agreement inures to the benefit of us and our successors and assigns, and we have the right to transfer or assign all or any part of our interest, rights, privileges, duties and obligations hereunder to any person or legal entity without your approval.

~~B. BY YOU.~~

B. BY YOU.

You acknowledge that we have granted you the Development Rights in reliance upon, and in consideration of, your business skills, financial capacity and other required qualifications. Accordingly, the rights and duties created under this Agreement are personal to you. Your interest in this Agreement, any of your rights under this Agreement, the Development Rights or any interest therein, and any direct or indirect ownership interest in you (regardless of its size), any approved Affiliate, or any of your owners (if such owners are legal entities) may not be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner (collectively, a “**transfer**”), without our prior written consent. Any actual or intended assignment, transfer or sale made in violation of the terms of this Section 6.B shall be null and void and shall constitute a material breach of this Agreement, constituting good cause for termination of this Agreement.

Additionally, you may not pledge or encumber this Agreement, your Development Rights or an ownership interest in you or your owners (to someone other than us) as security for any loan or other financing, unless ~~(1)~~<sup>i</sup> we grant our prior written consent and ~~(2)~~<sup>ii</sup> the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

The Development Rights may not be transferred separate and apart from the entirety of this Agreement. Additionally, a proposed transfer of this Agreement may not be made separately from or independently of a transfer to the same recipient of all of the Franchise Agreements (and the Studios operated pursuant thereto) executed pursuant to this Agreement.

We will not unreasonably withhold our consent to a transfer, provided all of the following conditions are met before or concurrently with the effective date of the transfer:

- 1) ~~(1)~~—you have met all requirements of the Development Schedule, the proposed transferee provides information to us sufficient for us to assess the transferee's business experience and aptitude, and the transferee demonstrates sufficient financial resources to satisfy the remaining requirements of the Development Schedule;
- 2) ~~(2)~~—neither you nor your Affiliates have violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;
- 3) ~~(3)~~—neither the transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;
- 4) ~~(4)~~—the transferee shall sign our then-current form of area development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement; provided, that the Development Schedule of the new area development agreement will equal the remainder of the then-remaining Development Schedule of this Agreement;
- 5) ~~(5)~~—you pay us a transfer fee equal to \$10,000;
- 6) ~~(6)~~—you, your owners, and any other guarantors under this Agreement, execute a consent to transfer, which will include a general release and a non-disparagement clause, in a form satisfactory to us, releasing us and our affiliates, and our and their respective officers, directors, members, shareholders, employees and agents, in their corporate and individual capacities, from any and all claims, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;
- 7) ~~(7)~~—all individuals and entities who will be direct or indirect owners of the transferee must execute or have executed a guaranty in the form we prescribe;

8) ~~(8)~~—we have determined that the purchase price and payment terms between you and the transferee will not adversely affect the transferee’s ability to meet the Development Schedule or operate any of the Studios developed pursuant to this Agreement;

9) ~~(9)~~—the transferee’s obligations under promissory notes, agreements, or security interests are subordinate to the transferee’s obligation to pay any amounts due to us, our affiliates, and third-party vendors related to the operation of the Studios and otherwise to comply with the Development Schedule and this Agreement;

10) ~~(10)~~—you and your transferring owners agree to terminate this Agreement in accordance with its terms, and comply with all applicable post-termination obligations, including by complying with the restrictive covenants found in Section 7.C of this Agreement.

You acknowledge that the proposed transferee will be evaluated by us based on the same criteria as those currently being used to assess new developers and that the proposed transferee will be provided with the disclosures required by law. We may review all information regarding the Development Rights and your area development business that you give the transferee, and we may give the transferee copies of any reports or information that you have given us or that we have made regarding your area development business. Our consent to a transfer pursuant to this Section 6.B is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your transferee’s prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee’s full compliance with this Agreement.

~~C. OUR RIGHT OF FIRST REFUSAL.~~

C. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) at any time determine to sell or transfer for consideration this Agreement, the assets of your area development business or the Studios, or a controlling interest in you (except to or among your current owners, which is not subject to this Section), in a transaction that otherwise would be allowed under Section 6.B above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your area development business and Studios. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, and must be contingent upon our waiver of our right of first refusal as described in this Section 6.C. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

~~6.C. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.~~

Upon our receipt of the offer and other documents, we will have 30 days in which to exercise our right of first refusal on the same terms and conditions set forth within the offer. During such period, we may also notify you that we have acted to withhold approval of the proposed transfer and will provide you with the specific reasons for such action.

~~7. TERMINATION OF AGREEMENT.~~

~~A. EVENTS OF TERMINATION.~~

## 7. TERMINATION OF AGREEMENT.

### A. EVENTS OF TERMINATION.

Notwithstanding anything otherwise contained in this Agreement, we will have the right to terminate this Agreement at any time and without notice, upon the happening of any one or more of the following events:

- (1) ~~(4)~~—you or your Affiliates fail to pay any amount due under this Agreement or any Franchise Agreement when and as it becomes due and payable, and such failure continues for a period of ten (10) days after written notice from us;
- (2) ~~(2)~~—you cease or threaten to cease to carry on the business granted to you under this Agreement, or take or threaten to take any action to liquidate your assets, or if you do not pay any debts or other amounts incurred by you in operating the business hereunder when such debts or amounts are due and payable;
- (3) ~~(3)~~—you fail to comply with the Development Schedule;
- (4) ~~(4)~~—you make or purport to make a general assignment for the benefit of creditors; or if you hereto institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy, or should any proceeding under any such statute or otherwise be instituted against you; or if a custodian, receiver, manager or any other person with like powers is appointed to take charge of all or any part of the business granted hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if you commit or suffer any default under any contract of conditional sale, mortgage or other security instrument in respect of the business being operated hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if any of your goods, chattels or assets or of the business are seized or taken in execution or in attachment by a creditor, or if a writ of execution is issued against any of such goods, chattels, or assets; or if a judgment or judgments for the payment of money in amounts in excess of \$5,000, is rendered by any court of competent jurisdiction against you;
- (5) ~~(5)~~—you fail to furnish reports, financial statements, tax returns or any other documentation required by the provisions of this Agreement and do not correct such failure within ten (10) days following notice;
- (6) ~~(6)~~—if you are an Entity, (i) an order is made or a resolution passed or any proceedings taken towards your winding up or liquidation or dissolution or amalgamation; or (ii) you lose your charter by expiration, forfeiture or otherwise;
- (7) ~~(7)~~—you or any of your owners has made any material misrepresentation or omission in your or their application and the documents and other information provided to us to support your or their application to acquire the rights granted in this Agreement;

(8) ~~(8)~~—you (or any of your owners) make or attempt to make an unauthorized transfer (as defined in Section 6.B);

(9) ~~(9)~~—you (or any of your owners) are ~~(a)~~ convicted of or plead guilty or “no-contest” to a felony, ~~(b)~~ convicted of or plead guilty or “no contest” to any crime or other offense likely to adversely affect the reputation of Studios or the goodwill of the Marks, or ~~(c)~~ engage in any conduct which, in our opinion, adversely affects or, if you were to continue as a developer under this Agreement, is likely to adversely affect the reputation of the business you conduct pursuant to this Agreement, the reputation and goodwill of Studios generally or the goodwill associated with the Marks;

(10) ~~(10)~~—we provide written notice of your (or any of your owners’) failure ~~(a)~~ on three (3) or more separate occasions within any ~~twelve~~ (12) consecutive month period to comply with this Agreement, or ~~(b)~~ on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in any case, whether or not you correct the failures after our delivery of notice to you;

(11) ~~(11)~~—you or your Affiliates fail to comply with any provision of any Franchise Agreement or any other agreement with us or our affiliates and do not cure such failures within the applicable cure period, if any; or

(12) ~~(12)~~—you fail to observe, perform or comply with any other of the terms or conditions of this Agreement not listed in Section 7.A(1) through (11) above, and such failure continues for a period of ~~ten~~ (10) days after written notice thereof has been given by us to you.

**~~B. EFFECTS OF TERMINATION OR EXPIRATION~~**

**~~B. (1) EFFECTS OF TERMINATION OR EXPIRATION~~**

1) **Effects.** On the expiration or termination of this Agreement for any reason whatsoever, the following provisions apply:

(a) ~~(a)~~—all of your rights under this Agreement will cease, and you are no longer entitled to exercise the Development Rights or hold yourself out to the public as being a developer of Studios;

(b) ~~(b)~~—you must return all Confidential Information in your possession or control (except that you may retain and continue to use any Confidential Information that you are permitted to use under any Franchise Agreements); and

(c) ~~(c)~~—without limiting any other rights or remedies to which we may be entitled, you must pay all amounts owing to us pursuant to this Agreement up to the date of termination.



~~C. COVENANT NOT TO COMPETE / NON-SOLICITATION.~~

(+)

C. COVENANT NOT TO COMPETE / NON-SOLICITATION.

1) **Non-Competition.** Upon termination or expiration of this Agreement, or upon any transfer, you and your owners agree that, for two (2) years beginning on the effective date of termination, expiration or transfer, or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C, whichever is later, neither you nor your Affiliates, nor any of the Bound Parties will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating:

- (a) ~~(a)~~ — within the Development Area; and
- (b) ~~(b)~~ — within a three (3-) mile radius of any Studio in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C.

~~7.C.~~

- 2) ~~(2)~~ — **Non-Solicitation.** You further agree that, for two (2) years beginning on the effective date of termination or expiration, neither you nor any of the Bound Parties, will:

- (a) interfere or attempt to interfere with our, our affiliates' or our franchisees' relationships with any vendors or consultants; or  
~~relationships with any vendors or consultants; or~~
- (b) engage in any other activity which might injure the goodwill of the Marks and/or the System.

~~D. SURVIVAL OF COVENANTS.~~

D. SURVIVAL OF COVENANTS.

Notwithstanding the expiration, termination or transfer of this Agreement for any reason whatsoever, all covenants and agreements to be performed or observed by you will survive any such termination, expiration or transfer.

~~8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.~~

~~A. INDEPENDENT CONTRACTORS.~~

## 8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

### A. INDEPENDENT CONTRACTORS.

Each of us is an independent contractor, and neither is considered to be the agent, representative, master or servant of the other for any purpose. Neither of us has any authority to enter into any contract, to assume any obligations or to give any warranties or representations on behalf of the other. Nothing in this Agreement may be construed to create a relationship of partners, joint venturers, fiduciaries, agency or any other similar relationship between us and you.

### ~~B. INDEMNIFICATION.~~

### B. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective current and former owners, managers, directors, officers, employees, agents, successors, and assignees (the “**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 the business you conduct under this Agreement, or your breach of this Agreement, including those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, 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. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party 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 8.B. 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 8.B.

## ~~9. ENFORCEMENT:~~ ARBITRATION.

### ~~A. ARBITRATION~~

~~We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to~~

9. ~~(a)~~ — ENFORCEMENT; ARBITRATION.

A. ARBITRATION

We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to

(a) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);

(b) ~~(b)~~ — our relationship with you; or

(c) ~~(c)~~ — the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 9.A, which we and you acknowledge is to be determined by an arbitrator, not a court).

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one (1) arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within fifty (50) miles of our then-current principal place of business (currently, Englewood, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C.

~~§§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.~~

The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.

~~to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.~~

~~We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier.~~ We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same

proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

~~WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.~~ WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

With respect to any discovery of electronically stored information, you and we agree that such requests must balance the need for production of electronically stored information relevant and material to the outcome of a disputed issue against the cost of locating and producing such information. You and we agree that:

~~(2)(1) (a)~~ — production of electronically stored information need only be from sources used in the ordinary course of business. No party shall be required to search for or produce information from back-up servers, tapes, or other media;

~~(3)(2)~~ ~~(b)~~ —the production of electronically stored information shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the information and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

~~(3)~~ the description of custodians from whom electronically stored information may be collected shall be narrowly tailored to include only those individuals whose electronically stored information may reasonably be expected to contain evidence that is relevant and material to the outcome of a disputed issue;

~~(c)~~ ~~the description of custodians from whom electronically stored information may be collected shall be narrowly tailored to include only those individuals whose electronically stored information may reasonably be expected to contain evidence that is relevant and material to the outcome of a disputed issue;~~

(4) ~~(d)~~ —the parties shall attempt to agree in advance upon, and the arbitrator may determine, reasonable search parameters; and

(5) ~~(e)~~ —where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, which cost advance will not be awarded to the prevailing party in any final award.

In any arbitration each side may take no more than ~~three~~ (3) depositions, unless the parties mutually agree to additional depositions. Each side's depositions are to consume no more than a total of ~~fifteen~~ (15) hours, and each deposition shall be limited to ~~five~~ (5) hours, unless the parties mutually agree to additional time.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. ~~The provisions of this Section will continue in full force and effect subsequent to and~~

The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

~~A.B.~~ ~~B.~~ **GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) (THE "LANHAM ACT"), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE DEVELOPMENT RIGHTS, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED

BY THE LAWS OF THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, COLORADO) WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

~~B.C.~~ C. ~~CONSENT TO JURISDICTION.~~

SUBJECT TO SECTION 9.A, YOU AND THE BOUND PARTIES AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED EXCLUSIVELY IN A STATE OR FEDERAL COURT IN THE LOCATION IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED, WHICH IS CURRENTLY ENGLEWOOD, COLORADO, AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS.

~~C.D.~~ D. ~~WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.~~

WE, YOU AND THE OTHER BOUND PARTIES EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT BY ANY PARTY. EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 8.B, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU AGREE THAT ~~ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND~~ ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ~~ANY PROCEEDING BETWEEN US AND~~ ANY PROCEEDING BETWEEN US AND ANY OF ~~OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES)~~ OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (i) CONDUCTED ON A CLASS-WIDE BASIS, (ii) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (iii) ~~MAY NOT BE: (i) CONDUCTED ON A CLASS-WIDE BASIS, (ii) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (iii) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD PARTY, -OR- OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT~~ BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

~~E.~~ INJUNCTIVE RELIEF.

#### E. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Section 9.A, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

#### D.F. LIMITATION OF CLAIMS.

~~You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).~~

~~F. LIMITATION OF CLAIMS.~~ Except for claims arising from your non-payment or underpayment of amounts you owe to us pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial proceeding is commenced in accordance with this Agreement within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

You and your owners agree that our and our affiliates' owners, directors, managers, officers, employees and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

#### ~~G. ATTORNEYS' FEES AND COSTS.~~

#### G. ATTORNEYS' FEES AND COSTS.

The prevailing party in any arbitration or litigation shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such arbitration or litigation.

#### ~~10. 10. MISCELLANEOUS.~~

#### ~~A. NOTICES.~~

#### A. NOTICES.

All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and must be delivered (~~#1~~) personally or (~~#2~~) mailed by registered mail, postage prepaid, or (~~#3~~) sent by reputable overnight courier (such as Federal Express or UPS), to the said parties at their respective addresses set forth in the opening paragraph of this Agreement to the attention of the person indicated below:

If to us: Attention: Legal Department

If to you: Attention: \_\_\_\_\_

or at any such other address or addresses as the party to whom such notice, consent approval, statement, documentation or other communication is to be given, may designate by notice in writing so given to the other parties hereto as provided hereinbefore. If any one of the said parties is comprised of more than one person or Entity, any notice, consent, approval, statement, document or other communication may be given by or to any one thereof, and it will have the same force and effect as if given by or to all thereof. Any notices, consents, approvals, statements, documents or other communications, (i) if delivered personally, will be deemed to have been given on the day of delivery, (ii) if mailed will be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or (iii) if sent via overnight courier when received or refused.

~~B. JOINT AND SEVERAL OBLIGATION.~~

B. JOINT AND SEVERAL OBLIGATION.

If either you are comprised of more than one individual or Entity, the obligations of each such individual and Entity under this Agreement will be joint and several.

~~C. SEVERABILITY.~~

1. SEVERABILITY.

If any term or condition of this Agreement is, to any extent, declared to be invalid or unenforceable, all other terms and conditions of this Agreement, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term and condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

~~D. HEADINGS: CONSTRUCTION.~~

D. HEADINGS: CONSTRUCTION.

Headings preceding the text, sections and subsections hereof have been inserted solely for convenience of reference and will not be construed to affect the meaning, construction or effect of this Agreement. Whenever this Agreement allows or requires us to take actions or make decisions, we may do so in our sole and unfettered discretion, even if you believe our action or decision is unreasonable, unless the Agreement expressly and specifically requires that we act reasonably or refrain from acting unreasonably in connection with the particular action or decision. The term “including” means “including, without limitation” unless otherwise noted. The term “control” means the right and power to direct or cause the direction of an entity’s management and policies.

~~E. WAIVER.~~

E. WAIVER.

The waiver by either you or us of a breach of any term or condition contained in this Agreement will not be deemed to be a waiver of such term or condition or any subsequent breach of the same or any other term or condition herein contained unless such waiver is expressly set forth in writing. A party’s failure to exercise any right to demand exact compliance and any custom or practice at variance with the



terms and conditions of this Agreement will not constitute a waiver of the right to demand exact compliance with the terms and conditions hereof. Our subsequent acceptance of any amount payable hereunder, will not be deemed to be a waiver of any preceding breach of any term or condition of this Agreement, other than the failure to pay the particular amount so accepted, regardless of our knowledge of such preceding breach at the time of acceptance of such amount.

~~F. FURTHER ASSURANCES.~~

F. FURTHER ASSURANCES.

You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise our vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

~~A.G. ENTIRE AGREEMENT.~~

~~G. ENTIRE AGREEMENT.~~

This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. Other than the representations in the franchise disclosure document you received from us, there are no other inducements, representations, warranties, agreements, undertakings, or promises, (oral or otherwise) among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

~~H. BINDING AGREEMENT.~~

H. BINDING AGREEMENT.

This Agreement will inure to the benefit of and be binding upon us and our successors and assigns and will be binding upon you and your heirs, executors, administrators, successors and authorized assigns.

~~I. COUNTERPARTS.~~

I. COUNTERPARTS.

This Agreement may be executed in multiple copies, each of which will be deemed an original. Signatures transmitted via facsimile or scanned and emailed shall have the same force and effect as originals.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

AMAZING LASH FRANCHISE, LLC

~~DEVELOPER:~~

\_\_\_\_\_  
{Name}

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

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

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

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

\*(This is the Effective Date)

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

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

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

Dated: \_\_\_\_\_

AMAZING LASH FRANCHISE, LLC, a  
Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date\*: \_\_\_\_\_  
*(\*This is the Effective Date)*

DEVELOPER:  
[NAME OF INDIVIDUAL OR ENTITY]

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

EXHIBIT A

~~TO~~

TO AREA DEVELOPMENT AGREEMENT

**DEVELOPMENT AREA; DEVELOPMENT SCHEDULE AND OWNERSHIP**

~~1.~~ The **Development Area** is comprised of: \_\_\_\_\_, as depicted on the map attached hereto. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

~~2.~~ The **Development Schedule** is as follows:

<del>Development Period</del>	<del>Number of New Studios to be Opened During Development Period</del>	<del>Cumulative Number of Studios to be Operating by End of Development Period</del>
Effective Date to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____

~~3.~~

~~20~~ under the laws of the State

<u>Development Period</u>	<u>Number of New Studios to be Opened During Development Period</u>	<u>Cumulative Number of Studios to be Operating by End of Development Period</u>
Effective Date to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____

You were incorporated or formed on \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_. The following lists the full name of each person who is one of your owners and fully describes the nature of each owner's interest.

<u>Owner's Name</u>	<u>Type and Percentage of Interest</u>
_____	_____ %
_____	_____ %

0/4

~~AMAZING LASH FRANCHISE, LLC, a  
Delaware limited liability company~~

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

**DEVELOPER:**

**[Name]**

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

Title:

Owner's Name

Type and Percentage of Interest

\_\_\_\_\_  
%

\_\_\_\_\_  
%

\_\_\_\_\_  
%

AMAZING LASH FRANCHISE, LLC, a  
Delaware limited liability company

DEVELOPER:  
[NAME OF INDIVIDUAL OR ENTITY]

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

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

~~Date:~~ MAP OF DEVELOPMENT AREA

day

**EXHIBIT B**

~~TO~~

TO AREA DEVELOPMENT AGREEMENT

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given ~~this~~

of \_\_\_\_\_, 20\_\_\_\_, on \_\_\_\_\_, by the \_\_\_\_\_ persons  
indicated below who have executed this Agreement.



In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (the “**Agreement**”) on this date by **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company (“**we**,” “**us**,” or “**our**”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, ~~that that~~ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) upon our request, he or she must submit to us suitable credit and financial information to allow us to make a reasonable decision as to the undersigned’s creditworthiness and financial position including, without limitation, a personal net worth statement and such other information which would reasonably be considered relevant to us in determining whether or not the undersigned has the ability to satisfy his or her obligations under this Guaranty.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such undersigned (or on such undersigned’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned acknowledges and represents that he or she has had an opportunity to review the Agreement and agrees that the provisions of Section 9 (Enforcement; Arbitration) have been reviewed by the undersigned and are incorporated, by reference, into and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned and us. Nonetheless, each of the undersigned agrees that we may also enforce this Guaranty and Assumption of Obligations and awards in the courts of the state or states in which he or she is domiciled.

*[Signature page follows]*

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

**GUARANTOR(S):**

Signature: \_\_\_\_\_  
~~Signature:~~ Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
~~Signature:~~ Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_

~~The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.~~

~~The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.~~

\_\_\_\_\_  
Name of Guarantor

\_\_\_\_\_  
Name of Guarantor's Spouse

\_\_\_\_\_  
Signature of Guarantor's Spouse

\_\_\_\_\_  
Name of Guarantor

\_\_\_\_\_  
Name of Guarantor's Spouse

\_\_\_\_\_  
Signature of Guarantor's Spouse

\_\_\_\_\_  
Name of Guarantor

\_\_\_\_\_  
Name of Guarantor's Spouse

\_\_\_\_\_  
Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

**EXHIBIT C**

**TO**

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

Name of Guarantor

Name of Guarantor's Spouse

Signature of Guarantor's Spouse

EXHIBIT C  
TO AREA DEVELOPMENT AGREEMENT

**FORM OF AMENDMENT TO FRANCHISE AGREEMENT**

Ex. C

## AMENDMENT NO. 1 TO FRANCHISE AGREEMENT

~~THIS AMENDMENT NO. 1 TO FRANCHISE AGREEMENT~~ (the “~~Amendment~~”) is made as of the Effective Date by and between AMAZING LASH FRANCHISE, LLC (“we”) and ~~[INSERT ENTITY]~~ (“you”). ~~The Effective Date is the date on which we sign this Amendment as shown beneath our signature on the signature page of this Amendment.~~

### RECITALS

A. ~~You and we are parties to that certain franchise agreement, dated as of the Effective Date (the “Franchise Agreement”), which governs your ownership and operation of a Studio to be located at \_\_\_\_\_ (the “Franchised Business”).~~

B. ~~The Franchise Agreement was signed pursuant that certain Area Development Agreement between you or your Affiliate and us on [Effective Date of Area Development Agreement] (as amended, the “Development Agreement”). You and we desire to enter into this Amendment to recognize such fact and to revise certain provisions of the Franchise Agreement as required under the Development Agreement.~~

### AGREEMENT

~~FOR AND IN CONSIDERATION~~ of the foregoing ~~Recitals~~, the covenants set forth herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

1. ~~Section V.A of the Franchise Agreement (Initial Franchise Fee) is deleted in its entirety.~~
2. ~~The Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the Franchise Agreement shall continue in full force and effect as set forth therein.~~
3. ~~The terms of this Amendment form an integral part, and hereby are incorporated into and made a part, of the Franchise Agreement. In the event of a conflict between the terms contained in the Franchise Agreement and this Amendment, the terms and conditions of this Amendment shall govern, control, and supersede any inconsistent or conflicting terms of the Franchise Agreement.~~
4. ~~This Amendment may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by facsimile is hereby authorized and shall have the same force and effect as an original. All capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Franchise Agreement.~~

**IN WITNESS WHEREOF**, you and we have signed this Amendment on the dates shown below and made effective as of the Effective Date.

**AMAZING LASH FRANCHISE, LLC**      **[INSERT ENTITY]**

By: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Date\*: \_\_\_\_\_  
(\*This is the Effective Date)

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

**EXHIBIT D**  
**TO AREA DEVELOPMENT AGREEMENT REPRESENTATIONS AND**  
**ACKNOWLEDGMENT STATEMENT**



## **REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

### **(AREA DEVELOPMENT AGREEMENT)**

The purpose of this Statement is to demonstrate to Amazing Lash Franchise, LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the Development Rights, (a) fully understands that the purchase of area development rights is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise for the Development Rights (the “Franchise”).

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a Franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the Franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	<b>INITIAL:</b>
I received a copy of the FDD, including the Area Development Agreement, at least 14 calendar days (10 business days in Michigan) before I executed the Area Development Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the Franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the Franchise.	<b>INITIAL:</b>
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the Franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD: <u>or as indicated below (write “None” if none provided):</u> _____.	<b>INITIAL:</b>
My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the Franchise.	<b>INITIAL:</b>
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	<b>INITIAL:</b>

I have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the Franchise (including any statement, promise or assurance concerning the likelihood of my success) except as contained in the FDD or as indicated below (write "None" if none provided):

INITIAL:

**Prohibited Parties Clause.**

<p><del>I have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the Franchise (including any statement, promise or assurance concerning the likelihood of my success) except as contained in the FDD or as indicated below (write "None" if none provided):</del></p> <p>_____</p> <p>_____</p>	<p><del>INITIAL:</del></p>
--	----------------------------

~~**Prohibited Parties Clause.** I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the Franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:~~

- ~~1. \_\_\_\_\_ the U.S. Treasury Department's List of Specially Designated Nationals;~~
- ~~2. \_\_\_\_\_ the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or~~  
~~\_\_\_\_\_ the U.S. Treasury Department's List of Specially Designated Nationals;~~
- ~~2. \_\_\_\_\_ the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or~~  
~~General Orders;~~
- ~~3. \_\_\_\_\_ the U.S. State Department's Debarred List or Nonproliferation Sanctions; or~~
- ~~4. \_\_\_\_\_ the Annex to U.S. Executive Order 13224.~~
- ~~3. \_\_\_\_\_ the U.S. State Department's Debarred List or Nonproliferation Sanctions; or~~
- ~~4. \_\_\_\_\_ the Annex to U.S. Executive Order 13224.~~

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Area Development Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

[Signature Page Follows]

Sign here if you are taking the Franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you are an individual  
or a partnership but the partnership is not a  
separate legal entity)

\_\_\_\_\_  
**Signature**

Sign here if you are taking the Franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you are an individual  
or a partnership but the partnership is not a  
separate legal entity)

\_\_\_\_\_  
**Signature**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Signature**

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

Dated: \_\_\_\_\_

~~Print Name:~~ \_\_\_\_\_  
~~Dated:~~ \_\_\_\_\_

Sign here if you are taking the Franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Print Name of Legal Entity**

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

~~Signature~~

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

Sign here if you are taking the Franchise as a  
**CORPORATION, LIMITED LIABILITY**  
**COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

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

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

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

Dated: \_\_\_\_\_

**Signature**  
**e**

Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

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

\_\_\_\_\_  
**Signature**

**Print Name:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

**Print Name:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

NOTE TO MARYLAND RESIDENTS OR DEVELOPERS WITH A DEVELOPMENT AREA LOCATED IN MARYLAND: This Representations and Acknowledgement Statement is not intended to and shall not waive any liability Franchisor may have under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT C

OPERATIONS MANUAL TABLE OF CONTENTS



**AMAZING LASH FRANCHISE, LLC**

**OPERATIONS MANUAL TABLE OF CONTENTS**

<b><u>Description</u></b>	<b><u>Page Numbers</u></b>	<b><u>Total Pages in Section</u></b>
<u>Cover Page &amp; Legal Disclaimer</u>	<u>1-5</u>	<u>5</u>
<u>Table of Contents</u>	<u>6-7</u>	<u>2</u>
<u>History</u>	<u>8</u>	<u>1</u>
<u>Operational Resources</u>	<u>9-27</u>	<u>19</u>
<u>Franchise Identity &amp; Brand</u>	<u>28-41</u>	<u>14</u>
<u>The Business</u>	<u>42-50</u>	<u>9</u>
<u>Studio Operations</u>	<u>51-73</u>	<u>23</u>
<u>Employees</u>	<u>74-81</u>	<u>8</u>
<u>Studio Safety</u>	<u>82-92</u>	<u>11</u>
<u>Marketing</u>	<u>93-109</u>	<u>17</u>
<b><u>Total Number of Pages</u></b>	<b><u>109</u></b>	

**EXHIBIT D**

**LIST OF STATE AGENTS/AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT D**

**~~TABLE OF CONTENTS TO OPERATIONS MANUAL~~**



## Table of Contents

<b>Amazing Lash Franchise, LLC</b>	<b>1</b>
History of Amazing Lash Studio	1
Introduction	7
Services Provided to the Amazing Lash Studio Franchisee	8
Site Acceptance	8
Design Specifications and Equipment Lists	8
Initial Training	9
New Studio Opening	9
Ongoing Training and Support	9
Approved Vendors	9
Administration of National Advertising Fund, Advertising	10
Materials and Sales Aids	10
Franchise Councils	10
National Regional Developer Advisory Council	10
Terms	10
National Franchise Advisory Council	11
National Franchise Financial Analysis and Benchmarking Committee	11
National Marketing Steering Committee	12
Ongoing Research and Development	12
Corporate Website	12
Confidential Operations Manual	13
Onsite Inspection	13
Studio Compliance	13
Mystery Shopping Program	13
Paying Other Fees	13
Initial Opening and Ongoing Assistance	13
Optional Training and Seminars	14
Transfer	14
Advertising Fund	14
Local Advertising and Advertising Cooperative	14
Late Payments	14
Interest	14
Supplier Inspection and Testing	15
Indemnification	15



Insurance Costs.....	15
Refurbishing and Modernization .....	15
Site Plan and Design Fee .....	15
Operations Manual Replacement.....	15
Monthly Software and Technology Licensing Fee.....	15
PCI Compliance.....	16
Email Communication Policy .....	16
Audit .....	18
Enforcement Costs.....	18
Private or Public Offer of Securities .....	18
Responsibilities of an Amazing Lash Studio Franchisee .....	18
Responsibilities to Your Guests.....	18
Responsibilities to Your Staff.....	18
Responsibilities to Your Fellow Franchisees.....	19
Responsibilities to the Franchisor .....	19
Critical Studio Support Protocol .....	19
Pre-opening Procedures.....	21
Pre-opening Checklist .....	21
Studio Selection Process .....	21
Studio Criteria .....	23
Trade Area Demographics for Sites .....	23
Market Analysis.....	24
Competition in the Marketplace .....	25
Building Out Your Studio.....	26
Working with an Architect .....	27
Selecting a Contractor.....	28
Design Specifications .....	28
Sample Studio Design .....	29
Sample Studio Floor Plans.....	29
Contracting with Required Utilities and Services .....	31
Obtaining Required Licenses, Certification and Permits.....	32
Understand that you are responsible for knowing and abiding by all of the regulations pertaining to the operation of your Amazing Lash Studio business.....	33
Required List of Equipment.....	33

~~Initial~~ Inventory

33



Logo and Signage Specifications.....	34
Signage Specifications.....	34
Exterior Signage.....	34
Interior Signage.....	34
Interior Millwork.....	35
Setting up Bank Accounts.....	35
Accounts to Open.....	35
Procuring Required Insurance Policies.....	35
Meeting Your Tax Obligations.....	38
Employer Identification Number.....	38
Federal Taxes.....	38
State Tax.....	39
Conducting a Grand Opening.....	39
Planning.....	40
Human Resources.....	41
Job Descriptions.....	41
Studio Manager.....	41
Lash Consultant.....	44
Lash Consultant Operations Excellence Review.....	46
Lash Stylist.....	48
Certification Requirements.....	50
Lash Stylist Operations Excellence Review.....	50
Recruiting Employees.....	53
Profile of the Ideal Employee.....	53
Getting the Word Out.....	55
Sample Employment Ad—Lash Stylist.....	56
The Interview Process.....	56
Prescreening.....	57
Face-to-Face Interview.....	58
Sample Interview Questions.....	61
Completing the Interview Report.....	63
Practical Interview.....	63
Reference Checks.....	64
Background Checks.....	64
Job Offer.....	65



Orientation of New Employees .....	66
Forms .....	66
Policies and Benefits .....	70
Overview of Operation .....	70
Training .....	71
Training Tips .....	71
Initial Training .....	71
Ongoing Training .....	73
Master Stylist Training and Career Pathing .....	74
Master Stylist and Career Path Requirements .....	74
Master Stylist Frequently Asked Questions .....	76
Personnel Policies .....	77
Cell Phone Policy .....	84
Managing Personnel .....	85
Management Guidelines .....	85
Importance of Communication .....	86
Hosting Staff Meetings .....	87
Motivating Staff .....	88
Developing Efficient Schedules .....	89
Time Tracking Procedures .....	89
Compensating Employees .....	90
Uniform and Dress Code .....	91
Conducting Performance Evaluations .....	92
Preparation .....	93
Procedure .....	94
Review Meeting .....	95
Progressive Discipline .....	95
Termination, Resignation, and Transfers .....	97
Resignation .....	98
Studio Operation Procedures .....	99
Suggested Hours of Operation .....	99
Daily Procedures .....	100
Bank Deposits .....	106
Shift Change Procedures .....	106
Customer Service Procedures .....	107





Social Media and Reputation Management Policy and .....	108
Customer Service .....	109
Customer Service Philosophy .....	109
Handling Customer Service Issues .....	111
Amazing Lash Studio Service Offerings .....	114
Membership Information .....	115
Our Lashes .....	116
Lash Education .....	116
Our Lash Types .....	116
Our Styles .....	118
Glue Storage and Usage Procedures .....	119
Nano-Mister .....	120
Millennium POS .....	120
Front Desk Procedures .....	121
Performing the Service .....	127
Aftercare and Lash Maintenance .....	128
In-Between Appointments .....	129
Sterilizing Tweezers .....	129
Checking Guests Out .....	129
Franchise Reporting Requirements .....	132
Royalty Payment .....	132
Making Your Advertising Contribution .....	133
Required Local Marketing Expenditures .....	133
Financial Statements .....	133
Electronic Funds Transfer .....	134
Financial Management .....	134
Using Reports to Analyze your Business .....	134
Compliance with Payment Card Infrastructure Standards .....	135
Backing-Up Records .....	135
<b>Inventory Management .....</b>	<b>135</b>
Ordering Branded Products .....	136
Ordering Other Products .....	136
Using Approved and Preferred Suppliers .....	137
Preferred Vendor List .....	139





Required Studio Cleaning and Maintenance .....	142
Safety and Security.....	146
Accident Reporting and Investigation.....	148
Worker's Compensation Issues.....	149
Fire Safety.....	150
Membership Program.....	151
Membership Program.....	151
Scheduling Phone Appointments.....	156
Greeting the Guest.....	160
Selling the Amazing Lash Membership.....	164
Maintenance Program Script.....	165
Overcoming Objections.....	172
Member Retention.....	180
Selling Amazing Lash Retail Products.....	181
Marketing and Advertising.....	189
Positioning Lines.....	191
Guidelines for Using Amazing Lash Studio Marks.....	193
Promoting Amazing Lash Studio in Your Trade Area.....	194
Digital Media.....	198
Using Referrals to Build Business.....	204
Required Advertising Expenditures.....	204
Ongoing Marketing.....	207
Discount/Promotion Approval Process.....	208
Remote Studio Technology Access.....	180
EFT Package Transfer Policy.....	180
Suspended/Frozen Member Process.....	209

Total: 211 pages

## Introduction

pg. 8 8

Amazing Lash Franchise, LLC (Studio)  
June 2019 Amended FDD | Ex. C — 2019 Area Development Agreement  
Revision Date 03.05.2019  
© 2019 Amazing Lash Franchise LLC

**EXHIBIT F**

**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

#### **STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. [There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.](#)

## **CALIFORNIA**

Department of Business Oversight:  
1 (866) 275-2677

### ***Los Angeles***

Suite 750  
320 West 4<sup>th</sup> Street  
Los Angeles, California 90013  
(213) 576-7505

### ***Sacramento***

1515 K Street, Suite 200  
Sacramento, California 95814-4052  
(916) 445-7205

### ***San Diego***

1350 Front Street  
San Diego, California 92101  
(619) 525-4044

### ***San Francisco***

One Sansome Street, Ste. 600  
San Francisco, California 94104  
(415) 972-8559

## **HAWAII**

(state administrator)

Business Registration Division  
Department of Commerce and  
Consumer Affairs  
P.O. Box 40  
Honolulu,  
Hawaii  
96810 (808)  
586-2722

(agent for service of  
process)

Commissioner of Securities of the  
Department of Commerce and Consumer Affairs  
335 Merchant Street  
Honolulu, Hawaii 96813  
(808) 586-2722

## **ILLINOIS**

Franchise Bureau  
Office of the Attorney General  
500 South Second Street Springfield, Illinois  
62706 (217) 782-4465 **INDIANA**

(state administrator)

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

(agent for service of process)

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

## **MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner  
at the Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

## **MICHIGAN**

(state administrator)

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,  
Corporations and Securities Bureau  
P.O. Box 30054

6546 Mercantile Way  
Lansing, Michigan 48909

## **MINNESOTA**

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

## **NEW YORK**

(state administrator)

Office of the New York State Attorney General  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
(212) 416-8236 Phone  
(212) 416-6042 Fax

(agent for service of process)

New York Secretary of State  
New York Department of State  
One Commerce Plaza  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-0001  
(518) 473-2492

## **NORTH DAKOTA**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – Fifth Floor  
Bismarck, North Dakota 58505  
(701) 328-4712

## **OREGON**

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

## **RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex  
Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

## **SOUTH DAKOTA**

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

## **VIRGINIA**

(state administrator)

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219 (804) 371-9051

(agent for service of process)

Clerk of the State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219 (804) 371-9672



**WASHINGTON**

(state administrator)

~~Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, Washington 98507-9033 (360) 902-8760~~

~~(agent for service of process) Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W. Tumwater, Washington 98501~~

**WISCONSIN**

~~Securities and Franchise Registration  
Wisconsin Securities Commission  
345 West Washington Avenue, 4th Floor  
Madison, Wisconsin 53703 (608) 266-3431~~

**EXHIBIT F**

**FINANCIAL STATEMENTS**



---

## Amazing Lash Franchise, LLC

---

**Consolidated Financial Statements**  
**December 31, 2018**

**Amazing Lash Franchise, LLC**

**Contents**

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Consolidated Financial Statements</b>	
Balance Sheet	2
Statement of Operations	3
Statement of Changes in Member's Equity	4
Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6-14



Plante & Moran, PLLC  
Suite 600  
8181 E. Tufts Avenue  
Denver, CO 80231  
Tel: 303.740.9400  
Fax: 303.740.9009  
plantemoran.com

## Independent Auditor's Report

To the Board of Directors and Member  
Amazing Lash Franchise, LLC  
Englewood, Colorado

We have audited the accompanying consolidated financial statements of Amazing Lash Franchise, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2018 and the related consolidated statement of operations, changes in member's equity, and cash flows for the period from September 12, 2018 through December 31, 2018, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Amazing Lash Franchise, LLC and its subsidiaries as of December 31, 2018 and the results of their operations and their cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

March 8, 2019

## Amazing Lash Franchise, LLC

### Consolidated Balance Sheet

December 31, 2018

#### Assets

##### Current Assets

Cash	\$ 2,093,460
Accounts receivable – Net	318,466
Inventory	140,000
Prepaid and other	<u>283,543</u>

Total current assets 2,835,469

Leasehold Improvements – Net 1,092,694

Goodwill 11,343,378

Intangible Assets – Net 26,045,940

##### Other Noncurrent Assets

Due from affiliates	10,665,026
Deferred franchise costs	<u>291,300</u>

Total assets \$ 52,273,807

#### Liabilities and Member's Equity

##### Current Liabilities

Accounts payable	\$ 26,230
Accrued expenses	647,980
Due to affiliates	2,472,157
Current portion of long-term debt	113,831
Deferred revenue	<u>1,596,425</u>



<b>Total current liabilities</b> <b>STATE</b>	<b>4,856,623</b> <b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>CALIFORNIA</b> <b>Long-term Debt—Net</b>	California Dept. of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559 (866) 275-2677 <b>40,857,498</b>	California Commissioner of Business Oversight 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 (866) 275-2677
<b>Other Noncurrent Liabilities</b> <b>Deferred revenue</b> <b>FLORIDA</b>	<b>4,403,705</b> Dept. of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0900 (850) 245-6000	Same
<b>HAWAII</b> <b>Deferred rent</b>	Dept. of Commerce & Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722 <b>5,434</b>	Commissioner of Securities of the State of Hawaii Dept. of Commerce & Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
<b>ILLINOIS</b> <b>Total liabilities</b>	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465 <b>46,823,260</b>	Illinois Attorney General Same Address
<b>INDIANA</b> <b>Member's Equity</b>	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 (317) 232-6681 <b>35,450,547</b>	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204 (317) 232-6531
<b>Total liabilities and member's equity</b> <b>KENTUCKY</b>	Kentucky Attorney General's Office Consumer Protection Division <b>\$ 52,273,807</b> 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5389	Same
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner Same Address
<b>MICHIGAN</b>	Michigan Dept. of Attorney General Consumer Protection Division Attn: Franchise Section 525 W. Ottawa street G. Mennen Williams Bldg., 1 <sup>st</sup> Floor Lansing, MI 48913 (517) 373-7117	Michigan Dept. of Commerce Corporations & Securities Bureau P.O. Box 3054 6546 Mercantile Way Lansing, MI 48909

Inserted Cells

**Amazing Lash Franchise, LLC**

**Consolidated Statement of Operations**  
**Period from September 12, 2018 through December 31, 2018**  
**Revenues**



<u>STATE</u> <u>Royalties</u>	<u>\$</u> <del>2,478,550</del> <u>STATE</u> <u>ADMINISTRATOR</u>	<u>AGENT FOR SERVICE OF</u> <u>PROCESS</u>
<u>MINNESOTA</u> <u>Franchise fees</u>	Minnesota Dept. of Commerce 85 7 <sup>th</sup> Place East, Suite 500 St. <del>201,045</del> Paul, MN 55101 (651) 296-6328	Minnesota Commissioner of Commerce Same Address
<u>Marketing and production fund</u> <u>NEBRASKA</u>	Dept. of Banking & Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68505-2732 P.O. Box <del>387,329</del> 95006 Lincoln, NE 68509-5006 (402) 471-2171	Same
<u>NEW YORK</u> <u>Technology and other revenues</u>	New York State Dept. of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 <del>279,440</del> Phone: (212) 416-8236 Fax: (212) 416-6042	New York Secretary of State New York Dept. of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001 (518) 473-2492
<u>NORTH DAKOTA</u>	North Dakota Securities Dept. 600 East Boulevard Avenue State Capitol, 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 Phone: (701) 328-4712	North Dakota Securities Commissioner Same Address
<u>RHODE ISLAND</u> <u>Company-owned studio revenue</u>	Rhode Island Dept. of Business Regulation Securities Division John O. Pastore Center – Bldg. 69-1 1511 Pontiac Avenue <del>1,245,077</del> Cranston, RI 02920 (401) 222-3048	Director, Rhode Island Dept. of Business Regulation Same Address
<u>SOUTH DAKOTA</u>	South Dakota Dept. of Labor & Regulation Division of Securities 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of the South Dakota Division of Securities Same Address
<u>TEXAS</u>	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 (512) 475-1769	Same
<u>UTAH</u>	Utah Dept. of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 Phone: (801) 530-6601 Fax: (801) 530-6001	Same

Inserted Cells

Inserted Cells

Total revenues

4

,591,441

**Operating Expenses**

<u>STATE</u>	<u>STATE ADMINISTRATOR</u>	<u>AGENT FOR SERVICE OF PROCESS</u>
<u>VIRGINIA</u>	State Corporation Commission Div. of Securities & Retail Franchising 1300 E. Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk, State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9672
<u>WASHINGTON</u>	Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
<u>WISCONSIN</u>	Securities & Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4 <sup>th</sup> Floor Madison, WI 53703 (608) 266-3431	4,404,068 Wisconsin Commissioner of Securities Same Address

Inserted Cells

Payroll	1,167,016
General and administrative	874,685
Advertising and promotion	551,298
Rent and occupancy	259,017
Depreciation and amortization	871,107
Management fees	755,000
Total operating expenses	5,582,191
Nonoperating Expense – Interest expense	(306,303)
Net Loss	\$ (1,297,053)

A-7

**EXHIBIT E**

Amazing Lash Franchise, LLC

Consolidated Statement of Changes in Member's Equity  
Period from September 12, 2018 through December 31, 2018

Balance—September 12, 2018	\$	
Contributions		36,747,600
Net loss		(1,297,053)
Balance—December 31, 2018		<u>\$ 35,450,547</u>

Amazing Lash Franchise, LLC

Consolidated Statement of Cash Flows  
Period from September 12, 2018 through December 31, 2018

<b>Cash Flows from Operating Activities</b>	
Net loss	\$ (1,297,053)
Adjustments to reconcile net loss to net cash from operating activities:	
Depreciation and amortization	871,107
Provision for bad debt	192,973
Amortization of debt issuance costs	20,436
Deferred rent	5,434
Changes in operating assets and liabilities which (used) provided cash:	
Accounts receivable	(248,632)
Inventory	(72,673)
Prepaid and other	(194,989)
Accounts payable	(452,824)
Accrued expenses	620,036
Deferred franchise costs	(291,300)
Deferred revenue	<u>254,671</u>
Net cash used in operating activities	(592,814)
<b>Cash Flows from Investing Activities</b>	
Additions to intangibles	(1,750)
Repurchase of area territories	<u>(70,000)</u>
Net cash used in investing activities	(71,750)
<b>Cash Flows Provided by Financing Activities – Advanced from affiliates</b>	
	<u>2,758,024</u>
<b>Net Increase in Cash</b>	2,093,460
<b>Cash – Beginning of period</b>	<u>                    </u>
<b>Cash – End of period</b>	<u><u>\$ 2,093,460</u></u>

Supplemental Disclosure of Non-Cash Activity:

During the period from September 12, 2018 through December 31, 2018, the Company received a noncash contribution of \$36,747,600 through acquisition as disclosed in Note 3.

During the period ended December 31, 2018, the Company assumed \$11,383,106 of debt, net of \$403,755 of debt issuance costs through a joint and several liability arrangement with its parent and affiliates (Note 6). Interest accrued during the year of \$285,867 was included as a reduction in due from affiliates.

## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 1—Nature of Business

Amazing Lash Franchise, LLC (Amazing Lash Franchise) is in the business of franchising and operating retail studios specializing in luxury temporary eyelash extensions and related products and services. Amazing Lash Franchise was incorporated on June 13, 2018 in the state of Delaware but did not commence operations until September 12, 2018 upon the acquisition described in Note 3.

Amazing Lash Corporate Ventures, LLC ("ALCV") is a wholly owned subsidiary of Amazing Lash Franchise. ALCV was incorporated on June 13, 2018 in the state of Delaware for the purpose of acquiring and operating the corporate owned studios. Amazing Lash and ALCV, together, are known as "Amazing Lash" or the "Company".

The Company franchises the right to franchisees to open eyelash studios. Each studio franchisee pays the Company an initial franchise fee and royalties equal to a percentage of revenues received, per the franchise agreement. Prior to acquisition, the previous owner of Amazing Lash Studio Franchise, LLC (see Note 3) also sold area representative agreements, in which each area representative paid an initial area franchise fee and had the right to receive up to 40% of the initial franchise fee and 40% of royalties received from each studio developed in his or her territory. Both the studio franchise agreement and the area representative agreement are for a term of 10 years and are renewable after the initial term. Studio franchise agreements are renewable for an additional fee.

At December 31, 2018, the Company had 19 area representatives covering 26 states. The Company no longer offers area representative franchise agreements.

The Company is a wholly owned subsidiary of WBZ Investment LLC (the "Parent"), which also owns WBZ Holdings, Inc. ("Holdings"); WellBiz Brands, Inc. ("WellBiz"); Elements Therapeutic Massage, LLC ("Elements"); Fitness Together Franchise, LLC ("Fitness Together"); Wellness and Vitality Exchange, LLC ("WAVE"); and FTHC Operating Company ("Gift Cards"). The Parent provides funds for operational needs of the Company. The operating results of the Company could vary significantly if it operates independently of the Parent, Holdings, Elements, Fitness Together, WAVE, and Gift Cards. Accordingly, this affiliation and other related party disclosures must be taken into consideration in reviewing the accompanying consolidated financial statements.

The following table summarizes the number of studios in operation and the number of studios sold but not yet operational:

	September 12, 2018 through December 31, 2018
Studios open at beginning of period	204
Studios opened during the period	13
Studios closed during the period	(2)
Studios in operation at end of period	212
Studios sold but not yet operational	138
Company-owned studios in operation	7

#### Note 2—Significant Accounting Policies

##### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Amazing Lash and its wholly owned subsidiary, ALCV. All material intercompany accounts and transactions have been eliminated in consolidation.

## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 2—Significant Accounting Policies (Continued)

##### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### *Concentration of Credit Risk*

The Company grants credit in the normal course of business to franchisees related to the collection of royalties and other operating revenues. In select cases, credit is issued for initial franchise fees and area director franchise fees. The Company periodically performs credit analysis and monitors the financial condition of the franchisees to reduce credit risk.

##### *Accounts Receivable*

Accounts receivable primarily consists of royalties, marketing and production fund from franchisees, and ongoing development fees. The Company considers a reserve for doubtful accounts based on the creditworthiness of franchisees. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. The Company had an allowance of \$192,923 as of December 31, 2018.

##### *Inventory*

Inventory is stated at the lower of cost or net realizable value, with cost determined using the average cost method.

##### *Leasehold Improvements*

Leasehold improvements are recorded at cost. Amortization is provided utilizing the straight-line method over the lesser of the estimated useful lives or respective lease term.

##### *Intangible Assets*

Intangible assets consist primarily of franchise agreements, trademarks, non-compete agreements, and reacquired rights.

##### Franchise Agreements

Franchise agreements are recorded based upon the fair value of these assets at the date of the change in control. The agreements are being amortized over their estimated remaining lives, which are approximately 10 years.

##### Trademarks

Trademarks are being amortized over their estimated useful lives, which range from eight to ten years.

##### Noncompete Agreements

The noncompete agreements are being amortized over their estimated remaining lives, which are approximately seven years.

## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 2—Significant Accounting Policies (Continued)

##### Reacquired Rights

The Company regularly enters into agreements to repurchase select territories held by area representatives under area representative agreements. The reacquired franchise rights are recorded as an intangible asset, measured at the fair value of the remaining contractual term of the rights at the date of acquisition. Any excess consideration paid over the value of the reacquired right is recorded as goodwill, all of which is expected to be deductible for tax purposes. The reacquired franchise right is amortized over the remaining life of the contract. If the terms of the contract that give rise to a reacquired right are favorable or unfavorable relative to similar market transactions, a settlement gain or loss is recognized. The Company has determined that the terms of the contracts are consistent with similar market transactions; accordingly, no settlement gain or loss was recorded for the period ended December 31, 2018.

##### **Goodwill**

The recorded amount of goodwill which relate to the September 12, 2018 acquisition described in Note 3 is based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment. No impairment charge was recognized during the period ended December 31, 2018.

##### **Impairment or Disposal of Long-lived Assets**

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Upon review of the Company's long-lived assets, no impairments were recorded for the period ended December 31, 2018.

##### **Debt Issuance Costs**

Debt issuance costs were incurred by the Company in connection with obtaining the assumption of the joint and several liability debt. These costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

##### **Deferred Rent Obligation**

The Company entered into various operating lease agreements for corporate studios during 2018. The Company records monthly rent expense equal to the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent obligation, which is reflected as a separate line item in the accompanying consolidated balance sheet.

##### **Franchise Fee and Royalty Revenue Recognition and Related Franchise Costs**

The Company's revenues consist of fees from franchisees, such as initial franchise fees, royalties, and transfer fees.

Initial franchise fees received from studio franchisees are recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement, which is generally upon the opening of a studio. Royalties are based upon a percentage of franchisee sales and recognized when earned. Transfer fees are recognized when the agreement has been executed.

Amazing Lash Franchise, LLC (Studio)

June 30, 2018

Deferred franchise costs represent certain costs incurred to develop new franchises and are expensed when the related revenue is recognized, generally upon the opening of a studio. Franchise costs will not be deferred in excess of the amount of revenue to be recognized.



## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 2—Significant Accounting Policies (Continued)

##### ***Marketing and Production Fund Revenue***

The Company collects marketing and production fund fees. Marketing fund monies are used to promote brand awareness and include, but are not limited to, the creation of marketing and promotional material, development and maintenance of websites for the franchise system, and market research. The total marketing fund revenue earned for the period ended December 31, 2018 was \$387,329. Marketing fund revenues are recognized up to the amount paid by the fund, for both operating and capital expenditures, not to exceed amounts collected or accrued during the year. Any amounts collected or accrued but unspent at the end of the year are reported as deferred revenue on the accompanying consolidated balance sheet. As of December 31, 2018, \$369,365, including \$278,047 acquired from the business combination discussed in Note 3, was included in deferred revenue on the consolidated balance sheet.

##### ***Technology and Other Revenue***

Other revenues consist primarily of technology fees charged to franchisees in accordance with the franchise agreements. Technology and other revenues are recognized as they are earned and become receivable from the franchisees.

##### ***Company-owned Studio Revenue***

Company-owned studio revenue consist primarily of member and nonmember session fees charged to customers at the Company's corporate-owned studios. Studio revenue is recognized as services are provided. Memberships billed and collected for monthly services and gift cards sold before the service is performed are included in deferred revenue.

##### ***Income Taxes***

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro-rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

##### ***Advertising Expenses***

Advertising expenses are charged to income during the year in which they are incurred. Advertising expense for the period ended December 31, 2018 was \$551,298, inclusive of marketing and production fund. Company-owned studio advertising expenses are included in the above and were \$62,594.

##### ***Upcoming Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. The Company has elected, upon adoption on January 1, 2019, to apply the full retrospective method and expects this to have significant impact on the recognition of franchise fees and costs, marketing fund revenues and costs, and related disclosures.

Amazing Lash Franchise, LLC

Notes to Consolidated Financial Statements

Note 2 – Significant Accounting Policies (Continued)

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Company's year ending December 31, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. Upon adoption, the Company will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In January **FINANCIAL STATEMENTS** 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The standard simplifies the subsequent measurement of goodwill, requiring only a single-step quantitative test to identify and measure impairment based on the excess of a reporting unit's carrying amount over its fair value, instead of the current two-step test. A qualitative assessment may still be completed first to determine if a quantitative impairment test is required. This standard is effective on a prospective basis for fiscal years beginning after December 15, 2020. The Company is still assessing the impact of this standard.

Note 3 – Business Combinations

On September 12, 2018, the Company acquired certain assets of and assumed certain liabilities of Amazing Lash Studio Franchise, LLC and through a series of simultaneous transactions acquired seven previously franchised studios located in Arizona, (collectively "ALSF"). Total cash consideration was \$36,747,600. The Parent made this acquisition to expand its brands portfolio. The goodwill arising from this acquisition consists largely of the synergies and economics of scale expected from combining the acquired operation with the Company and its affiliates owned by the Parent. The goodwill will not be amortized and is deductible for tax purposes. The fair value of financial assets acquired include accounts receivable with a fair value of \$262,807, all of which was collected during the period ended December 31, 2018. Acquisition consideration was provided by the Parent and recorded as a noncash contribution to the Company on the accompanying consolidated statement of member's equity. The transaction was recorded under the purchase method of accounting. All transaction costs were incurred and paid by the Parent.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Current assets	\$ 418,688
Noncurrent assets	1,138,293
Current liabilities	(2,164,457)
Noncurrent liabilities	(788,000)
Intangible assets	26,799,698
Total identifiable net assets	25,404,222
Goodwill	11,343,378
Total	\$ 36,747,600

B-

## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 4 – Leasehold Improvements

Leasehold improvements are summarized as follows:

Leasehold improvements	\$ 1,138,293
Accumulated depreciation and amortization	(45,599)
Net leasehold improvements	<u>\$ 1,092,694</u>

Depreciation and amortization expense for leasehold improvements for the period ended December 31, 2018 was \$45,599.

#### Note 5 – Intangible Assets

Intangible assets of the Company at December 31, 2018 are summarized as follows:

	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:		
Trademarks	\$ 5,501,750	\$ (200,521)
Franchise agreements	21,000,000	(612,500)
Noncompete agreements	299,698	(12,487)
Reacquired rights	70,000	-
Total amortized intangible assets	<u>\$ 26,871,448</u>	<u>\$ (825,508)</u>

Amortization expense in the amount of \$825,508 was recognized during the period ended December 31, 2018.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2019	\$ 2,841,660
2020	2,841,660
2021	2,841,660
2022	2,841,660
2023	2,841,660
Thereafter	11,837,640
Total	<u>\$ 26,045,040</u>

#### Reacquired Rights

Periodically, the Company repurchases territories held by area representatives under area representative agreements. The area representative agreements entitled the area representatives to a portion of certain revenue generated in the territories, which will now be retained wholly by the Company. The valuation technique utilized in the acquisition considered the annualized, trailing 12 months' royalties from the territories as a basis for the anticipated royalty stream over the remaining life of the contract.

The Connecticut territory repurchase agreement was consummated on November 30, 2018 for \$70,000 in exchange for a lump sum cash payment. The fair value of the remaining contractual term of the agreement is \$70,000, which was recognized as a reacquired right and amortized over the remaining contractual life.

B-

# Amazing Lash Franchise, LLC

## Notes to Consolidated Financial Statements

### Note 5 – Intangible Assets (Continued)

#### Subsequent Events – Reacquired Rights

The North Carolina and South Carolina territory repurchase agreement was consummated on January 1, 2019 for \$460,000 in exchange for a lump-sum cash payment. The fair value of the remaining contractual term of the agreement is \$460,000, which will be recognized as a reacquired right and amortized over the remaining contractual life.

The Georgia territory repurchase agreement was consummated on February 1, 2019 for \$450,000 in exchange for a lump-sum cash payment. The fair value of the remaining contractual term of the agreement is \$450,000, which will be recognized as a reacquired right and amortized over the remaining contractual life.

The Alabama and Tennessee territory repurchase agreement was consummated on February 1, 2019 for \$150,000 in exchange for a lump-sum cash payment. The fair value of the remaining contractual term of the agreement is \$150,000, which will be recognized as a reacquired right and amortized over the remaining contractual life.

The Indiana and Illinois territory repurchase agreement was consummated on February 15, 2019 for \$600,000 in exchange for a lump-sum cash payment. The fair value of the remaining contractual term of the agreement is \$600,000, which will be recognized as a reacquired right and amortized over the remaining contractual life.

The Colorado territory repurchase agreement was consummated on March 1, 2019 for \$136,000 in exchange for a lump-sum cash payment. The fair value of the remaining contractual term of the agreement is \$103,761, which will be recognized as a reacquired right and amortized over the remaining contractual life. The excess consideration of \$32,239 will be recorded as goodwill.

### Note 6 – Long-term Debt

#### Joint and Several Liability Debt Agreement

On September 12, 2018, the Parent along with certain of its subsidiaries including the Company entered into a credit agreement (the "Credit Agreement") to obtain a \$50,000,000 term loan to purchase substantially all of the assets and assume certain liabilities from ALS Cosmetics Supply, LLC ("ALSC") and Amazing Lash Studio Franchise, LLC ("ALSF"). The term loan bears interest at 5.50 percent plus LIBOR (7.93 percent at December 31, 2018). The debt requires quarterly principal payments of \$125,000 with interest starting at December 31, 2018 and a balloon payment due at maturity on September 12, 2024 and is collateralized by substantially all of the assets of the Company. The Company is liable for the entire amount of the debt on a joint and several basis. As of December 31, 2018, the total outstanding balance of the debt was \$49,875,000, and the Company recognized a liability and corresponding amounts due from affiliates for its agreed-upon portion of \$10,971,329, net of debt issuance costs of \$383,319, as of December 31, 2018.

Interest expense in the amount of \$306,303 including amortization of debt issuance costs of \$20,436 was recognized during the period ended December 31, 2018 and accrued for through amounts due from affiliates on the balance sheet.

In the event the Company is required to make payments on the debt in excess of the agreed-upon amount, the Company could seek to recover those amounts from the Parent; however, the Company does not hold specific recourse or collateral rights in connection with the agreement.

Under the agreement, the Parent is subject to various financial covenants, including a required leverage ratio:

B-

Amazing Lash Franchise, LLC

Notes to Consolidated Financial Statements

Note 6 – Long-term Debt (Continued)

Under the same credit agreement the Company has also guaranteed certain additional borrowing capacities of the Parent. In the event of default by the Parent, the Company could be obligated to repay the full amount outstanding on these loans. As of December 31, 2018, the maximum potential future obligations under this guarantee total \$1,960,000. As of December 31, 2018, the Company is unaware of any circumstances that would require performance under this guarantee.

Note 7 – Member's Equity

The Company is a limited liability company; therefore, the member is not liable for the debts, obligations, or other liabilities of the Company, whether arising in contract, tort, or otherwise, unless the member has signed a specific guarantee. The member may, but shall not be required to, make additional capital contributions to the Company. The Company may make distributions of cash or other assets of the Company to the member at such times and in such amounts as the member determines.

Note 8 – Commitments and Contingencies

Operating Leases

The Company entered into various noncancelable leases agreements during 2018. Rent expense paid by the Company including common area maintenance and pro-rata share of certain expenses during the period ended December 31, 2018 was \$259,017. Future minimum lease payments under these leases are approximately as follows:

Years Ending	Amount
2019	\$ 666,435
2020	634,628
2021	358,796
2022	78,292
Total	\$ 1,738,151

Litigation

The Company is named a party to a number of lawsuits in the normal course of business. The Company maintains insurance to cover certain actions. In the opinion of management, the resolution of these lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

Note 9 – Related Party Transactions

The Company is a wholly subsidiary of the Parent, which also owns Fitness Together, Fit 36, Elements, WAVE, and WellBiz. Based upon the cash needs of each company and the separately calculated tax liabilities, cash may transfer among the companies. The amounts transferred are recorded as an intercompany asset or liability depending on the amounts owed to or from related entities

The intercompany balance consists of the following:

Due (to) from WellBiz	\$ (1,247,076)
Due (to) from Parent	26,218,858
Due (to) from WAVE	(16,778,913)
Total	\$ 8,192,869

B-

## Amazing Lash Franchise, LLC

### Notes to Consolidated Financial Statements

#### Note 9 – Related Party Transactions (Continued)

##### *Management Fees*

The Company maintains a servicing agreement with WellBiz, whereby WellBiz will provide certain executive, legal, administrative, and marketing services on behalf of the Company. The allocation methodology is based on estimated time and effort spent on the Company, and the resulting costs to the Company are reported as management fees on the accompanying consolidated statement of operations. For the period ended December 31, 2018, the Company incurred expenses related to management fees of \$755,000.

##### *Related Party Purchases*

In the normal course of business, the Company – owned studios purchase inventory and service supplies from WAVE. These purchases totaled \$159,407 for the period ended December 31, 2018.

#### Note 10 – Subsequent Events

The Company has evaluated all subsequent events through the auditor's report date, which is the date the financial statements were available to be issued.

B-

## **GUARANTEE OF PERFORMANCE**

~~For value received, WBZ Investment LLC, a Delaware limited liability company (the "Guarantor"), located at 9780 Meridian Boulevard, Suite 400, Englewood, Colorado 80112, absolutely and unconditionally guarantees to assume the duties and obligations of Amazing Lash Franchise, LLC, located at 9780 Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (the "Franchisor"), under its franchise registration in Maryland, Minnesota, and Washington, and under its Franchise Agreement identified in its 2019 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.~~

~~The Guarantor signs this guarantee at Englewood, Colorado on this 28th day of June, 2019.~~

**Guarantor:**

WBZ Investment LLC

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

Name: Robert Bell

Title: Chief Financial Officer

**EXHIBIT C**

**SAMPLE GENERAL RELEASE**



**GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE**

Amazing Lash Franchise, LLC (“we,” “us,” or “our”) and the undersigned franchisee or franchisee owner, \_\_\_\_\_ (“you” or “your”), currently are parties to a certain franchise agreement (the “Franchise Agreement”) dated \_\_\_\_\_, 20\_\_\_\_. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]

\_\_\_\_\_. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, members, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Released Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, Claims (1) arising out of or related to the Released Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

You, on your own behalf and on behalf of the Releasing Parties, agree not to disparage, impugn or otherwise speak or write negatively, directly or indirectly, of us or the Released Parties, the Amazing Lash brand, the Amazing Lash franchise system, or any other service-marked or trademarked concept of us or the Released Parties, or take any other action which would subject the Amazing Lash brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of us, the Released Parties, or the Amazing Lash brand.

**IF THE STUDIO YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA** OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

**SECTION 1542-ACKNOWLEDGMENT**—IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING

G-1

~~THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE RELEASED PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES 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.”~~

~~YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.~~

~~If the studio you operate under the Franchise Agreement is located in Maryland or if you are a resident of Maryland, the following shall apply:~~

~~Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. *[Signature Page Follows]*~~

~~IN WITNESS WHEREOF~~, the parties have executed and delivered this Agreement on the date stated below.

**AMAZING LASH FRANCHISE, LLC** - a  
Delaware limited liability company

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

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

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

Dated: \_\_\_\_\_

**FRANCHISEE:**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**OWNER:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name



[\[2019 AUDIT PLACEHOLDER PAGE\]](#)

**EXHIBIT ~~H~~F**

**STATE ADDENDA AND AGREEMENT RIDERS**

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. F – State Addenda and Agreement Riders](#)  
[Amazing Lash Franchise, LLC \(Studio\)](#)  
[June 2019 Amended FDD | Ex. C – 2019 Area Development Agreement](#)

**Ex. ~~D~~**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
AMAZING LASH FRANCHISE, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Amazing Lash Franchise, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**CALIFORNIA**

1. 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.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT.

3. OUR WEBSITE, [www.amazinglashstudio.com](http://www.amazinglashstudio.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

4. The following is added at the end of Item 3:

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

5. The following paragraph is added at the end of Item 8:

You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from us, from the franchisor's affiliates, or from suppliers that the franchisor designates at prices the franchisor 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 of your franchise business.

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and Area Developer concerning termination, transfer or

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. F – State Addenda and Agreement Riders

~~D-1~~  
E-1

Amazing Lash Franchise, LLC (Studio)  
June 2019 Amended FDD | Ex. C – 2019 Area Development Agreement

nonrenewal of a franchise. If the Franchise Agreement or Area Development Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Area Development Agreement require application of the laws of the State of Colorado. This provision might not be enforceable under California law.

The Franchise Agreement contains a lost revenue damages clause. Under California Civil Code Section 1671, certain lost revenue damages clauses are unenforceable.

The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then-current principal place of business (currently Englewood, Colorado) with the costs being borne as provided in the Franchise Agreement and Area Development Agreement. Prospective franchisees and Area Developers are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Area Development Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement, and the Area Development Agreement requires you to sign a general release of claims upon transfer of the Area Development Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

7. The following paragraph is added to the end of Item 19:

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation



of the costs and expenses you will incur in operating your Amazing Lash franchise. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

## **ILLINOIS**

1. The summary section of Item 17(v), entitled **Choice of forum** is deleted in its entirety.

2. The summary section of Item 17(w), entitled **Choice of law** is deleted in its entirety and replaced by the following:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois apply.

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

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.

## **MARYLAND**

1. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal, sale, and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults”:

~~The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.).~~ The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.). Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following sentence is added to the end of the “Summary” sections of Item 17(v) entitled “Choice of forum” and 17(w) entitled “Choice of law:”

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

#### **MINNESOTA**

1. Trademarks. The following sentence is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. [Sec. 80C.12 Subd. 1\(g\)](#).

~~Sec. 80C.12 Subd. 1(g).~~

2. Renewal, Termination, Transfer, Dispute Resolution and Releases.

The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and Area Development Agreement and [180 days' notice for non-renewal of the Franchise Agreement and Area Development Agreement](#).

~~180 days' notice for non-renewal of the Franchise Agreement and Area Development Agreement.~~

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement can abrogate or reduce any of Franchisee's or Area Developer's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement or Area Development Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale, and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

#### **NORTH DAKOTA**

1. [The following is added to the end of the "Remarks" section of Item 6, entitled "Lost Revenue Damages":](#)

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. F – State Addenda and Agreement Riders](#)

~~D-4~~  
F-4

Under North Dakota law, a requirement that you consent to liquidated damages in the event of termination of the Franchise Agreement is considered unenforceable; however, we and you will enforce this provision to the maximum extent the law allows.

2. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of the “Summary” section of Item 17(r), entitled “Non-competition covenants after the franchise is terminated or expires”:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. The “Summary” section of Item 17(u), entitled “Dispute resolution by arbitration or mediation” is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

5. The “Summary” section of Item 17(v), entitled “Choice of forum” is deleted and replaced with the following:

You must sue us in Englewood, Colorado, except that to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. The “Summary” section of Item 17(w), entitled “Choice of law” is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Colorado will apply.

## **RHODE ISLAND**

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum” and 17(w), entitled “Choice of law”:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. F – State Addenda and Agreement Riders

~~D-5~~  
E-5

## VIRGINIA

1. The following language is added to the end of the “Summary” section of Item 17(e), entitled “Termination by franchisor without cause”:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Area Development 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.

## WASHINGTON

1. The following language is added at the end of Item 17:

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement or Area Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, 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.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

[Amazing Lash Franchise, LLC](#)  
[March 2020 FDD](#)  
[Ex. F – State Addenda and Agreement Riders](#)

Amazing Lash Franchise, LLC (Studio)  
June 2019 Amended FDD | Ex. C – 2019 Area Development Agreement

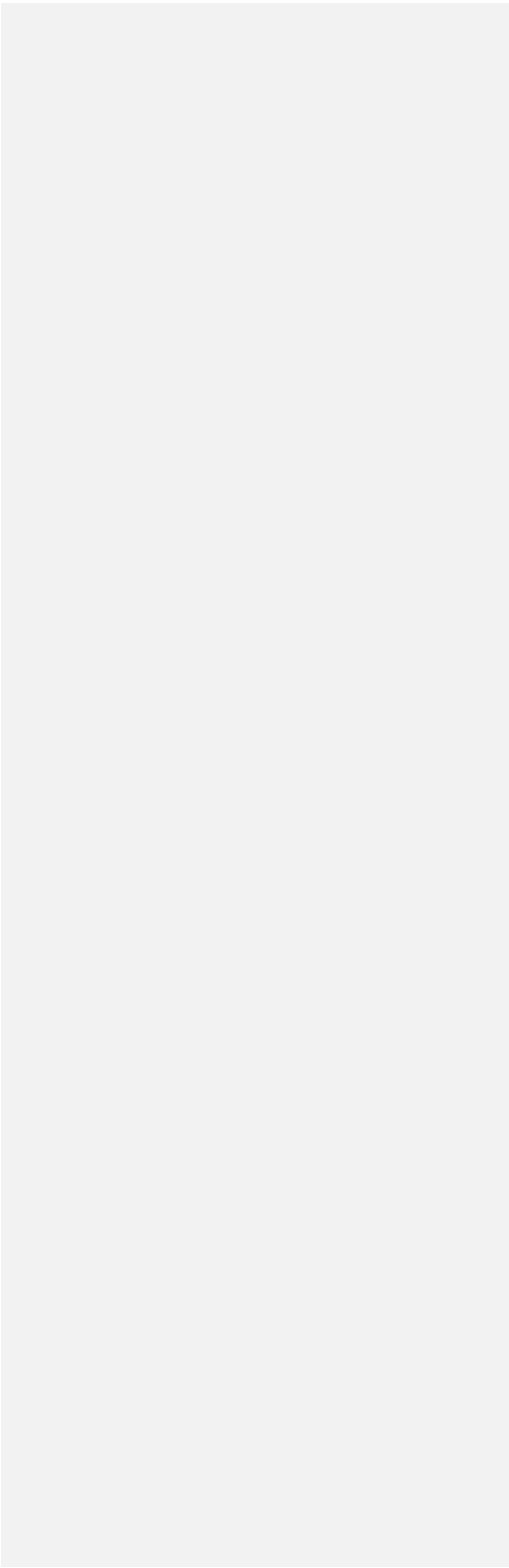
~~D-7~~  
E-7

**RIDER TO THE**  
**FRANCHISE AGREEMENT ~~FOR USE IN MARYLAND~~**  
**FOR USE IN ILLINOIS**

\_\_\_\_\_ **THIS RIDER** is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“~~we~~”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address ~~at~~ at \_\_\_\_\_ (“~~you~~”).

\_\_\_\_\_  
(~~“you”~~);

| ~~dated~~



~~1.~~ **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated 1. \_\_\_\_\_, (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) ~~you are domiciled in Maryland, and/or (b)~~ any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Amazing Lash Studio that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. ILLINOIS LAW. The following paragraphs are added to the end of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

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.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:  
AMAZING LASH FRANCHISE, LLC

FRANCHISEE:  
[NAME OF INDIVIDUAL OR ENTITY]

Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____ (Title of Signor, if applicable)

**RIDER TO THE**  
**FRANCHISE AGREEMENT**  
**FOR USE IN MARYLAND** ~~Maryland.~~

~~2.~~

THIS RIDER is made and entered into by and between AMAZING LASH FRANCHISE, LLC, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).



1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Amazing Lash Studio that you will operate under the Franchise Agreement will be located in Maryland.

1.2. **RELEASES.** The following is added to the end of Sections IV.A(7) ("Renewal") and XV.B(5) ("Transfer") of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2.3. ~~3.~~ **ACKNOWLEDGMENTS.** The following is added to the end of Section VI.A ("Your Investigation of This Franchise") of the Franchise Agreement:

Lastly, all representations requiring you 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 under the Maryland Franchise Registration and Disclosure Law.

3.4. ~~4.~~ **TERMINATION.** The following sentence is added to the end of Section XVIII.A ("Automatic Termination") of the Franchise Agreement:

We and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4.5. ~~5.~~ **ARBITRATION.** The following is added to the end of Section XX.E ("Arbitration") of the Franchise Agreement:

This agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

~~5-6.~~ ~~6.~~ **CONSENT TO JURISDICTION/GOVERNING LAW.** The following sentence is added to the end of Section XX.F (“Governing Law”) and Section XX.G (“Consent to Jurisdiction”) of the Franchise Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

~~6-7.~~ ~~7.~~ **LIMITATIONS OF CLAIMS.** The following sentence is added to the end of Section XX.J of the Franchise Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**AMAZING LASH FRANCHISE, LLC**

**FRANCHISEE**

**{Name}**

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

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

~~H-2~~

AMAZING LASH FRANCHISE, LLC

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

\_\_\_\_\_

FRANCHISEE

\_\_\_\_\_  
[Name]

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

---

dated

~~1.~~ **BACKGROUND.** We and you are parties to that certain Franchise Agreement

1. ~~dated~~ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Amazing Lash Studio that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. ~~2.~~ **RENEWAL AND TERMINATION.** The following is added to the end of Sections IV.B ("Term and Renewal") and Section XVIII ("Termination") of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

3. **RELEASES.** The following is added to the end of Section IV.A(7) ("Term and Renewal"), Section XV.B(5) ("Transfer"), Section XIX.B ("Post-termination") of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

~~However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non renewal of this Agreement.~~

~~3.~~ **RELEASES.** The following is added to the end of Section IV.A(7) ("Term and Renewal"), Section XV.B(5) ("Transfer"), Section XIX.B ("Post-termination") of the Franchise Agreement:

~~Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.~~

4. ~~4.~~ **MARKS.** The following sentence is added to the end of Section X.E ("Infringement") of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

5. ~~5.~~ **LOST REVENUE DAMAGES.** The following language is added to the end of Section XIX.C of the Franchise Agreement

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

6. ~~6.~~ **GOVERNING LAW.** The following statement is added at the end of Section XX.F of the Franchise Agreement:

~~Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.~~

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. ~~7.~~ **CONSENT TO JURISDICTION.** The following language is added to the end of Section XX.G of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. ~~8.~~ **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section XX.I (“Waiver of Punitive Damages”) and Section XX.K (“Jury Waiver”) of the Franchise Agreement is deleted.

9. ~~9.~~ **LIMITATIONS OF CLAIMS.** The following is added to the end of Section XX.J of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

10. ~~10.~~ **INJUNCTIVE RELIEF.** Section XX.M of the Franchise Agreement is deleted in its entirety and modified as follows:

Nothing in this Agreement, including the provisions of Section XX.E, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

11. ~~11.~~ **REMEDIES CUMULATIVE.** The following language is added to the end of Section XX.T of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400(J). However, we and you agree to enforce the provision to the extent the law allows.

~~IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.~~

**AMAZING LASH FRANCHISE, LLC**

By:

Name:

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

**FRANCHISEE**

\_\_\_\_\_  
[Name]

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

H-3



~~THE FOLLOWING PAGES IN THIS EXHIBIT ARE~~  
~~STATE-SPECIFIC RIDERS TO THE~~  
~~AREA DEVELOPMENT AGREEMENT~~

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

AMAZING LASH FRANCHISE, LLC

FRANCHISEE

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

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

RIDER TO THE ~~AMAZING LASH FRANCHISE, LLC AREA DEVELOPMENT~~  
~~AGREEMENT~~  
~~FOR USE IN MARYLAND~~

FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between AMAZING LASH FRANCHISE, LLC, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_

\_\_\_\_\_, having its principal business address at \_\_\_\_\_

(“you”).

~~1. —~~ **BACKGROUND.** We and you are parties to that certain ~~Area Development~~ Franchise Agreement dated \_\_\_\_\_, (the “~~Area Development~~ Franchise Agreement”) ~~that has~~

1. ~~been~~). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed ~~concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement~~ because (a) you are a resident of North Dakota and the Amazing Lash Studio that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Section IV.A(7) ("Term and Renewal"), Section XV.B(5) ("Transfer"), Section XIX.B ("Post-termination") of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **RESTRICTIVE COVENANTS.** The following is added to the end of Section XI.C ("Noncompetition Covenants") of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **LOST REVENUE DAMAGES.** The following language is added to the end of Section XIX.C of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **ARBITRATION.** Section XX.E(1) of the Franchise Agreement is amended to read as follows:

(1) We and you agree that all controversies, disputes, or claims between us or our Affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you and your Owners, Affiliates, and employees, on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your Owners or Affiliates) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your Owners or Affiliates) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section XX.E which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by 1 arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our then-current principal place of business (currently, Englewood, Colorado); provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and

binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

6. **GOVERNING LAW.** Section XX.F of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado without regard to its conflict of laws rules; except that (1) any law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your business is located.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section XX.G of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the North Dakota Franchise Investment Law, Section XX.I ("Waiver of Punitive Damages") and Section XX.K ("Jury Waiver") of the Franchise Agreement is deleted.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**AMAZING LASH FRANCHISE, LLC**

**FRANCHISEE:**  
**[NAME OF INDIVIDUAL OR ENTITY]**

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

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

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

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

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

Title: \_\_\_\_\_  
(Title of Signor, if applicable)

**RIDER TO THE**  
**FRANCHISE AGREEMENT**  
**FOR USE IN RHODE ISLAND**

**THIS RIDER** is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Amazing Lash Studio that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **CONSENT TO JURISDICTION / GOVERNING LAW.** The following language is added to the end of Sections XX.F (“Governing Law”) and XX.G (“Consent to Jurisdiction”) of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**  
**AMAZING LASH FRANCHISE, LLC**

**FRANCHISEE:**  
**[NAME OF INDIVIDUAL OR ENTITY]**

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

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

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

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

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

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

(Title of Signor, if applicable)

**ADDENDUM TO THE FRANCHISE AGREEMENT**

**FOR USE IN WASHINGTON**

**THIS ADDENDUM TO THE FRANCHISE AGREEMENT FOR WASHINGTON** (“this Addendum”) is entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, CO 80112 (“we,” “us” or “our”) and \_\_\_\_\_ (“you” or “your”), whose principal business address is \_\_\_\_\_.

WHEREAS, we and you have entered into a certain Franchise Agreement (the “Franchise Agreement”) dated \_\_\_\_\_, (the “Effective Date”) and desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Addendum.

WHEREAS, this Addendum is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Washington and the Amazing Lash Studio that you will operate under the Franchise Agreement will be located or operated in Washington; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

NOW THEREFORE, we and you agree that the Franchise Agreement is hereby modified, as follows:

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. 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 competition 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 undersigned does hereby acknowledge receipt of this addendum.

Dated \_\_\_\_\_.

**FRANCHISOR:**  
**AMAZING LASH FRANCHISE, LLC**

**FRANCHISEE:**  
**[NAME OF INDIVIDUAL OR ENTITY]**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
(Title of Signor, if applicable)

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE ~~Maryland, and/or (b)~~**  
**STATE-SPECIFIC RIDERS TO THE**  
**AREA DEVELOPMENT AGREEMENT**  
**RIDER TO THE AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between AMAZING LASH FRANCHISE, LLC, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Area Development Agreement occurred in Illinois and the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS LAW.** The following paragraphs are added to the end of the Area Development Agreement and supersede any conflicting provisions in the Area Development Agreement:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

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.

**IN WITNESS WHEREOF,** the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

**FRANCHISOR:**  
**AMAZING LASH FRANCHISE, LLC**

**DEVELOPER:**  
**[NAME OF INDIVIDUAL OR ENTITY]**

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

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

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

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

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

Title: \_\_\_\_\_  
(Title of Signor, if applicable)

**RIDER TO THE AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located in Maryland.

**RELEASES.**

2. ~~2.~~ **RELEASES.** The following is added to the end of Section 6.B(6) (“Transfer”) of the Area Development Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. ~~3.~~ **TERMINATION OF AGREEMENT.** The following sentence is added to the end of Section 7.A (“Automatic Termination”) of the Area Development Agreement:

We and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. ~~4.~~ **ARBITRATION.** The following is added to the end of Section 9.A (“Arbitration”) of the Area Development Agreement:

This agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. ~~5.~~ **CONSENT TO JURISDICTION +/ GOVERNING LAW.** The following sentence is added to the end of Section 9.B (“Governing Law”) and Section 9.C (“Consent to Jurisdiction”) of the Area Development Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. ~~6.~~ **LIMITATIONS OF CLAIMS.** The following sentence is added to the end of Section 9.F of the Area Development Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

7. ~~7.~~ **ACKNOWLEDGMENTS.** The following is added as new Section 11 of the Area Development Agreement:

11. **ACKNOWLEDGMENTS.** Lastly, all representations requiring you 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 under the Maryland Franchise Registration and Disclosure Law.

~~IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement. IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.~~

~~AMAZING LASH FRANCHISE, LLC,~~

~~DEVELOPER:~~

\_\_\_\_\_  
{Name}

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

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

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

[Name] \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, (the “Area  
Development Agreement”) that has

\_\_\_\_\_, having  
its principal  
business address  
at

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

(“you”).

+

**BACKGROUND.** We and  
you are parties to  
that certain Area  
Development  
Agreement dated

1. \_\_\_\_\_ been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Minnesota.

2. ~~2.~~ **TERMINATION OF AGREEMENT.** The following is added to the end of Section 7.A of the Area Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

~~However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.~~

3. ~~3.~~ ~~RELEASES.~~ RELEASES. The following is added to the end of Section 6.B(6) ("Transfer") of the Area Development Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. ~~4.~~ GOVERNING LAW. The following statement is added at the end of Section 9.B of the Area Development Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

~~Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.~~

5. ~~5.~~ CONSENT TO JURISDICTION. The following sentence is added to the end of Section 9.C of the Area Development Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

~~Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.~~

6. ~~6.~~ **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL, AND CLASS ACTIONS.** If and then only to the extent required by the Minnesota Franchises Law, Section 9.D of the Area Development Agreement is deleted.

~~7.~~ **INJUNCTIVE RELIEF.** Section 9.E of the Area Development Agreement is deleted in its entirety and modified as follows:

Nothing in this Agreement, including the provisions of Section 9.A, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

~~8.~~ **LIMITATIONS OF CLAIMS.** The following is added to the end of Section 9.F of the Area Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

**AMAZING LASH FRANCHISE, LLC**

**DEVELOPER:**

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

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RIDER TO THE AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**FOR USE IN NORTH DAKOTA**

**THIS RIDER** is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in North Dakota.

2. **RESTRICTIVE COVENANTS DURING TERM.** The following is added to the end of Section 7.C(1) (“Non-Competition”) of the Area Development Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

3. **RELEASES.** The following is added to the end of Section 6.B(6) (“Transfer”) of the Area Development Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **ARBITRATION.** The first paragraph of Section 9.A of the Area Development Agreement is amended to read as follows:

We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to

(a) this Agreement or any other agreement between you and us;

(b) our relationship with you;

(c) the scope and validity of this Agreement or any other agreement between you and us or any provision of any of such agreements (including, but not limited to, the validity and scope of the arbitration obligations under this Section 9.A which we and you acknowledge is to be determined by an arbitrator, not a court); or

(d) any System standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by 1 arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Englewood, Colorado); provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et seq.*). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

5. **GOVERNING LAW.** Section 9.B of the Area Development Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et seq.*). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other United States federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado without regard to its conflict of laws rules; except that (1) any law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your amazing lash studio is located.

6. **CONSENT TO JURISDICTION.** The following is added to the end of Section 9.C of the Area Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.** If and then only to the extent required by the North Dakota Franchise Investment Law, Section 9.D of the Area Development Agreement is deleted.

8. **LIMITATION OF CLAIMS.** The following is added to the end of Section 9.F of the Area Development Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

FRANCHISOR:

DEVELOPER:

AMAZING LASH FRANCHISE, LLC

[NAME OF INDIVIDUAL OR ENTITY]

Signature:

Signature:

Printed Name:

Printed Name:

Title:

Title:  
(Title of Signor, if applicable)

**RIDER TO THE AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Rhode Island.

2. **GOVERNING LAW / CONSENT TO JURISDICTION.** The following is added at the end of Sections 9.B (“Governing Law”) and 9.C (“Consent to Jurisdiction”) of the Area Development Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a [Area Development Agreement] restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

**FRANCHISOR:**  
**AMAZING LASH FRANCHISE, LLC**

**DEVELOPER:**  
**[NAME OF INDIVIDUAL OR ENTITY]**

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

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

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

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

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

Title: \_\_\_\_\_  
(Title of Signor, if applicable)

**RIDER TO THE AMAZING LASH FRANCHISE, LLC**  
**AREA DEVELOPMENT AGREEMENT**  
**FOR USE IN WASHINGTON**

THIS RIDER is made and entered into by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company with our principal business address at 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112 (“we”) and \_\_\_\_\_ a(n) \_\_\_\_\_, having its principal business address \_\_\_\_\_ at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated \_\_\_\_\_, (the “Area Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Area Development Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following language is added to the Area Development Agreement:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede this Agreement in your relationship with us, including termination and renewal of your franchise.

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

A release or waiver of rights executed by you shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Area Development 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, might not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.

AMAZING LASH FRANCHISE, LLC

DEVELOPER:

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

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT G**

~~IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Area Development Agreement.~~

**AMAZING LASH FRANCHISE, LLC**

**DEVELOPER:**

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

\_\_\_\_\_  
{Name}  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

=

**EXHIBIT I**

**AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER**



## AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER

**Location:**

~~THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER~~ (Studio Number: \_\_\_\_\_)

**THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER** (“**Consent**”) is made by and among **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company (“**Franchisor**”); \_\_\_\_\_ (“**Seller**”); \_\_\_\_\_ (“**Seller Guarantor**”); and \_\_\_\_\_ (“**Buyer**”), effective as of the Effective Date (defined below). All terms capitalized in this Consent and not otherwise defined herein shall have the meanings ascribed to them in the Seller Franchise Agreement (defined below) or the Buyer Franchise Agreement (defined below), as the case may be.

## Recitals

## Recitals

A. ~~A.~~ Seller is the franchisee under that certain franchise agreement dated \_\_\_\_\_, \_\_\_\_\_, as it may have been amended by subsequent addendum or addenda (the “**Seller Franchise Agreement**”), governing the ownership and operation of the Amazing Lash Studio ~~located at~~ \_\_\_\_\_  
\_\_\_\_\_ (the “**Studio**”).

\_\_\_\_\_ (the “Studio”).

B. ~~B.~~ Seller Guarantor personally guaranteed all of the obligations under the Seller Franchise Agreement.

C. ~~C.~~ Seller has notified Franchisor that it and Buyer have entered into a purchase and sale agreement dated \_\_\_\_\_ (the “**Purchase Agreement**”), pursuant to which Seller has agreed to sell, and Buyer has agreed to purchase, all of the rights, obligations and assets relating to the Studio (the “**Interests**”).

D. ~~D.~~ Buyer has also agreed to (1) assume the lease obligations for the Studio ~~premises~~, and (2) enter into Franchisor's current form of franchise agreement (the "**Buyer Franchise Agreement**") (the transfer of Interests under the Purchase Agreement, the assumption by Buyer of the Studio's lease obligations and the execution of the Buyer Franchise Agreement, collectively referred to as the "**Transfer**").

E. ~~E.~~ Franchisor has agreed not to exercise its right of first refusal as set forth in the Seller Franchise Agreement and has agreed to approve the Transfer of the Studio in accordance with the terms, and subject to the conditions, set forth in this Consent.

## Agreement

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants contained herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. ~~1. —~~ **Effective Date.** The “Effective Date” will be the date on which Franchisor signs this Consent acknowledging its consent to the proposed Transfer, which date shall be consistent with the effective date of the Buyer Franchise Agreement.

2. ~~2. —~~ **Purchase Agreement.** Seller and Buyer represent and warrant that the form of Purchase Agreement provided to Franchisor is the final version of the Purchase Agreement and is the version which has been, or will be, executed by them to effectuate the Transfer. The Purchase Agreement will not be amended, and the terms set forth in the Purchase Agreement will not be changed, except with the prior written consent of Franchisor.

~~amended, and the terms set forth in the Purchase Agreement will not be changed, except with the prior written consent of Franchisor.~~

3. ~~3. —~~ **Conditional Consent; Release of Guaranty.** As of the Closing Date, the Seller Franchise Agreement will terminate and operation of the Studio will thereafter be governed by the Buyer Franchise Agreement. Upon termination of the Seller Franchise Agreement, neither Seller nor Seller Guarantor shall have any further rights or obligations thereunder, except that neither Seller nor Seller Guarantor shall be released from (i) any obligations to pay money owed to Franchisor under the Seller Franchise Agreement or the guaranty prior to the Closing Date or such other date as may be set forth herein; or (ii) the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including, without limitation, provisions related to confidential information, post-termination restrictive covenants, indemnification, notice, governing law, jurisdiction and venue, and dispute resolution). Notwithstanding anything in this Consent to the contrary, the consent and release set forth herein are expressly contingent upon compliance with the following terms and conditions on or before the date of the closing of the Transfer (“Closing Date”):

a. ~~a. —~~ **Franchise Agreement.** The Seller Franchise Agreement will terminate as of the Closing Date in accordance with the terms set forth in Section 7 below, and the operation of the Studio will thereafter be governed by the Buyer Franchise Agreement.

b. ~~b. —~~ **Payment of Amounts Due.** Seller will pay all amounts due and owing from Seller (or an affiliate of Seller) to Franchisor through the Closing Date.

e. ~~e. —~~ **Transfer Fee.** Upon execution of this Consent by Seller and Buyer, a transfer fee in the amount of ~~1\$~~

c. ~~f. [ ]~~ (“**Transfer Fee**”) shall be paid to Franchisor via cashier’s check or wire transfer. Except as described in Section 5 below, Seller and Buyer acknowledge and agree that Franchisor has earned the Transfer Fee upon receipt thereof and that the Transfer Fee is not refundable.

d. ~~d.~~ Fee Deposit. Upon execution of this Consent by Seller and Buyer, Seller agrees to deposit \$5,000 (“**Fee Deposit**”) with Franchisor via cashier’s check or wire transfer. Franchisor will refund the Fee Deposit to Seller, less any amounts which may be due pursuant to Section 3.b, within thirty (30) days following the later of the Closing Date or the date upon which Seller and Buyer comply with all terms and conditions set forth in this Consent.

~~d.e.~~ Training. Buyer (or, if Buyer is an entity, one of Buyer’s co-owners) and, if not the same person as Buyer (or the designated co-owner), Buyer’s ~~manager~~ Designated Manager (as defined in the Buyer Franchise Agreement) (or the individual having responsibility for the day-to day operations of the Studio) shall satisfactorily complete the Training Program (as defined and described in the Buyer Franchise Agreement) ~~within thirty (30) days following~~ prior to the Closing Date.

~~e.f. e.~~ Right to Possession. Buyer will provide satisfactory evidence to Franchisor that Buyer has the right to possession of the ~~premises for the~~ Studio by way of lease assignment and/or assumption or otherwise (with all required landlord consents), as more fully described in Section 6 below.

~~f.g. f.~~ Site Selection Assistance. Buyer acknowledges and agrees that Franchisor has complied with and satisfied its obligations under the Buyer Franchise Agreement to provide site selection and development assistance.

~~g.h. g.~~ Purchase Agreement. The Purchase Agreement will not be amended and the terms of the purchase transaction will not be changed except with the prior written consent of Franchisor.

- ~~h. **Studio Possession.** Prior to the Closing Date and changing possession and/or ownership of the Studio, Seller and Buyer shall obtain the written consent and authorization of Franchisor.~~
- ~~i. **Seller Financing.** Regardless of any provision of the Purchase Agreement (or any other agreement) to the contrary, if Seller provides financing to Buyer for any portion of the purchase price for the Studio and such financing is secured by any assets of the Studio, Seller acknowledges and agrees that Seller does not and will not have any interests or rights, revisionary or otherwise, to operate the Studio after the Closing Date pursuant to the Seller Franchise Agreement or Buyer Franchise Agreement.~~
- ~~j. **Studio Upgrades/Renovations.** Within sixty (60) days following the Closing Date, Buyer will complete the upgrades and renovations of the Studio, at Buyer's expense, as required to improve the condition and appearance of the Studio consistent with Franchisor's current System Standards and other Franchise System requirements.~~

4. ~~**Waiver of Right of First Refusal.** Franchisor hereby waives its right of first refusal to~~

- ~~i. **Studio Possession.** Prior to the Closing Date and changing possession and/or ownership of the Studio, Seller and Buyer shall obtain the written consent and authorization of Franchisor.~~
- ~~j. **Seller Financing.** Regardless of any provision of the Purchase Agreement (or any other agreement) to the contrary, if Seller provides financing to Buyer for any portion of the purchase price for the Studio and such financing is secured by any assets of the Studio, Seller acknowledges and agrees that Seller does not and will not have any interests or rights, revisionary or otherwise, to operate the Studio after the Closing Date pursuant to the Seller Franchise Agreement or Buyer Franchise Agreement.~~
- ~~k. **Studio Upgrades/Renovations.** Within sixty (60) days following the Closing Date, Buyer will complete the upgrades and renovations of the Studio, at Buyer's expense, as required to improve the condition and appearance of the Studio consistent with Franchisor's current System Standards and other Franchise System requirements.~~

4. **Waiver of Right of First Refusal.** Franchisor hereby waives its right of first refusal to purchase the Interests, as set forth in the Seller Franchise Agreement.

5. ~~**Contingency.** This Consent and the Buyer Franchise Agreement may be terminated if:~~

- ~~a. The Transfer between Seller and Buyer is cancelled, or otherwise not approved by Franchisor;~~
- ~~b. Seller and/or Buyer fail to meet any of the conditions and/or requirements set forth in this Consent, the Seller Franchise Agreement, and/or the Buyer Franchise Agreement; or~~
- ~~c. Seller and Buyer fail to change possession and/or ownership of the Studio within ninety (90) days following receipt of Franchisor's written consent and authorization (as described in Section 3.h above).~~

5. Contingency. This Consent and the Buyer Franchise Agreement may be terminated if:

- a. The Transfer between Seller and Buyer is cancelled, or otherwise not approved by Franchisor;
- b. Seller and/or Buyer fail to meet any of the conditions and/or requirements set forth in this Consent, the Seller Franchise Agreement, and/or the Buyer Franchise Agreement; or
- c. Seller and Buyer fail to change possession and/or ownership of the Studio within ninety (90) days following receipt of Franchisor's written consent and authorization (as described in Section 3.i above).

In the event of such termination, Seller and Buyer will execute a termination and release agreement (in a form acceptable to Franchisor~~;~~) pursuant to which Franchisor will refund the Transfer Fee, without interest; provided, however, if Buyer and/or Buyer's designated representative(s) have attended any portion of the Training Program, Franchisor will only be obligated to refund fifty percent (50%) of the Transfer Fee.

~~5-6. 6.~~ **Assignment/Assumption of Premises Lease.** Seller and Buyer acknowledge that one of the requirements of Franchisor's consent is that the Studio ~~premises~~-lease be assigned to and/or otherwise assumed by the Buyer and that the lease for the Studio ~~premises~~ may require consent of and/or notice to the landlord with respect to such assignment and/or assumption. Provided (i) Buyer takes an assignment of the existing lease for the Studio; (ii) the terms of such lease are not amended; and (iii) the lease for the Studio includes the terms of Franchisor's required lease addendum, Franchisor waives the requirement for lease review and approval set forth in the Buyer Franchise Agreement. If (i) the lease terms are amended; (ii) the lease for the Studio does not include the terms of Franchisor's required lease addendum; or (iii) Buyer enters into a new lease for the Studio, all lease review and approval requirement set forth in the Buyer Franchise Agreement shall remain applicable. Buyer acknowledges and agrees that Franchisor's approval of the Studio location and waiver of the lease review requirement or approval of the lease terms do not constitute a recommendation, endorsement, or guarantee by Franchisor of the suitability of the Studio location or the lease, and Buyer acknowledges that it has taken all steps necessary to ascertain whether the Studio location and lease are acceptable to Buyer.

~~6.7.~~ ~~7.~~ **Termination of Seller Franchise Agreement and Guaranties.** Franchisor and Seller acknowledge and agree that, as of the Closing Date and upon the Transfer and compliance with the conditions set forth in Section 3 above, the Seller Franchise Agreement and associated guaranties will automatically terminate and neither Seller nor Seller Guarantor shall have any further rights or obligations thereunder except that neither Seller nor Seller Guarantor shall be released from:

- a. ~~a.~~ any obligations to pay money to Franchisor owed under the Seller Franchise Agreement, the guaranty, or otherwise prior to the Closing Date; or
- b. ~~b.~~ the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including, without limitation, the provisions related to confidential information, post-termination restrictive covenants, indemnification, notice, governing law, jurisdiction and venue, and dispute resolution).

~~7.8.~~ ~~8.~~ **Release of Franchisor.** Seller, Seller Guarantor, and Buyer, and each of them, on behalf of themselves and each of their respective current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, spouses, parent companies, predecessors, affiliates, subsidiaries, successors and assigns, hereby fully and forever unconditionally release and discharge Franchisor and its current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, franchisees, area directors, parent companies, predecessors, affiliates, subsidiaries, successors, and assigns (the “**Franchisor Parties**”), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown, or which may hereafter be discovered, accrued, or sustained in connection with, as a result of, or in any way arising from, any relationship or transaction with Franchisor or the Franchisor Parties, however characterized or described, including but not limited to, any claims arising from Seller’s operation of the Studio, the Seller Franchise Agreement, the Buyer Franchise Agreement, the Purchase Agreement, or the transactions described in this Consent, or under any applicable state or federal franchise or other law, including the Federal Trade Commission Act, and all applicable Rules of the Federal Trade Commission promulgated pursuant to the Federal Trade Commission Act.

*(If the Studio is located in California or if Seller, Seller Guarantor, or Buyer (as applicable) is a resident of California, the following shall apply):*

**Section 1542 Acknowledgment.** Seller, Seller Guarantor, and Buyer recognize that he, she, or it may have some claim, demand, obligation, action, liability, defense, or damage against Franchisor or the Franchisor Parties of which Seller, Seller Guarantor, and Buyer are totally unaware and unsuspecting, which he, she, or it is giving up by executing this Consent. Nonetheless, it is the intention of Seller, Seller Guarantor, and Buyer in executing this Consent that this instrument, (i) be and is a general release which shall be effective as a bar to each and every claim, demand, obligation, action, liability, defense, or damage released by Seller, Seller Guarantor, and Buyer, and (ii) will deprive Seller, Seller Guarantor, and Buyer of each and every such claim, demand, obligation, action, liability, defense, or damage and prevent him, her, or it from asserting it against Franchisor or the Franchisor Parties. In furtherance of this intention, Seller, Seller Guarantor, and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides 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."

~~"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."~~

Seller, Seller Guarantor, and Buyer acknowledge and represent that he, she, or it has consulted with legal counsel before executing this Consent and that Seller, Seller Guarantor, and Buyer understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this Consent shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, obligations, actions, liabilities, defenses or damages.

*(If the Studio is located in Maryland or if Seller, Seller Guarantor, or Buyer (as applicable) is a resident of Maryland, the following shall apply):*

Any release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

~~8.9.~~ 9. **Non-Disparagement.** In consideration of the accommodations provided to Seller, Seller Guarantor, and Buyer, and the concessions made by Franchisor and its affiliates under this Consent, Seller, Seller Guarantor, and Buyer agree not to, and to use their best efforts to cause their respective current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, spouses, parent companies, predecessors, affiliates, subsidiaries, successors and assigns not to, disparage, impugn or otherwise speak or write negatively, directly or indirectly, of Franchisor or the Franchisor Parties, the Amazing Lash Studio<sup>®</sup> brand, the Amazing Lash Studio franchise system, or any other service-marked or trademarked concept of Franchisor or the Franchisor Parties, or take any other action which would subject the Amazing Lash Studio brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor, the Franchisor Parties, or the Amazing Lash Studio brand.

~~9.10.~~ 10. **Acknowledgment.** Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

~~10.11.~~ 11. **Additional Documents.** Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, the Seller Franchise Agreement and the Buyer Franchise Agreement.

~~11.12.~~ 12. **Miscellaneous Provisions.**

- a. ~~a.~~ Confidentiality. Except as reasonably necessary to perform Seller's, Seller Guarantor's, or Buyer's obligations or exercise or enforce Seller's, Seller Guarantor's, or Buyer's rights under this Consent, neither Seller, Seller Guarantor, nor Buyer shall provide or disclose to any third party, or use, unless authorized in writing to do so by Franchisor or properly directed or ordered to do so by public authority or court of competent jurisdiction, any information or matter that constitutes or concerns the terms and conditions of this Consent or that regards any dealings or negotiations with Seller, Seller Guarantor, or Buyer related to this Consent.
- b. ~~b.~~ Governing Law. This Consent will be construed and enforced in accordance with, and governed by, the laws of the state set forth in the Buyer Franchise Agreement.



- c. ~~e.~~ Amendment. This Consent may not be modified or amended or any term hereof waived or discharged except in a writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced.
- d. ~~d.~~ Headings. The headings of this Consent are for convenience and reference only and will not limit or otherwise affect the meaning hereof.
- e. ~~e.~~ Controlling Provisions. In the event of any conflict between the terms of this Consent and the terms of the Seller Franchise Agreement or the Buyer Franchise Agreement, the terms of this Consent shall control.
- f. ~~f.~~ Counterpart Signatures. This Consent may be executed in any number of counterparts and sent via facsimile or other electronic transmission, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

[Signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have caused this Consent to be made effective as of the Effective Date.

**FRANCHISOR:  
AMAZING LASH FRANCHISE, LLC**

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

*\* This is the Effective Date*

**SELLER:  
[SELLER]**

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

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

Forwarding Address: \_\_\_\_\_  
Forwarding Email: \_\_\_\_\_  
Telephone: \_\_\_\_\_

**SELLER GUARANTOR:  
[SELLER GUARANTOR]**

By: \_\_\_\_\_ Print  
Name: \_\_\_\_\_

By: \_\_\_\_\_ Print  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**BUYER:**  
**[BUYER]**

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

**EXHIBIT H**

**FORM OF RENEWAL ADDENDUM**

## **RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

**THIS RENEWAL ADDENDUM** (“Addendum”) is dated as of the Effective Date (as defined below) and is attached to and made a part of that certain Franchise Agreement dated as of the same date hereof (the “New Agreement”), by and between **AMAZING LASH FRANCHISE, LLC**, a Delaware limited liability company (“we” “us” or “our”), and \_\_\_\_\_ (“you” or “your”). We and you shall collectively be referred to as the “Parties.” All capitalized terms set forth in this Addendum and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

### **Recitals**

A. By way of information and background, you have been operating the Amazing Lash Studio located at \_\_\_\_\_ (the “Studio”), pursuant to a franchise agreement entered into by the Parties dated \_\_\_\_\_, as it may have been subsequently amended (the “Original Agreement”).

B. The initial term of the Original Agreement is scheduled to expire on \_\_\_\_\_ (the “Expiration Date”).

C. The Original Agreement provides that, as of the Expiration Date, you have the option to acquire a successor franchise to operate the Studio for one additional term of ten (10) years, subject to certain terms and conditions set forth therein.

D. You have notified us that you wish to exercise your option to acquire a successor franchise for an additional term of ten (10) years (“Renewal”) and, in connection therewith, the Parties have agreed to make certain modifications with respect to the terms of the New Agreement, all as set forth in this Addendum.

### **Agreement**

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

#### **Amendment of New Agreement.**

1. Section 2.A.: Site Selection. We have previously approved the Premises as required pursuant to Section 2.A. The Premises for your Studio is located at: \_\_\_\_\_.

2. Section 2.B.: Lease Approval. We have previously approved the lease for the Premises as required pursuant to Section 2.B. and therefore waive the requirement for lease review and approval; provided, however, if the lease terms are amended or you enter into a new lease for the Premises during the term of the New Agreement, all lease review and approval requirements set forth in the New Agreement shall remain applicable.

3. Section 2.D.: Development and Construction of Your Studio. The Parties acknowledge that the development, construction, and decoration of the Premises, as described in Section 2.D., has previously been completed.

4. Section 2.H.: Studio Opening. The Parties acknowledge that the Studio has opened for business as required pursuant to Section 2.H.

5. Section 3.A.: Initial Franchise Fee. Section 3.A. is deleted in its entirety.

6. Section 4.B.: Opening Assistance. You acknowledge and agree that we have complied with our obligation under the New Agreement to provide you opening support as set forth in Section 4.B.

7. Section 9.A.: Grand Opening Spend Fee. Section 9.A. is deleted in its entirety.

8. Section 13.A.: Successor Franchise Fee. Concurrently with signing the New Agreement and this Addendum, you agree to pay us a successor franchise fee of \$10,000, in the form of a lump sum payment, by wire transfer. The successor franchise fee is fully earned by us when paid by you and is not refundable under any circumstance.

9. Studio Improvements. Within sixty (60) days following the Effective Date, you will remodel and/or expand your Studio, add or replace improvements and Operating Assets, and otherwise modify your Studio, at your expense, as required to comply with our current System Standards and other Franchise System requirements.

10. Original/New Agreements. As of the Effective Date, the Original Agreement will be deemed expired, and the operation of the Studio will thereafter be governed by the New Agreement.

11. Release of Franchisor. You, on behalf of yourself and your respective current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, spouses, parent companies, predecessors, affiliates, subsidiaries, successors and assigns, hereby fully and forever unconditionally release and discharge us and our current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, franchisees, area directors, parent companies, predecessors, affiliates, subsidiaries, successors, and assigns (the "Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to you, which you may have against the Released Parties as of the date of this Addendum, or which may thereafter be discovered, accrued, or sustained in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described.

*(If the Studio is located in California or if you are a resident of California, the following shall apply):*

Section 1542 Acknowledgment. It is your intention in executing this Addendum that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by you, and you recognize that you may have some claim, demand or cause of action against us or the Released Parties of which you are totally unaware and unsuspecting, which you are giving up by executing this Addendum. It is your intention in executing this instrument that it will deprive you of such claim, demand or cause of action and prevent you from asserting it against us or the Released Parties. In furtherance of this intention, you expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides 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."

You acknowledge and represent that you have consulted with legal counsel before executing this Addendum and that you understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this Addendum shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

(If the Studio is located in Maryland or if you are a resident of Maryland, the following shall apply):

Any release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

12. Non-Disparagement. You agree not to, and to use your best efforts to cause your respective current and former owners, agents, principals, officers, directors, shareholders, members, partners, employees, representatives, attorneys, spouses, parent companies, predecessors, affiliates, subsidiaries, successors and assigns not to, disparage, impugn or otherwise speak or write negatively, directly or indirectly, of us or the Released Parties, the Amazing Lash Studio® brand, the Amazing Lash Studio system, or any other service-marked or trademarked concept of us or the Released Parties, or take any other action which would subject the Amazing Lash Studio brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of us, the Released Parties, or the Amazing Lash Studio brand.

13. Miscellaneous Provisions.

- (a) Governing Law. This Addendum will be construed and enforced in accordance with, and governed by, the laws of the state set forth in the New Agreement.
- (b) Amendment. This Addendum may not be modified or amended or any term hereof waived or discharged except in a writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced.
- (c) Headings. The headings of this Addendum are for convenience and reference only and will not limit or otherwise affect the meaning hereof.
- (d) Controlling Provisions. This Addendum modifies the New Agreement. In the event of any conflict between a provision of the New Agreement and this Addendum, the provisions of this Addendum shall control. Except as amended by this Addendum, the New Agreement is unmodified and in full force and effect in accordance with its terms.
- (e) Counterpart Signatures. This Addendum may be executed in any number of counterparts and sent via facsimile or other electronic transmission, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum to be effective as of the Effective Date.

**AMAZING LASH FRANCHISE, LLC,**  
a Delaware limited liability company

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DATED\*:** \_\_\_\_\_  
(\*This is the Effective Date of this Agreement)

**FRANCHISE OWNER**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature

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

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

**DATED:** \_\_\_\_\_

**FRANCHISE OWNER**

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**DATED:** \_\_\_\_\_



**EXHIBIT I**

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

**EXHIBIT J**

**LIST OF FRANCHISEES AS OF ~~MAY~~ DECEMBER 31, 2019**

Franchisee	Studio Address	Suite #	Studio City	Studio State	Studio Zip	Studio Phone
NV Lash, LLC	7696 Highway 72 West	350	Madison	AL	35757	(256) 217-4042
Big Lashes, Inc.	930 S Bob Wallace Avenue Bld	200-215	Huntsville	AL	35801	(256) 445-6500
Individuals	3355 W Chandler Blvd	F04	Chandler	AZ	85266	(480) 467-4425
DSGS Management, LLC	7625 N Oracle Rd	105	Tucson	AZ	85704	(520) 219-8962
Individuals	3901 South Arizona Avenue	2	Chandler	AZ	85248	(480) 630-5274
Individuals	2470 W. Happy Valley Road	1187	Phoenix/Arrowhead	AZ	85085	(623) 232-8200
The Lash Bahm LLC	24870 Lake Pleasant Pkwy	C-102	Phoenix	AZ	85383	(623) 888-8622
Smart Family Investments Inc.	7777 Edinger Avenue	J-112	Huntington Beach	CA	92647	(714) 581-8200
TNT Platinum Investment Group, LLC	3800 Barranca Pkwy	G	Irvine	CA	92606	(949) 891-0889
Double Infinity Investment, LLC	30622 Santa Margarita Pkwy	D103	Rancho Santa Margarita	CA	92688	(949) 346-9600
FMM Enterprises, LLC	3825 Grand Avenue	A-1	Chino	CA	91709	(909) 863-8800
ALS Mission Valley, LLC	2169 Fenton Parkway	104	San Diego	CA	92108	(619) 485-3388
San Diego Lash, LLC	3840 Valley Centre Drive	606	San Diego	CA	92130	(858) 753-9188
iLashes Services Investments LLC	3407 E Imperial Highway		Brea	CA	92823	(562) 553-5274
Sacramento Lash Inc.	2577 A Fair Oaks Boulevard		Sacramento	CA	95825	(916) 489-5274
Angel1966 Corporation	1360 El Paseo de Saratoga		San Jose	CA	95130	(408) 374-5274
BW Lashes, Inc.	9158 West Stockton Blvd	100	Elk Grove	CA	95758	(916) 683-5274
ALS I LLC	6080 Hamner Ave	100	Eastvale	CA	91752	(951) 446-0123
Nathan Ventures LLC	1011 El Camino Real	B-5	Redwood City	CA	94063	(650) 364-5274
Switchlabs, Inc.	230 Palladio Parkway	1205	Folsom	CA	95630	(916) 374-5274
Endeavor Holdings, LLC	1450 Baker Street	A-1	Costa Mesa	CA	92626	(949) 287-5950
ALS Marketplace LLC	13268 Jamboree Road		Irvine	CA	92602	(949) 205-2743

Iframes Inc	4640 Natomas Blvd	140	Sacramento	CA	95835	(916) 235-2740
Roseville Lash Studio, LLC	1182 Roseville Parkway	#165	Roseville	CA	95678	(916) 235-2745
TBD	8599 Irvine Center Drive		Irvine	CA	92618	(949) 205-2744
TBD	5700 Village Oaks Drive	30	San Jose	CA	85123	(408) 903-2888
TBD	1351 G Street	102/103	San Diego	CA	92101	(619) 431-2005
Individuals	39628 Winchester Road	F	Temecula	CA	92591	(951) 395-0088
ZOIE CORPORATION	3457 Via Montebello	152	San Diego	CA	92009	(760) 452-4522
Redgem Holdings LLC	21785 Ventura Blvd		San Fernando Valley	CA	91364	(818) 650-2444
TBD	1902 N. Campus Avenue	G	Upland	CA	91784	(909) 810-2541
ALS 2, LLC	7375 Day Creek Blvd	D-105	Rancho Cucamonga	CA	91739	(909) 351-0400
Zaco Corporation	884 Eastlake Parkway	1622	Chula Vista	CA	91914	(619) 777-6775
Ventura Lash, LLC	24457 Magie Mountain Pkwy		San Fernando Valley	CA	91355	(661) 288-1588
Redlands ALS, Inc.	540 W Stuart Ave Shops	B-120	Redlands	CA	92374	(909) 328-4623
TBD	8132 Delta Shores Circle	110	Sacramento	CA	95832	(916) 900-9990
Bobbi's Amazing Lashes LLC	2731 Seaglass Way	3255	Oxnard	CA	93036	(805) 205-8888
Folsom Lash, LLC	5343 Sunrise Blvd		Fair Oaks	CA	95628	(916) 794-8241
Amazing Ventures, Inc.	13161 Mindanao Way	D5	Marina Del Ray	CA	90292	(424) 389-9000
Amy's Lashes, LLC	2515 Vista Way	B	Oceanside	CA	92054	(760) 585-9685
Amazing LS Cherry Creek, LLC	250 Steele St.	200	Denver	CO	80206	(720) 504-0911
Double Trouble CO LLC	9579 S. University Blvd	270	Denver	CO	80126	(720) 608-2685
Lash-CT1, LLC	2195 Summer Street		Stamford	CT	6905	(203) 63-2042
G&M Ventures, LLC	625 Post Road E.		Milford and Orange	CT	6880	(203) 349-5800
Florida Lash, LLC	21200 St Andrews Blvd	19	Boca Raton	FL	33433	(561) 948-0815
ALS of North Naples, LLC	2349 Vanderbilt Beach Rd.	506	Naples	FL	34109	(239) 325-5274

FlowerMill, LLC	12917 N Dale Mabry Hwy		Tampa	FL	33618	(813) 960-9606
ALS Coral Gables, LLC	3301 Coral Way	104-A	Miami	FL	33145	(305) 424-9651
ALS of SWFL LLC	4041 Clark Rd		Sarasota	FL	34233	(941) 444-6674
Florida Lash, LLC	1728 S Federal Hwy		Delray Beach	FL	33483	(561) 900-2565
RB Prime Lash One, LLC	2090 Badlands Drive		Brandon	FL	33511	(813) 381-3945
ALS of SWFL LLC	5275 University Pkwy	130	Bradenton	FL	34201	(941) 216-1120
Lots of Lashes, LLC	4650 Donald Ross Road	108	Palm Beach Gardens	FL	33418	(561) 444-4200
Lash Orlando, LLC	8015 Turkey Lake Rd	600	Orlando	FL	32819	(407) 599-5274
RB Prime Lash Two, LLC	7855 113th St.	D	Seminole	FL	33772	(727) 308-2300
Lash Davie, LLC	2124 S. University Drive	54	Davie	FL	33324	(954) 500-5274
DJLash1, Inc.	1304 Coral Ridge Drive		Coral Springs	FL	33071	(954) 757-4807
Four Four, LLC	1155 S. Dale Mabry Hwy	6	Tampa	FL	33629	(813) 773-4401
ALS Fort Lauderdale, LLC	1399 SE 17 Street		South Fort Lauderdale	FL	33316	(954) 908-5554
Lash Lake Mary, LLC	3737 Lake Emma Road		Lake Mary	FL	32746	(321) 348-7825
EDC Lash 1, LLC	18149 Biscayne Blvd		Aventura	FL	33160	(305) 690-7892
Blue Light Coming, LLC	2557 State Road 7	100	Wellington	FL	33414	(561) 766-0760
Pretty Please Orlando, LLC	753 N. Alafaya Trail		Orlando	FL	32828	(407) 720-8444
ALS of North Pinellas, LLC	3150-2 Tampa Road		Oldsmar	FL	34677	(727) 221-7684
Patronus Capitol Group, LLC	4004 S. 3rd Street		Jacksonville Beach	FL	32250	(904) 606-1692
CatoStrong LLC	1654 Bruce B. Down Blvd		Wesley Chapel	FL	33543	(813) 737-0466
WAC Lash Legacy, LLC	5020 East Bay	600	Clearwater	FL	33764	(727) 456-5098
Priority Resorts, LLC	4365 Roswell Rd NE	4413	Atlanta	GA	30342	(404) 255-5274
Merril Partners, LLC	631 Miami Circle	12-B	Atlanta	GA	30324	(404) 566-5274
Eleven Lashes LLC	362 Newnan Crossing Bypass		Newman	GA	30263	(770) 252-2200
Eleven Lashes LLC	1679 Seenie Hwy N	502	Snellville	GA	30078	(678) 214-4468

Springwood Holdings, LLC	1280 Ashford Crossing	#105	Atlanta	GA	30346	(770) 538-1820
Eleven Lashes LLC	3420 Buford Drive NE	C-560	Buford	GA	30519	(470) 220-2200
iLash Group, Inc.	1440 Commons Drive		Geneva	IL	60134	(630) 232-2300
Squints Enterprises, Inc.	1845 N Clybourn Avenue		Chicago	IL	60614	(773) 248-5274
Cortes-Lesiak J R M, Inc.	14225 S 95th Avenue	408	Orland Park	IL	60462	(708) 226-2288
Shook Enterprises, LLC	334 E Ohio Street		Chicago	IL	60611	(872) 228-5274
iLash Group Holding LLC	2720 Showplace Drive	#104	Naperville	IL	60564	(630) 718-9000
AYEVENTURES, INC.	840 Willow Road	J	Chicago	IL	60062	(847) 412-9900
ALS Lombard, LLC	228 B Yorktown Center		Lombard	IL	60614	(630) 627-0080
LJC Enterprises, LLC	10441 Indianapolis Blvd	C	Sehererville	IN	46322	(219) 301-2907
LJC Enterprises, LLC	2902 W. 86th ST.	40	Indianapolis	IN	46268	(317) 830-3104
T&L ALashS, LLC	13312 Metcalf		Overland Park	KS	66213	(913) 708-8133
OOH LA LASHES, LLC	0		Topeka	KS	66604	(785) 284-9298
Amazing Lash Columbia, Inc.	10010 Reisterstown Road	50	Columbia	MD	21117	(240) 318-7743
MN Lash Studio One, LLC	464 Lake Drive	130	Chanhassen	MN	55317	(952) 223-4582
JYC LashMN, LLC	7889 Main Street North		Maple Grove	MN	55369	(763) 244-1329
Eleven, LLC	530 Woodbury Drive	100	Woodbury	MN	55125	(651) 564-3200
Lash Investments, LLC	6737 York Ave S		Edina	MN	55435	(952) 388-0900
MN Lash Studio Two, LLC	2105 Cliff Road	200	Eagan	MN	55122	(651) 454-9000
Tenn, LLC	925 County Road E East	130	Vadnais Heights	MN	55127	(651) 493-7601
Lashes STL, LLC	1638 Clarkson Rd		Chesterfield	MO	63017	(636) 735-3557
2M Group, LLC	930 NW Blue Parkway	D	Summit Fair	MO	64086	(816) 554-0224
Sandra Green, Inc.	8510 NW Prairie View Road		Kansas City	MO	64153	(816) 505-1213
Amazing Plaza, LLC	4740 Pennsylvania Ave		Kansas City	MO	64112	(816) 307-1486
Lashes STL #2 LLC	1556 Lindbergh Blvd		St Louis	MO	63131	(314) 310-2664

4

[Amazing Lash Franchise, LLC \(Studio\)](#)  
[June 2019 Amended FDD | Ex. J – List of Franchises](#)

4

Garrison Lash 1, LLC	8211 Brier Creek Parkway	401	Raleigh	NC	27617	(919) 806-5274
Lash Parktowne 2, LLC	1630 E. Woodlawn Rd	262	Charlotte	NC	28209	(980) 949-0887
Garrison Lash 2, LLC	6807 Fayetteville Road	TBD	Durham	NC	27713	(919) 748-5096
Garrison Lash 3, LLC	575 New Waverly Pl	104B	Raleigh	NC	27518	(919) 977-5095
Individuals	9208 Ardrey Kell Road	Suite 100	Charlotte	NC	28277	(704) 542-9279
Garrison Lash 4, LLC	141 Park At North Hills Street	114	Raleigh	NC	27609	(919) 999-2200
Ultimate Lash II, LLC	1210 Hamburg Turnpike	30	Wayne	NJ	7470	(973) 988-0123
Ultimate Lash II, LLC	327 Franklin Avenue	40	Wyckoff	NJ	7481	(551) 777-4500
Dragonfli Associates, LLC	343 Mt Hope Ave- #1015A Rockaway Commons		Rockaway	NJ	7866	(973) 989-0100
ALS New Jersey Group, LLC	644 Bloomfield Ave		Montclair	NJ	7042	(973) 937-7000
North New Jersey Lash #2, LLC	225 East Broad Street	Suite B	Westfield	NJ	7090	(908) 312-3770
G3-ALS One, LLC	770 Morris Turnpike	102	Short Hills	NJ	7078	(973) 232-6777
North New Jersey Lash #1, LLC	176 Columbia Turnpike		Florham Park	NJ	7932	(973) 261-9090
Individuals	14 Mount Bethel Road		Warren	NJ	7059	(908) 941-9991
Individuals	957 Haddonfield Road	HJK 3A	Cherry Hill	NJ	8002	(856) 413-5628
Hoboken Lashes, LLC	1025 Maxwell Lane		Hoboken	NJ	7030	(201) 926-9371
Boeh, LLC	16 E. Palisade Avenue		Englewood	NJ	7631	(201) 510-4900
Lash Daddy LLC	2100 Route 35		North New Jersey	NJ	8750	(512) 870-7743
Lash Baby, LLC	300 NJ-18		East Brunswick	NJ	8816	(732) 943-1387
LoveLash, LLC	92 U.S. 9		Englishtown	NJ	7726	(732) 385-3399
ALS New Jersey Group 2	850 NJ Route 3	135	Clifton	NJ	7012	(973) 841-8621
HSV LVN1 LLC	4150 Blue Diamond Rd	104	Las Vegas	NV	89139	(702) 701-8505
PortCC, LLC	6401 Jericho Turnpike	104	Commack	NY	11725	(631) 499-1099
Merriek Lash, LLC	2073 Merriek Road		Merriek	NY	11566	(516) 634-3200
PortCC, LLC	8285 Jericho Turnpike		Woodbury	NY	11797	(516) 367-7700

Staten Island Lash Richmond, LLC	2305 Richmond Avenue		Staten Island	NY	10314	(866) 527-4398
Lash Studio I, LLC	162-38 Cross Bay Boulevard		Howard Beach	NY	11414	(718) 323-5274
Massapequa Lash, LLC	25 Hicksville Rd.	25	Massapequa	NY	11758	(516) 226-9768
MBRLash I, LLC	1691 - PA 228	E	Cranberry Township	PA	16066	(724) 888-5274
Robinson Lashes, LLC	289 Settlers Ridge Drive		Robinson	PA	15205	(412) 275-5274
KOP Lash, LLC	293 E. Swedesfor Road		Wayne	PA	19087	(484) 319-4165
Hampton Extensions, LLC	#200-A Blue Spruce Way		Greensburg	PA	15668	(724) 610-5274
Franklin Lash, INC	2000 Mallory Ln		Franklin	TN	37067	(615) 206-7976
Three Quarter Time, LLC	1989 Old Fort Pkwy		Murfreesboro	TN	37129	(615) 334-5282
Franklin Lash, LLC	6622 Charlotte Pike	105A	Nashville West	TN	37209	(615) 334-5070
2621 Amazing River Oaks, LLC	2621 S Shepherd Dr.	142	Houston	TX	77098	(713) 807-8866
1415 Amazing Voss, LLC	1415 S Voss Rd	225	Houston	TX	77057	(713) 977-6666
6501 Amazing Grand Lakes Katy, LLC	6501 South Fry Rd	400	Katy	TX	77494	(281) 653-8877
ALS Old Town, LLC	5427 Greenville Avenue		Dallas	TX	75206	(972) 638-8065
9650 Amazing Woodlake, LLC	9650 Westheimer Road	800	Houston	TX	77063	(281) 299-3355
10927 Amazing Vintage Park, LLC	10927 Louetta Road	150	Houston	TX	77070	(281) 299-3388
ALS Alliance Town Center, LLC	3110 Texas Sage Trail		Fort Worth	TX	76177	(682) 990-8680
1923 Amazing Sawyer Heights, LLC	1923 Taylor Street,	C	Houston	TX	77007	(281) 299-3377
ALS West 7th, LLC	2949 West 7th Street		Fort Worth	TX	76107	(682) 990-8681
Bon Vivant, LLC	14028 U.S. 183	330	Austin	TX	78717	(512) 394-6184
888 Group One LLC	15830 Southwest Freeway	300	Sugar Land	TX	77478	(832) 939-9159
HS Ventures LLC	999 East Basse Road	138	San Antonio	TX	78209	(210) 314-1661
ALS Austin Management, LLC	9500 South Interstate 35	L400	Austin	TX	78748	(512) 872-2130
888 Group Five LLC	2955 Gulf Fwy S	A	League City	TX	77573	(832) 895-1468



ALS Dallas Management, LLC	6025 Royal Lane	231	Dallas	TX	75230	(214) 377-0860
PMTD Investment Series, LLC	2802 Business Center Dr	134	Pearland	TX	77584	(281) 542-3277
BA Lashes, Inc	5904 N MacArthur Blvd	117	Irving	TX	75039	(469) 904-6311
HSVSATX2 LLC	427 Texas 1604 Loop	108	San Antonio	TX	78232	(210) 693-1804
LDSJ Lash, LLC	4815 W. Braker Lane	516	Austin	TX	78759	(512) 872-2133
Wealthy Group Corporation	1521 West Bay Area Blvd.		Webster	TX	77598	(281) 816-4220
LE Copperfield, LLC	7075 Highway 6 North	N/A	Houston	TX	77095	(281) 550-5239
KK Beauty, LLC	7405 Farm-to-Market 1960 Rd East		Humble	TX	77346	(281) 973-9891
AL Deerbrook, LLC	20440 US Highway 59 North	104	Humble	TX	77338	(832) 850-2920
West Lake ALS, LLC	3267 Bee Caves Rd	121	Austin	TX	78746	(512) 872-2134
888 Group Two LLC	9778 Katy Freeway	350	Houston	TX	77055	(832) 956-0980
8AI Investments, LLC	5810 East Sam Houston Pkwy N		Houston	TX	77049	(832) 821-5274
ALS West Village, LLC	3699 McKinney Avenue	# 520	Dallas	TX	75204	(469) 904-6290
AL DFW1, LLC	3685 Preston Rd	TBD	Friseo	TX	75034	(469) 294-3200
OP65, LLC	2500 Cross Timbers Rd	110	Flower Mound	TX	75028	(469) 470-9524
BA Lashes, Inc	2221 East Southlake Blvd	300	Southlake	TX	76092	(817) 310-9407
HWW Lash IV LLC	8707 Spring Cypress Road	B	Spring	TX	77379	(281) 766-3344
Viehino III, LLC	564 Meyerland Plaza	TBD	Houston	TX	77096	(832) 598-8520
LE Cypress, LLC	25712 Highway 290 Suite G	G	Cypress	TX	77429	(281) 884-3200
Think and Prosper, LLC	6503 FM 1488	405	Magnolia	TX	77354	(936) 828-4484
AL CKN Holdings, LLC	19734 Katy Freeway	Suite A	Houston	TX	77094	(281) 724-4888
AL DFW2, LLC	1900 Preston Rd	318	Plano	TX	75093	(972) 612-2572
Zeorian Family Holdings, LLC	1608 Town Center Dr		Pflugerville	TX	78660	(737) 600-8997
AL DFW3, LLC	5000 Belt Line Road	430	Dallas	TX	75254	(469) 284-5115
Baum Investments, LLC	10700 Kuykendahl Road		The Woodlands	TX	77381	(832) 781-1888

Price Raburn, LLC	4210 82nd St	201	Lubbock	TX	79423	(806)-702-4000
Think and Prosper, LLC	1505 University Drive East	420	College Station	TX	77840	(979)-353-6000
ALSJT2 Inc.	5232 S State Highway 360	630	Grand Prairie	TX	75052	(469)-296-5274
Optimum Paradigm LLC	426 Town Center Blvd		Garland	TX	75040	(214)-396-1480
DKM Tomball, Inc.	14257 FM 2920 Road	145	Tomball	TX	77377	(832)-653-9110
ALS Natural, LLC	8880 Highway 6	170	Missouri City	TX	77459	(281)-438-8000
ALATN HOLDING LLC	5503 FM 1960 Road W at Champion Forest Drive	104	Houston	TX	77069	(832)-410-8550
HWL Lash LLC	19075 L-45N	111-1A	The Woodlands	TX	77385	(936)-647-4000
Bofix Group Corporation	2903 Woodridge Drive	150	Houston	TX	77087	(281)-858-3979
Gilehrst Holdings, LLC	3021 S IH 35	Suite 120	Round Rock	TX	77082	(512)-643-1470
OP65, LLC	5928 Convair Drive	Suite #525	Waterside	TX	76109	(817)-231-0946
HWL Lash III, LLC	28404 Northwest Freeway	G05	Cypress	TX	77433	(832)-653-9119
ALS Natural, LLC	14243 E. Sam Houston Parkway N.	400	Houston	TX	77044	(281)-458-0800
ALSJT1 Inc.	4000 Five Points Blvd	181	Arlington Highlands	TX	76018	(972)-441-5882
HS Ventures, LLC	5619 W Loop 1604 N	108	San Antonio	TX	78253	(210)-672-2638
HWL Lash II LLC	6630 Spring Stuebner Road	E4	Houston	TX	77389	(832)-856-9099
TBD	2570 Pearland Parkway	172	Pearland	TX	77581	(832)-699-5272
Brass Rose Investments, LLC	1000 East 41st Street	200	Hancock	TX	78751	(512)-200-2832
2015 Lash Enterprises Interest, LLC	13280 Northwest Freeway	D	43rd and Ella in Houston	TX	77044	(281)-324-0728
Hash Investment Group 1 LLC	6503 Garth Road	140	Houston	TX	77521	(281)-789-8488
Valley Lash, LLC	4019 N 10th St.		McAllen	TX	78504	(956)-410-9809
PMTD Briar Forest LLC	1531 Eldridge Parkway	180	Houston	TX	77077	(281)-258-4782
HS Ventures, LLC	11745 Huebner Oaks at IH 10	406	San Antonio	TX	78230	(210)-610-7545
Septem Minds LLC	4057 Riley Fuzzel Road	450	Spring	TX	77386	(832)-564-4617

HS-Ventures, LLC	22602 US Hwy 281 North	101	San Antonio	TX	78258	(239) 823-6932
TBD	1037 East IH 30 Frontage Road	105	Rockwall	TX	75087	(469) 850-0805
AIM Partners, LLC	90 Oak Drive	M	Lake Jackson	TX	77566	(979) 316-4004
AKA Lashes, LLC	1251 State Street	900	Casa Linda in Dallas	TX	75082	(469) 706-7940
Whyzag Ventures	1300 Red River Dr.	100	Eules	TX	76039	(972) 483-2690
PMTD Investment Series 3, LLC	4557 East Sam Houston Parkway	140	Pasadena	TX	77505	(832) 794-9482
Pree Raburn, LLC	3350 S Soney Road	104	Amarillo	TX	79121	(806) 318-2060
Waeo Lash, LLC	2448 West Loop 340	A30	Waeo	TX	76711	(817) 813-1154
HWLash V, LLC	2107 B West Davis		Conroe	TX	77304	(936) 242-8420
8PMR Galleria LLC	5138 Richmond Avenue	610	Houston	TX	77056	(832) 800-3225
CLCK Corp.	6801 N. Mesa St		El Paso	TX	79912	(915) 995-2185
Amazing AF Venture, LLC	368 North 750 West	C-2	American Fork	UT	84003	(801) 922-5274
3P3, LLC	11565 South District Main Drive	100	South Jordan	UT	84095	(801) 260-5274
KG&K Enterprises, LLC	1846 East 9400 South		Sandy	UT	84093	(801) 748-5274
Miraculash Enterprises LLC	1202 East Wilmington Avenue		Riverton	UT	84106	(801) 456-2500
Woodbridge Wink, LLC	15100 Potomac Town Place	140	Woodbridge	VA	22191	(703) 897-9999
Lash Luv 2, LLC	44731 Thorndike Street		Ashburn	VA	20147	(703) 789-9089
Sterling Wink, LLC	5737 Burke Centre Parkway		Burke	VA	22015	(703) 436-0088
Real Company, Inc	900 Lenora St		Seattle	WA	98121	(206) 214-8087



<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
<a href="#">Alabama Lash, LLC</a>	<a href="#">7696 Highway 72 West</a>	<a href="#">350</a>	<a href="#">Madison</a>	<a href="#">AL</a>	<a href="#">35757</a>	<a href="#">256-217-4042</a>
<a href="#">Big Lashes, Inc.</a>	<a href="#">930 S Bob Wallace Avenue Blvd.</a>	<a href="#">200-215</a>	<a href="#">Huntsville</a>	<a href="#">AL</a>	<a href="#">35801</a>	<a href="#">256-445-6500</a>
<a href="#">Eyes Wide Open Enterprises II, LLC</a>	<a href="#">3355 W Chandler Blvd</a>	<a href="#">F04</a>	<a href="#">Chandler</a>	<a href="#">AZ</a>	<a href="#">85266</a>	<a href="#">480-467-4425</a>
<a href="#">Individuals</a>	<a href="#">3901 South Arizona Ave</a>	<a href="#">2</a>	<a href="#">Chandler</a>	<a href="#">AZ</a>	<a href="#">85248</a>	<a href="#">780-630-5274</a>
<a href="#">DSGS Management, LLC</a>	<a href="#">7625 N Oracle Road</a>	<a href="#">105</a>	<a href="#">Tucson</a>	<a href="#">AZ</a>	<a href="#">85704</a>	<a href="#">520-219-8962</a>
<a href="#">Individuals</a>	<a href="#">2470 W Happy Valley Road</a>	<a href="#">1187</a>	<a href="#">Phoenix</a>	<a href="#">AZ</a>	<a href="#">85085</a>	<a href="#">623-232-8200</a>
<a href="#">The Lash Bahm LLC</a>	<a href="#">24870 Lake Pleasant Pkwy</a>	<a href="#">C-102</a>	<a href="#">Phoenix</a>	<a href="#">AZ</a>	<a href="#">85383</a>	<a href="#">623-888-8622</a>
<a href="#">Four Horsemen Enterprises, LLC</a>	<a href="#">2022 N 67<sup>th</sup> Ave</a>	<a href="#">128</a>	<a href="#">Glendale</a>	<a href="#">AZ</a>	<a href="#">85308</a>	<a href="#">602-857-8558</a>
<a href="#">Smart Family Investments Inc.</a>	<a href="#">7777 Edinger Avenue</a>	<a href="#">J-112</a>	<a href="#">Huntington Beach</a>	<a href="#">CA</a>	<a href="#">92647</a>	<a href="#">714-581-8200</a>
<a href="#">TNT Platinum Investment Group, LLC</a>	<a href="#">3800 Barranca Pkwy</a>	<a href="#">G</a>	<a href="#">Irvine</a>	<a href="#">CA</a>	<a href="#">92606</a>	<a href="#">949-891-0889</a>
<a href="#">Double Infinity Investment, LLC</a>	<a href="#">30622 Santa Margarita Pkwy</a>	<a href="#">D103</a>	<a href="#">Rancho Santa Margarita</a>	<a href="#">CA</a>	<a href="#">92688</a>	<a href="#">949-346-9600</a>
<a href="#">ALS Mission Valley, LLC</a>	<a href="#">2169 Fenton Pkwy</a>	<a href="#">104</a>	<a href="#">Mission Valley</a>	<a href="#">CA</a>	<a href="#">92108</a>	<a href="#">619-485-3388</a>
<a href="#">Individuals</a>	<a href="#">3840 Valley Centre Drive</a>	<a href="#">606</a>	<a href="#">San Diego</a>	<a href="#">CA</a>	<a href="#">92130</a>	<a href="#">858-753-9188</a>
<a href="#">Sacramento Lash Inc.</a>	<a href="#">2577-A Fair Oaks Blvd</a>		<a href="#">Sacramento</a>	<a href="#">CA</a>	<a href="#">95825</a>	<a href="#">916-489-5274</a>
<a href="#">Angel1966 Corporation</a>	<a href="#">1360 El Paseo de Saratoga</a>		<a href="#">San Jose</a>	<a href="#">CA</a>	<a href="#">95130</a>	<a href="#">408-374-5274</a>
<a href="#">BW Lashes, Inc.</a>	<a href="#">9158 W Stockton Blvd</a>	<a href="#">100</a>	<a href="#">Elk Grove</a>	<a href="#">CA</a>	<a href="#">95758</a>	<a href="#">916-683-5274</a>
<a href="#">ALS 1 LLC</a>	<a href="#">6080 Hamner Ave</a>	<a href="#">100</a>	<a href="#">Eastvale</a>	<a href="#">CA</a>	<a href="#">91752</a>	<a href="#">951-446-0123</a>
<a href="#">Nathan Ventures LLC</a>	<a href="#">1011 El Camino Real</a>	<a href="#">B-5</a>	<a href="#">Redwood City</a>	<a href="#">CA</a>	<a href="#">94063</a>	<a href="#">650-364-5274</a>
<a href="#">Folsom Lash, LLC</a>	<a href="#">230 Palladio Pkwy</a>	<a href="#">1205</a>	<a href="#">Folsom</a>	<a href="#">CA</a>	<a href="#">95630</a>	<a href="#">916-374-5274</a>
<a href="#">Kontha Inc</a>	<a href="#">13637 Ventura Blvd</a>		<a href="#">Sherman Oaks</a>	<a href="#">CA</a>	<a href="#">91423</a>	<a href="#">818-452-2366</a>
<a href="#">AmzLash LLC</a>	<a href="#">3639 Riverside Plaza Dr</a>	<a href="#">520</a>	<a href="#">Riverside</a>	<a href="#">CA</a>	<a href="#">92506</a>	<a href="#">951-476-1152</a>
<a href="#">Amazing Lash Studio Westlake LLC</a>	<a href="#">30768 Russel Ranch Rd</a>	<a href="#">B</a>	<a href="#">Westlake Village</a>	<a href="#">CA</a>	<a href="#">91362</a>	<a href="#">805-678-8041</a>
<a href="#">Endeavor Holdings, LLC</a>	<a href="#">1450 Baker Street</a>	<a href="#">A-1</a>	<a href="#">Costa Mesa</a>	<a href="#">CA</a>	<a href="#">92626</a>	<a href="#">949-287-5950</a>
<a href="#">ALS Marketplace LLC</a>	<a href="#">13268 Jamoboree Rd</a>		<a href="#">Irvine</a>	<a href="#">CA</a>	<a href="#">92602</a>	<a href="#">949-205-2743</a>
<a href="#">Iframes Inc</a>	<a href="#">4640 Natomas Blvd</a>	<a href="#">140</a>	<a href="#">Sacramento</a>	<a href="#">CA</a>	<a href="#">95835</a>	<a href="#">916-235-2740</a>
<a href="#">Roseville Lash Studio, LLC</a>	<a href="#">1182 Roseville Pkwy</a>	<a href="#">165</a>	<a href="#">Roseville</a>	<a href="#">CA</a>	<a href="#">95835</a>	<a href="#">916-235-2470</a>

[Amazing Lash Franchise, LLC](#)  
 March 2020 FDD  
 Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
Individuals	8599 Irvine Center Dr		Irvine	CA	92618	949-205-2744
Individuals	5700 Village Oaks Dr	30	San Jose	CA	95123	408-617-8155
Individuals	1351 G St	102/103	San Diego	CA	92101	619-431-2005
Individuals	39628 Winchester Rd	F	Temecula	CA	92591	951-395-0088
Zoie Corporation	3457 Via Montebello		San Diego	CA	92009	760-452-4522
Redgem Holdings LLC	21785 Ventura Blvd		San Fernando Valley	CA	91364	818-650-2444
Individuals	1902 N Campus Ave	G	Upland	CA	91784	909-810-2541
ALS 2 LLC	7375 Day Creek Blvd	D-105	Rancho Cucamonga	CA	91739	909-351-0400
Zaco Corporation	884 Eastlake Pkwy	1622	Chula Vista	CA	91914	619-777-6775
Ventura Lash, LLC	24457 Magic Mountain Pkwy		San Fernando Valley	CA	91355	661-288-1588
Redlands ALS, Inc.	540 W Stuart Ave Shops	B-120	Redlands	CA	92374	909-328-4623
Individuals	8132 Delta Shores Circle	120	Sacramento	CA	95832	916-619-6017
Bobbi's Amazing Lashes LLC	2731 Seaglass Way	3255	Oxnard	CA	93036	805-422-7905
Fair Oaks Lash, LLC	5343 Sunrise Blvd		Fair Oaks	CA	95628	916-794-8241
Amazing Ventures, Inc.	13161 Mindanao Way	D5	Marina Del Ray	CA	90292	424-389-9000
Amy's Lashes, LLC	2515 Vista Way	B	Oceanside	CA	92054	760-585-9685
Amazing LS Cherry Creek, LLC	250 Steele St	200	Denver	CO	80206	720-504-0911
Double Trouble CO LLC	9579 S University Blvd	270	Highlands Ranch	CO	80126	720-608-2685
Lash-CTI, LLC	2195 Summer St		Stamford	CT	06905	475-222-1527
Florida Lash, LLC	21200 St Andrews Blvd	19	Boca Raton	FL	33433	561-948-0815
ALS of North Naples, LLC	2349 Vanderbilt Beach Rd	506	Naples	FL	34109	239-986-8971
FlowerMill, LLC	12917 N Dale Mabry Hwy		Tampa	FL	33618	813-960-9606
ALS of North Pinellas, LLC	8892 Strength Avenue		New Port Richey	FL	34655	727-292-1047
G&M Lash Studios, LLC	6555 N Wickham Rd	103D	Melbourne	FL	32940	321-252-1877
Lamary, LLC	34940 Emerald Coast Pkwy	108	Destin	FL	32541	850-331-7936
ALS Coral Gables, LLC	3301 Coral Way	104-A	Miami	FL	33145	305-424-9651
ALS of SWFL LLC	4041 Clark Rd		Sarasota	FL	34233	941-444-6674
Glamorous Delray Lash LLC	1728 S Federal Hwy		Delray Beach	FL	33483	561-220-8980

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
<a href="#">RB Prime Lash One, LLC</a>	<a href="#">2090 Badlands Drive</a>		<a href="#">Brandon</a>	<a href="#">FL</a>	<a href="#">33511</a>	<a href="#">813-381-3945</a>
<a href="#">ALS of SWFL LLC</a>	<a href="#">5275 University Pkwy</a>	<a href="#">130</a>	<a href="#">Bradenton</a>	<a href="#">FL</a>	<a href="#">34201</a>	<a href="#">941-216-1120</a>
<a href="#">Lots of Lashes, LLC</a>	<a href="#">4650 Donald Ross Rd</a>	<a href="#">108</a>	<a href="#">Palm Beach Gardens</a>	<a href="#">FL</a>	<a href="#">33418</a>	<a href="#">561-444-4200</a>
<a href="#">Lash Orlando, LLC</a>	<a href="#">8015 Turkey Lake Rd</a>	<a href="#">600</a>	<a href="#">Orlando</a>	<a href="#">FL</a>	<a href="#">32819</a>	<a href="#">407-599-5274</a>
<a href="#">RB Prime Lash Two, LLC</a>	<a href="#">7855 113<sup>th</sup> St</a>	<a href="#">D</a>	<a href="#">Seminole</a>	<a href="#">FL</a>	<a href="#">33772</a>	<a href="#">727-308-2300</a>
<a href="#">Lash Davie, LLC</a>	<a href="#">2124 S University Dr</a>	<a href="#">52</a>	<a href="#">Davie</a>	<a href="#">FL</a>	<a href="#">33324</a>	<a href="#">954-500-5274</a>
<a href="#">DJLash1, Inc.</a>	<a href="#">1304 Coral Ridge Dr</a>		<a href="#">Coral Springs</a>	<a href="#">FL</a>	<a href="#">33071</a>	<a href="#">954-757-4807</a>
<a href="#">Four Four, LLC</a>	<a href="#">1155 S Dale Mabry Hwy</a>	<a href="#">6</a>	<a href="#">Tampa</a>	<a href="#">FL</a>	<a href="#">33629</a>	<a href="#">813-773-4401</a>
<a href="#">ALS Fort Lauderdale, LLC</a>	<a href="#">1399 SE 17<sup>th</sup> St</a>		<a href="#">South Fort Lauderdale</a>	<a href="#">FL</a>	<a href="#">33316</a>	<a href="#">954-908-5554</a>
<a href="#">Lash Lake Mary, LLC</a>	<a href="#">3737 Lake Emma Rd</a>		<a href="#">Lake Mary</a>	<a href="#">FL</a>	<a href="#">32746</a>	<a href="#">321-348-7825</a>
<a href="#">EDC Lash 1, LLC</a>	<a href="#">18149 Biscayne Blvd</a>		<a href="#">Aventura</a>	<a href="#">FL</a>	<a href="#">33160</a>	<a href="#">305-690-7892</a>
<a href="#">Blue Light Coming, LLC</a>	<a href="#">2557 State Rd 7</a>	<a href="#">100</a>	<a href="#">Wellington</a>	<a href="#">FL</a>	<a href="#">33414</a>	<a href="#">561-220-8719</a>
<a href="#">Pretty Please Orlando, LLC</a>	<a href="#">753 N Alafaya Trail</a>		<a href="#">Orlando</a>	<a href="#">FL</a>	<a href="#">32828</a>	<a href="#">704-720-8444</a>
<a href="#">ALS of North Pinellas, LLC</a>	<a href="#">3150-2 Tampa Rd</a>		<a href="#">Oldsmar</a>	<a href="#">FL</a>	<a href="#">34677</a>	<a href="#">727-221-7684</a>
<a href="#">Patronus Capitol Group, LLC</a>	<a href="#">4004 S 3d Street</a>		<a href="#">Jacksonville Beach</a>	<a href="#">FL</a>	<a href="#">32250</a>	<a href="#">904-606-1692</a>
<a href="#">CatoStrong LLC</a>	<a href="#">1654 Bruce B Down Blvd</a>		<a href="#">Wesley Chapel</a>	<a href="#">FL</a>	<a href="#">33543</a>	<a href="#">813-737-0466</a>
<a href="#">WAC Lash Legacy, LLC</a>	<a href="#">5020 Eat Bay</a>	<a href="#">600</a>	<a href="#">Clearwater</a>	<a href="#">FL</a>	<a href="#">33764</a>	<a href="#">727-456-5098</a>
<a href="#">Priority Resorts, LLC</a>	<a href="#">4365 Roswell Rd NE</a>	<a href="#">4413</a>	<a href="#">Atlanta</a>	<a href="#">GA</a>	<a href="#">30342</a>	<a href="#">404-869-2540</a>
<a href="#">Merril Partners, LLC</a>	<a href="#">631 Miami Circle</a>	<a href="#">12-B</a>	<a href="#">Atlanta</a>	<a href="#">GA</a>	<a href="#">30324</a>	<a href="#">404-566-5274</a>
<a href="#">Eleven Lashes LLC</a>	<a href="#">362 Newnan Crossing Bypass</a>		<a href="#">Newnan</a>	<a href="#">GA</a>	<a href="#">30265</a>	<a href="#">770-252-2200</a>
<a href="#">Eleven Lashes LLC</a>	<a href="#">1679 Scenic Hwy N</a>	<a href="#">502</a>	<a href="#">Snellville</a>	<a href="#">GA</a>	<a href="#">30078</a>	<a href="#">678-921-3686</a>
<a href="#">Springwood Holdings, LLC</a>	<a href="#">1280 Ashford Crossing</a>	<a href="#">105</a>	<a href="#">Atlanta</a>	<a href="#">GA</a>	<a href="#">30346</a>	<a href="#">770-691-0181</a>
<a href="#">Eleven Lashes LLC</a>	<a href="#">3420 Buford Dr NE</a>	<a href="#">C-560</a>	<a href="#">Buford</a>	<a href="#">GA</a>	<a href="#">30519</a>	<a href="#">470-274-3928</a>
<a href="#">A&amp;A Amazing, L.L.C.</a>	<a href="#">140 Jordan Creek Pkwy</a>	<a href="#">120</a>	<a href="#">West Des Moines</a>	<a href="#">IA</a>	<a href="#">50266</a>	<a href="#">515-500-2770</a>
<a href="#">iLash Group, Inc.</a>	<a href="#">1440 Commons Dr</a>		<a href="#">Geneva</a>	<a href="#">IL</a>	<a href="#">60134</a>	<a href="#">630-448-8441</a>
<a href="#">Squints Enterprises, Inc.</a>	<a href="#">1845 N Clybourn Ave</a>		<a href="#">Chicago</a>	<a href="#">IL</a>	<a href="#">60615</a>	<a href="#">773-906-4759</a>
<a href="#">Cortes-Lesiak-J-R-M, Inc.</a>	<a href="#">14255 S 95<sup>th</sup> Ave</a>	<a href="#">108</a>	<a href="#">Orland Park</a>	<a href="#">IL</a>	<a href="#">60462</a>	<a href="#">708-226-2288</a>

[Amazing Lash Franchise, LLC](#)  
 March 2020 FDD  
 Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
Shook Enterprises, LLC	334 E Ohio Street		Chicago	IL	60611	872-228-5274
iLash Group Holding LLC	2720 Showplace Dr	104	Naperville	IL	60564	630-448-8508
Ayeventures, Inc.	840 Willow Road	J	Chicago	IL	60062	847-412-9900
ALS Lombard, LLC	228 B Yorktown Center		Lombard	IL	60148	630-250-5378
LJC Enterprises, LLC	10441 Indianapolis Blvd	C	Highland	IN	46322	219-351-8092
LJC Enterprises, LLC	2902 W 86 <sup>th</sup> St	40	Indianapolis	IN	46268	317-830-3104
T&L ALashS, LLC	13312 Metcalf		Overland Park	KS	66213	913-708-8133
Phas2Lash, LLC	16954 City Center Dr		Lenexa	KS	66219	913-285-8902
Ooh La Lashes, LLC	2615B SW 21 <sup>st</sup> St	B	Topeka	KS	66604	785-284-9298
Team Joseph, L.L.C.	4243 Ambassador Caffery Pkwy	105	Lafayette	LA	70508	337-284-9191
Estansbury Investments, LLC	2020 Tower Dr	101	Monroe	LA	71201	318-310-4555
Amazing Lash Columbia, Inc.	10010 Reisterstown Rd	50	Owings Mills	MD	21117	240-318-7743
iLure, LLC	2088 East Beltline Ave NE		Grand Rapids	MI	49525	616-303-4126
MN Lash Studio One, LLC	464 Lake Dr	130	Chanhassen	MN	55317	952-223-4582
JYC LashMN, LLC	7889 Main Street N		Maple Grove	MN	55369	763-703-6859
Eleven, LLC	530 Woodbury Dr	100	Woodbury	MN	55125	651-350-0983
Lash Investments, LLC	6737 York Ave S		Edina	MN	55435	952-260-9662
MN Lash Studio Two, LLC	2105 Cliff Road	200	Eagan	MN	55122	651-419-3563
Tenn, LLC	925 County Road E East	130	Vadnais Heights	MN	55127	651-273-9628
Lashes STL, LLC	1638 Clarkson Road		Chesterfield	MO	63017	636-735-3557
2M Group, LLC	930 NW Blue Pkwy	D	Summit Fair	MO	64086	816-554-0224
Sandra Green, Inc.	8510 NW Prairie View Rd		Kansas City	MO	64153	816-439-8579
Amazing Plaza, LLC	4740 Pennsylvania Ave		Kansas City	MO	64112	816-307-1486
Lashes STL #2 LLC	1556 Lindberg Blvd		St Louis	MO	64112	816-310-2664
TEJVI Lash Inc.	8211 Brier Creek Pkwy	101	Raleigh	NC	27617	919-336-1879
Charlotte Lash 3, LLC	12840 Walker Branch Rd	F-1000	Charlotte	NC	28273	980-243-4974
Lash Parktowne 2, LLC	1630 E Woodlawn Rd	262	Charlotte	NC	28209	980-949-0887

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. 1 – Franchisees as of December 31, 2019



<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
<a href="#">TEJVI Lash Inc.</a>	<a href="#">6905 Fayetteville Rd</a>	<a href="#">101</a>	<a href="#">Durham</a>	<a href="#">NC</a>	<a href="#">27713</a>	<a href="#">919-820-8137</a>
<a href="#">TEJVI Lash Inc.</a>	<a href="#">575 New Waverly Pl</a>	<a href="#">104B</a>	<a href="#">Cary</a>	<a href="#">NC</a>	<a href="#">27518</a>	<a href="#">919-769-3471</a>
<a href="#">Individuals</a>	<a href="#">9208 Ardrey Kell Rd</a>	<a href="#">100</a>	<a href="#">Charlotte</a>	<a href="#">NC</a>	<a href="#">28277</a>	<a href="#">704-741-0441</a>
<a href="#">TEJVI Lash Inc.</a>	<a href="#">141 Park at North Hills St</a>	<a href="#">114</a>	<a href="#">Raleigh</a>	<a href="#">NC</a>	<a href="#">27609</a>	<a href="#">919-647-9953</a>
<a href="#">Ultimate Lash II, LLC</a>	<a href="#">1210 Hamburg Pike</a>	<a href="#">30</a>	<a href="#">Wayne</a>	<a href="#">NJ</a>	<a href="#">07470</a>	<a href="#">973-264-0508</a>
<a href="#">Ultimate Lash II, LLC</a>	<a href="#">327 Franklin Ave</a>	<a href="#">#10</a>	<a href="#">Wyckoff</a>	<a href="#">NJ</a>	<a href="#">07481</a>	<a href="#">551-214-2521</a>
<a href="#">Almae133, LLC</a>	<a href="#">1364 Centennial Ave</a>		<a href="#">Piscataway</a>	<a href="#">NJ</a>	<a href="#">08854</a>	<a href="#">732-314-7815</a>
<a href="#">TAJi Lash by Design – NJ1 LLC</a>	<a href="#">3371 US-1 Mercer Mall</a>	<a href="#">Unit 16</a>	<a href="#">Lawrenceville</a>	<a href="#">NJ</a>	<a href="#">08648</a>	<a href="#">609-772-4647</a>
<a href="#">Dragonfli Associates, LLC</a>	<a href="#">343 Mt Hope Ave</a>	<a href="#">#1015A</a>	<a href="#">Rockaway</a>	<a href="#">NJ</a>	<a href="#">07866</a>	<a href="#">973-833-5147</a>
<a href="#">ALS New Jersey Group, LLC</a>	<a href="#">644 Bloomfield Ave</a>		<a href="#">Montclair</a>	<a href="#">NJ</a>	<a href="#">07042</a>	<a href="#">973-453-0453</a>
<a href="#">North New Jersey Lash #2, LLC</a>	<a href="#">225 E Broad St</a>	<a href="#">B</a>	<a href="#">Westfield</a>	<a href="#">NJ</a>	<a href="#">07090</a>	<a href="#">908-332-0665</a>
<a href="#">G3 ALS One, LLC</a>	<a href="#">770 Morris Turnpike</a>	<a href="#">102</a>	<a href="#">Short Hills</a>	<a href="#">NJ</a>	<a href="#">07078</a>	<a href="#">973-232-6777</a>
<a href="#">Partley Enterprises, LLC</a>	<a href="#">176 Columbia Turnpike</a>		<a href="#">Florham Park</a>	<a href="#">NJ</a>	<a href="#">07932</a>	<a href="#">973-833-4748</a>
<a href="#">Individuals</a>	<a href="#">14 Mount Bethel Rd</a>		<a href="#">Warren</a>	<a href="#">NJ</a>	<a href="#">07059</a>	<a href="#">908-356-1161</a>
<a href="#">Individuals</a>	<a href="#">957 Haddonfield Rd</a>		<a href="#">Cherry Hill</a>	<a href="#">NJ</a>	<a href="#">08002</a>	<a href="#">856-666-2482</a>
<a href="#">Hoboken Lashes, LLC</a>	<a href="#">1025 Maxwell Ln</a>		<a href="#">Hoboken</a>	<a href="#">NJ</a>	<a href="#">07030</a>	<a href="#">201-733-4194</a>
<a href="#">Boch, LLC</a>	<a href="#">16 E Palisade Ave</a>		<a href="#">Englewood</a>	<a href="#">NJ</a>	<a href="#">07631</a>	<a href="#">201-510-4900</a>
<a href="#">Lash Daddy LLC</a>	<a href="#">2100 Route 35</a>		<a href="#">Sea Girt</a>	<a href="#">NJ</a>	<a href="#">08750</a>	<a href="#">732-831-7150</a>
<a href="#">Lash Baby LLC</a>	<a href="#">300 NJ-18</a>		<a href="#">East Brunswick</a>	<a href="#">NJ</a>	<a href="#">08816</a>	<a href="#">732-943-1387</a>
<a href="#">LoveLash, LLC</a>	<a href="#">92 U.S. 9</a>		<a href="#">Englishtown</a>	<a href="#">NJ</a>	<a href="#">07726</a>	<a href="#">732-532-3822</a>
<a href="#">ALS New Jersey Group 2, LLC</a>	<a href="#">850 NJ-3</a>	<a href="#">133</a>	<a href="#">Clifton</a>	<a href="#">NJ</a>	<a href="#">07012</a>	<a href="#">973-841-8621</a>
<a href="#">HSVLVN1 LLC</a>	<a href="#">4150 Blue Diamond Rd</a>	<a href="#">104</a>	<a href="#">Las Vegas</a>	<a href="#">NV</a>	<a href="#">89139</a>	<a href="#">702-701-8505</a>
<a href="#">PortCC, LLC</a>	<a href="#">6401 Jericho Turnpike</a>	<a href="#">104</a>	<a href="#">Commack</a>	<a href="#">NY</a>	<a href="#">11725</a>	<a href="#">631-510-8937</a>
<a href="#">Merrick Lash, LLC</a>	<a href="#">2073 Merrick Rd</a>		<a href="#">Merrick</a>	<a href="#">NY</a>	<a href="#">11566</a>	<a href="#">516-634-3200</a>
<a href="#">PortCC Lash, LLC</a>	<a href="#">8285 Jericho Turnpike</a>		<a href="#">Woodbury</a>	<a href="#">NY</a>	<a href="#">11797</a>	<a href="#">516-407-7339</a>
<a href="#">Staten Island Lash Richmond, LLC</a>	<a href="#">2305 Richmond Ave</a>		<a href="#">Staten Island</a>	<a href="#">NY</a>	<a href="#">10314</a>	<a href="#">718-650-5274</a>
<a href="#">Lash Studio 1, LLC</a>	<a href="#">162-38 Cross Bay Blvd</a>		<a href="#">Howard Beach</a>	<a href="#">NY</a>	<a href="#">11414</a>	<a href="#">718-323-5274</a>
<a href="#">Massapequa Lash, LLC</a>	<a href="#">25 Hicksville Rd</a>	<a href="#">25</a>	<a href="#">Massapequa</a>	<a href="#">NY</a>	<a href="#">11758</a>	<a href="#">516-494-4416</a>
<a href="#">MBRLash1, LLC</a>	<a href="#">1691 PA-228</a>	<a href="#">E</a>	<a href="#">Cranberry Township</a>	<a href="#">PA</a>	<a href="#">16066</a>	<a href="#">724-560-1173</a>

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
Individuals	1001 Baltimore Pike	8B	Springfield	PA	19064	267-214-4175
Ardmore Lash LLC	16 Greenfield Ave		Ardmore	PA	19003	610-463-0574
Robinson Lashes, LLC	289 Settlers Ridge Center Dr		Pittsburg	PA	15205	412-301-9959
KOP Lash, LLC	293 E Swedesford Rd		Wayne	PA	19087	484-319-4165
Hampton Extensions, LLC	200A Blue Spruce Way		Murrysville	PA	15668	724-655-4170
Dakota Bloom LLC	2101 W 69 <sup>th</sup> St	101	Sioux Falls	SD	57108	605-340-1934
Franklin Lash, INC	2000 Mallory Ln		Franklin	TN	37067	615-206-7976
Three Quarter Time, LLC	1989 Old Fort Pkwy		Murfreesboro	TN	37129	615-334-5282
Franklin Lash, LLC	6622 Charlotte Pike	105A	Nashville	TN	37209	615-994-7064
2621 Amazing River Oaks, LLC	2621 S Shepherd Dr	142	Houston	TX	77098	832-539-8659
Optimum Paradigm, LLC	113 Whistlestop Way		Fairview	TX	75069	972-544-5384
AKA Lashes, LLC	9440 Garland Rd	180	Dallas	TX	75218	972-476-1561
HSVNBTX 1 LLC	651 Business 35 N IH-35	820	New Braunfels	TX	78130	830-240-7882
HSVSATX 8 LLC	11631 Bandera Rd	102	San Antonio	TX	78253	210-941-2828
HWW Lash VI, LLC	3415 Louisiana St	200	Houston	TX	77002	713-597-4555
Hashtag Limitless, Inc.	2651 Ridge Rd	102	McKinney	TX	75070	214-817-3507
NIMA Management, Inc.	5425 S Padre Island Dr	163	Corpus Christi	TX	78411	361-210-3416
Southwind, LLC	3226 S Clack	G	Abilene	TX	79606	325-238-9049
1415 Amazing Voss, LLC	1415 S Voss Rd	225	Houston	TX	77057	713-977-6666
6501 Amazing Grand Lakes Katy, LLC	6501 South Fry Rd	400	Katy	TX	77494	281-653-8877
ALS Old Town, LLC	5427 Greenville Ave		Dallas	TX	75206	972-638-8065
9650 Amazing Woodlake, LLC	9650 Westheimer Rd	800	Houston	TX	77063	281-299-3355
10927 Amazing Vintage Park, LLC	10927 Louetta Rd	150	Houston	TX	77070	281-299-3388
ALS Alliance Town Center, LLC	3110 Texas Sage Trail		Fort Worth	TX	76177	682-990-8680
1923 Amazing Sawyer Heights, LLC	1923 Taylor St	C	Houston	TX	77007	281-299-3377
ALS West 7 <sup>th</sup> , LLC	2949 W 7 <sup>th</sup> St		Fort Worth	TX	76107	682-990-8681
Bon Vivant, LLC	14028 N Hwy 183	330	Austin	TX	78717	512-872-2130
888 Group One LLC	15830 Southwest Freeway	300	Sugarland	TX	77478	832-934-9925
HS Ventures LLC	999 East Basse Rd	138	San Antonio	TX	78209	210-899-0674

Amazing Lash Franchise, LLC

March 2020 FDD

Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
<a href="#">ALS Austin Management, LLC</a>	9500 South Interstate 35	L400	<a href="#">Austin</a>	<a href="#">TX</a>	<a href="#">78748</a>	<a href="#">512-961-4592</a>
<a href="#">888 Group Five LLC</a>	<a href="#">2955 Gulf Fwy S</a>	<a href="#">A</a>	<a href="#">League City</a>	<a href="#">TX</a>	<a href="#">77573</a>	<a href="#">832-895-1468</a>
<a href="#">ALS Dallas Management, LLC</a>	<a href="#">6025 Royal Lane</a>	<a href="#">231</a>	<a href="#">Dallas</a>	<a href="#">TX</a>	<a href="#">75230</a>	<a href="#">214-972-3377</a>
<a href="#">PMTD Investment Series, LLC</a>	<a href="#">2802 Business Center Dr</a>	<a href="#">134</a>	<a href="#">Pearland</a>	<a href="#">TX</a>	<a href="#">77584</a>	<a href="#">832-915-3742</a>
<a href="#">BA Lashes, Inc.</a>	<a href="#">975 W John Carpenter Fwy</a>	<a href="#">117</a>	<a href="#">Irving</a>	<a href="#">TX</a>	<a href="#">75039</a>	<a href="#">469-294-8041</a>
<a href="#">HSVSATX2 LLC</a>	<a href="#">427 N Loop 164 W.</a>	<a href="#">108</a>	<a href="#">San Antonio</a>	<a href="#">TX</a>	<a href="#">78232</a>	<a href="#">210-899-0688</a>
<a href="#">LDSJ Lash, LLC</a>	<a href="#">4815 W Braker Ln</a>	<a href="#">516</a>	<a href="#">Austin</a>	<a href="#">TX</a>	<a href="#">78759</a>	<a href="#">512-580-7215</a>
<a href="#">Wealthy Group Corporation</a>	<a href="#">1521 W Bay Area Blvd</a>		<a href="#">Webster</a>	<a href="#">TX</a>	<a href="#">77598</a>	<a href="#">281-816-4220</a>
<a href="#">LE Copperfield LLC</a>	<a href="#">7075 Highway 6 N</a>		<a href="#">Houston</a>	<a href="#">TX</a>	<a href="#">7795</a>	<a href="#">281-550-5239</a>
<a href="#">KK Beauty, LLC</a>	<a href="#">19211 W Lake Houston Pkwy</a>	<a href="#">216</a>	<a href="#">Humble</a>	<a href="#">TX</a>	<a href="#">77346</a>	<a href="#">281-429-8446</a>
<a href="#">AL Deerbrook, LLC</a>	<a href="#">20440 Highway 59 N</a>	<a href="#">400</a>	<a href="#">Humble</a>	<a href="#">TX</a>	<a href="#">77338</a>	<a href="#">832-934-9399</a>
<a href="#">West Lake ALS, LLC</a>	<a href="#">3267 Bee Caves Rd</a>	<a href="#">121</a>	<a href="#">Austin</a>	<a href="#">TX</a>	<a href="#">78746</a>	<a href="#">512-872-2134</a>
<a href="#">888 Group Two LLC</a>	<a href="#">9778 Katy Freeway</a>	<a href="#">350</a>	<a href="#">Houston</a>	<a href="#">TX</a>	<a href="#">77055</a>	<a href="#">832-956-0980</a>
<a href="#">8AI Investments, LLC</a>	<a href="#">5810 E Sam Houston Pkwy N</a>	<a href="#">D</a>	<a href="#">Houston</a>	<a href="#">TX</a>	<a href="#">77049</a>	<a href="#">832-990-7855</a>
<a href="#">ALS West Village, LLC</a>	<a href="#">3699 McKinney Ave</a>	<a href="#">520</a>	<a href="#">Dallas</a>	<a href="#">TX</a>	<a href="#">75204</a>	<a href="#">469-904-6290</a>
<a href="#">AL DFW1, LLC</a>	<a href="#">3685 Preston Rd</a>	<a href="#">175</a>	<a href="#">Frisco</a>	<a href="#">TX</a>	<a href="#">75034</a>	<a href="#">469-284-0233</a>
<a href="#">OP65, LLC</a>	<a href="#">2500 Cross Timbers Rd</a>	<a href="#">110</a>	<a href="#">Flower Mound</a>	<a href="#">TX</a>	<a href="#">75028</a>	<a href="#">469-470-9524</a>
<a href="#">BA Lashes, Inc.</a>	<a href="#">2221 E Southlake Blvd</a>	<a href="#">300</a>	<a href="#">Southlake</a>	<a href="#">TX</a>	<a href="#">76092</a>	<a href="#">817-435-4862</a>
<a href="#">HWW Lash IV LLC</a>	<a href="#">8707 Spring Cypress Rd</a>	<a href="#">B</a>	<a href="#">Spring</a>	<a href="#">TX</a>	<a href="#">77379</a>	<a href="#">281-766-3344</a>
<a href="#">Vichino III, LLC</a>	<a href="#">564 Meyerland Plaza</a>		<a href="#">Houston</a>	<a href="#">TX</a>	<a href="#">77096</a>	<a href="#">832-966-3354</a>
<a href="#">LE Cypress, LLC</a>	<a href="#">25712 Hwy 290</a>	<a href="#">G</a>	<a href="#">Cypress</a>	<a href="#">TX</a>	<a href="#">77429</a>	<a href="#">281-884-3200</a>
<a href="#">Think and Prosper, LLC</a>	<a href="#">6503 FM 1488</a>	<a href="#">405</a>	<a href="#">Magnolia</a>	<a href="#">TX</a>	<a href="#">77354</a>	<a href="#">936-249-1851</a>
<a href="#">AL CKN Holdings, LLC</a>	<a href="#">19734 Katy Fwy</a>	<a href="#">A</a>	<a href="#">Houston</a>	<a href="#">TX</a>	<a href="#">77094</a>	<a href="#">281-724-4888</a>
<a href="#">AL DFW2, LLC</a>	<a href="#">1900 Preston Rd</a>	<a href="#">318</a>	<a href="#">Plano</a>	<a href="#">TX</a>	<a href="#">75093</a>	<a href="#">972-612-2572</a>
<a href="#">Zeorian Family Holdings, LLC</a>	<a href="#">1608 Town Center Dr</a>	<a href="#">300</a>	<a href="#">Pflugerville</a>	<a href="#">TX</a>	<a href="#">78660</a>	<a href="#">737-214-1019</a>
<a href="#">AL DFW3, LLC</a>	<a href="#">5000 Beltline Rd</a>	<a href="#">430</a>	<a href="#">Dallas</a>	<a href="#">TX</a>	<a href="#">75254</a>	<a href="#">469-284-5115</a>
<a href="#">Baum Investments, LLC</a>	<a href="#">10700 Kuykendahl Rd</a>	<a href="#">C</a>	<a href="#">The Woodlands</a>	<a href="#">TX</a>	<a href="#">77381</a>	<a href="#">832-847-6759</a>
<a href="#">Price Raburn, LLC</a>	<a href="#">4120 82<sup>nd</sup> St</a>	<a href="#">201</a>	<a href="#">Lubbock</a>	<a href="#">TX</a>	<a href="#">79423</a>	<a href="#">806-607-8844</a>
<a href="#">Think and Prosper, LLC</a>	<a href="#">1505 University Dr E</a>	<a href="#">420</a>	<a href="#">College Station</a>	<a href="#">TX</a>	<a href="#">77840</a>	<a href="#">979-353-6000</a>

[Amazing Lash Franchise, LLC](#)  
 March 2020 FDD  
 Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
ALSJT2 Inc.	5232 S State Hwy 360	630	Grand Prairie	TX	75052	469-296-5274
Optimum Paradigm, LLC	426 Town Center Blvd		Garland	TX	75040	214-974-4909
DKM Tomball, Inc.	14257 Farm To Market 2920	145	Tomball	TX	77377	832-653-9110
ALS Natural, LLC	8880 Highway 6	170	Missouri City	TX	77459	281-462-5183
AL ATN Holding LLC	5503 FM 1960 Rd W	104	Houston	TX	77069	832-532-4965
HWW Lash LLC	19705 I-45 N	111-1a	The Woodlands	TX	77385	936-249-1731
Bofix Group Corporation	2903 Woodridge Dr	150	Houston	TX	77087	281-858-3979
Gilchrist Holdings, LLC	3021 S IH 35	120	Round Rock	TX	78664	512-361-5859
OP65, LLC	5928 Convair Dr	525	Waterside	TX	77082	512-643-1470
HWW Lash III, LLC	28404 Northwest Freeway	G05	Cypress	TX	77433	832-551-1287
ALS Natural, LLC	14243 E Sam Houston Pkwy N	500	Houston	TX	77044	832-293-4396
ALSJT1 Inc.	4000 Five Points Blvd	181	Arlington Highlands	TX	76018	972-441-5882
HS Ventures, LLC	5619 W Loop 1604 N	108	San Antonio	TX	78253	210-672-2683
HWW Lash II LLC	6630 Spring Stuebner Rd	515	Spring	TX	77389	832-551-1916
Individuals	2570 Pearland Pkwy	172	Pearland	TX	77581	832-861-0461
Brass Rose Investments, LLC	1000 E 41 <sup>st</sup> St	200-A	Hancock	TX	78751	512-598-4263
2015 Lash Enterprises Interest, LLC	13280 Northwest Fwy	D	Houston	TX	77040	281-324-0728
Lash Investment Group I LLC	6503 Garth Rd	140	Houston	TX	77521	281-789-8488
Valley Lash, LLC	4019 N 10 <sup>th</sup> St		McAllen	TX	78504	956-410-9809
PMTD Briar Forest LLC	1531 Eldridge Pkwy	180	Houston	TX	77077	281-258-4782
HS Ventures, LLC	11745 W IH 10	406	San Antonio	TX	78230	210-801-9843
Septem Minds LLC	4057 Riley Fuzzel Rd	450	Spring	TX	77386	832-990-9063
HS Ventures, LLC	22602 US Hwy 281 N	101	San Antonio	TX	78258	210-361-9884
Individuals	1037 E, I-30	105	Rockwall	TX	75087	469-620-8410
AKA Lashes, LLC	1251 State St	900	Richardson	TX	75082	469-530-3694
Whyzag Ventures	1300 Red River Dr	100	Eules	TX	760396	972-483-2690
PMTD Investment Series 3, LLC	4557 East Sam Houston Pkwy	140	Pasadena	TX	77505	832-794-9482
Price Raburn, LLC	3350 S Soncy Rd	104	Amarillo	TX	79121	806-605-5937
Waco Lash, LLC	2448 West Loop 340	A30	Waco	TX	76711	817-813-1154
HWW Lash V, LLC	2107-B West Davis		Conroe	TX	77304	936-251-0577

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. 1 – Franchisees as of December 31, 2019

<u>Franchisee</u>	<u>Studio Address</u>	<u>Suite #</u>	<u>Studio City</u>	<u>Studio State</u>	<u>Studio Zip Code</u>	<u>Studio Phone</u>
8PMR Galleria LLC	5138 Richmond Ave		Houston	TX	77056	832-789-4343
CLCK Corp	6801 N Mesa St		El Paso	TX	79912	915-995-2185
Amazing Nevada Venture, LLC	185 E 12300 S	L2	Draper	UT	84020	801-876-4145
Amazing AF Venture, LLC	368 N 750 W State	C-2	American Fork	UT	84003	385-217-6096
3P3, LLC	11565 South District Main Dr	100	South Jordan	UT	84095	801-658-9687
KG&K Enterprises, LLC	1846 East 9400 S		Sandy	UT	84093	901-695-9214
Miraculash Enterprises LLC	1202 E Wilmington Ave		Salt Lake City	UT	84106	385-217-8685
Knowledge Commerce Group	9960 Liberia Ave		Manassas	VA	20110	871-200-3724
Woodbridge Wink, LLC	15100 Potomac Town Place	140	Woodbridge	VA	22191	703-688-8511
Lash Luv 2, LLC	44731 Thorndike St		Ashburn	VA	20147	706-668-8564
Sterling Wink, LLC	5737 Burke Centre Pkwy		Burke	VA	22015	703-783-9082
Real Company, Inc.	22627 Bothell Everett Hwy	B	Bothell	WA	98021	425-399-5400
Real Company, Inc.	900 Lenora St	120	Seattle	WA	98121	206-202-9394

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. 1 – Franchisees as of December 31, 2019

**LIST OF FRANCHISES SOLD BUT NOT YET OPENED AS OF ~~MAY~~ DECEMBER 31, 2019**

Franchisee	City	State	Office Phone
Bonnie & Jon Brovitz	Phoenix Camelback	AZ	602-697-5404
Bonnie & Jon Brovitz	Phoenix #4	AZ	602-697-5404

Franchisee	City	State	Phone
Bonnie & John Brovitz	Phoenix Camelback	AZ	602-697-5404
Bonnie & John Brovitz	Phoenix #4	AZ	602-697-5404
Brady Staples & Leslie Little	Grayhawk	AZ	480-695-4186
Cindy & Rick Rash	North Mesa -- Las Sendas	AZ	602-697-5404
Angela Toth		Arrowhead, AZ	AZ #N/A
Jim Wichman	Scottsdale, AZ	AZ	#N/A 605-254-4111
Jim Wichman	Wichman 2 of 2*	AZ	#N/A 605-254-4111
Dong "Gordon" Meng	Mesa Shores	AZ	480-388-9580
Dong "Gordon" Meng	Meng 2 of 3*	AZ	480-388-9580
Dong "Gordon" Meng	Meng 3 of 3*	AZ	480-388-9580
Jennifer Clausing	Central Phoenix	AZ	480-209-6613
Khahn "Khan" "Kenny" Nguyen & Huang "Jenny" Vo	Newport Beach	CA	805-807-9222
Ryan Perry	Los Angeles #1*	CA	909-376-9809
Theresa & Ray Shay	San Diego #4	CA	858-449-1101
Daniel Castellini & Ian & Kristin Frank		Northern CA #2	CA 559-799-1018
Daniel Castellini & Ian & Kristin Frank		Northern CA #3	CA 559-799-1018
John Balkhi	Los Angeles #2*	CA	909-376-9809
Alice & Michael Wagner		Vacaville	CA #N/A
Khahn "Khan" "Kenny" Nguyen & Huang "Jenny" Vo	Anaheim Hills	CA	805-807-9222
Gene and Bobbi Ramirez	Thousand Oaks	CA	#N/A 805-766-3103
Cynthia Hensersky	Santee	CA	619-384-7180
Sunida & Todd Parkin		Sherman Oaks	CA 310-592-8064
George & Susie Schultz	Glendora	CA	760-552-2788
Bradley & Doris Cutler	Davis, CA	CA	#N/A 916-769-8501
Bradley & Doris Cutler	TBD Cutler 2 of 3*	CA	#N/A 916-769-8501
Bradley & Doris Cutler	TBD Cutler 3 of 3*	CA	#N/A 916-769-8501
Fatema & Mortaza Sayed	Riverside, CA Sayed 2 of 2*	CA	#N/A 951-743-9445
Fatema & Mortaza Sayed		TBD	CA #N/A
Eugene Ramirez		Westlake, CA	CA #N/A
Nadia Romeo	Mission Viejo, CA	CA	#N/A 360-951-2983
Elyse Pedersen		Connecticut #2	CT 631-827-1497
JD Busch		SW Florida #1	FL 281-658-3331
Don & Nicole Blake		North Hillsborough #3	FL 813-679-2892
Tomer & Anat Taggart	Altamonte Springs	FL	321-348-7825

Amazing Lash Franchise, LLC  
March 2020 FDD  
Ex. I – Franchisees as of December 31, 2019

<del>Kevin &amp; Clair Cooper</del>		<del>Winter Garden</del>	<del>FL</del>	<del>#N/A</del>
Tomer & Anat Taggart	Lake Nona	FL	<del>#N/A</del> <a href="#">321-348-7825</a>	
Angela Outten	Clearwater	FL	727-641-8007	
<del>Angela Outten</del>		<del>Trinity</del>	<del>FL</del>	<del>727-641-8007</del>
Christine & Walter Delgado	St. Petersburg	FL	813-300-1436	
<a href="#">Mary Mullins</a>	<a href="#">Pensacola</a>	<a href="#">FL</a>	<a href="#">602-400-1103</a>	
<a href="#">Mary Mullins</a>	<a href="#">Mullins 2 of 2*</a>	<a href="#">FL</a>	<a href="#">602-400-1103</a>	
<a href="#">Adrian &amp; Amanda Alvarez</a>	<a href="#">Tampa</a>	<a href="#">FL</a>	<a href="#">813-476-4764</a>	
<a href="#">Adrian &amp; Amanda Alvarez</a>	<a href="#">Alvarez 2 of 2*</a>	<a href="#">FL</a>	<a href="#">813-476-4764</a>	
<a href="#">Cheryl Fordham</a>	<a href="#">Coconut Grove</a>	<a href="#">FL</a>	<a href="#">914-261-8557</a>	
<a href="#">Kevin &amp; Deborah Smith</a>	<a href="#">West Boca Raton</a>	<a href="#">FL</a>	<a href="#">561-703-8512</a>	



Michelle & Gary Prager	Melbourne	FL	772-453-5002
Mary Mullins	Destin, FL	FL	#N/A
Mary Mullins	Pensacola, FL	FL	#N/A
Mary Mullins	Mullins 2 of 2	FL	#N/A
Adrian & Amanda Alvarez	Tampa, FL	FL	#N/A
Adrian & Amanda Alvarez	Alvarez 2 of 2	FL	#N/A
JD Busch	Atlanta #1	GA	281-658-3331

Brett Phillips	Atlanta #4	GA	314-749-0000
Angel Grubb Amanda Vann & Jared Austin	Des Moines, IA Atlanta	IA GA	515-988-8833 470-423-0125
Amanda Vann & Jared Austin	Austin 2 of 6*	GA	470-423-0125
Amanda Vann & Jared Austin	Austin 3 of 6*	GA	470-423-0125
Amanda Vann & Jared Austin	Austin 4 of 6*	GA	470-423-0125
Amanda Vann & Jared Austin	Austin 5 of 6*	GA	470-423-0125
Amanda Vann & Jared Austin	Austin 6 of 6*	GA	470-423-0125
Angel Grubb	Grubb 2 of 3*	IA	515-988-8833
Angel Grubb	Grubb 3 of 3*	IA	515-988-8833
Vincenzina Vincenzina Rosi	Wilmette-Edens Plaza	IL	312-536-3185
Vincenzina Vincenzina Rosi	Chicago Northshore #3	IL	#N/A 312-536-3185
Derek & Adryenne Hearne	West Loop in Chicago	IL	312-292-1617
Derek & Adryenne Hearne	Wicker Park-Bucktown	IL	#N/A 312-292-1617
Jason & Laura Cotton	Valparaiso	IN	312-307-6142
Jason & Laura Cotton	Indiana	IN	#N/A 312-307-6142

Scott & Barbara Anderson	Lenexa, KS	KS	#N/A
--------------------------	------------	----	------

Don Presson	Olathe, KS	KS	816-674-5197
Emily Stansbury	Monroe, LA	LA	#N/A
Heather Joshua	Lafayette, LA	LA	#N/A
Michael Ruppe	Brookline	MA	978-651-1206
Michael Ruppe	Wellesley, MA	MA	#N/A

Lorraine Silva	Beverly, MA	MA	#N/A 508-498-4464
Henry Kim & Stephen Vereb	Maryland #2*	MD	703-626-7713
Barry & Nancy Boone	Frederick	MD	443-864-3926
Franchisee	City	State	Phone
Barry & Nancy Boone	Columbia	MD	443-864-3926
Keith & Kurtae Boyd, Warren & Bridgette Chambers, Brenda & William Lee Frank Munero	College Park Rockville	MD	301-807-7796 862-244-9576
Randall Hagg Tracee Wood & Keri Fisher	Grand Rapids, MI Gaithersburg	MI MD	908-642-0260 248-895-5950
Randall Hagg	Hagg 2 of 2*	MI	248-895-5950 #N/A
Elizabeth A. Holte & Amy J.K. Kulenkamp-Bozikowski	Plymouth, MN	MN	#N/A 651-492-7267
Josh & Donna Garrison Suresh & Sharmila Vanukuru	Raleigh #5	NC	919-649-4193 408-888-6032
Elizabeth A. Holte, Amy J.K. Kulenkamp-Bozikowski, Bryan Kulenkamp & William Holte	North Dakota #1*	ND	651-492-7267

Esther Mae Shen-Wilson	Piscataway	NJ	201-572-8633
------------------------	------------	----	--------------

Esther Mae Shen-Wilson	Jersey City	NJ	201-572-8633
Vaughn McClelland & Cameron Humpheries	Marlton	NJ	856-449-9222
Keith & Debbie Eisenberger	Red Bank	NJ	201-563-9322
Keith & Debbie Eisenberger <del>Gina Eisenberger</del>	<del>Nassau County #2</del> Eisenberger 2 of 2*	NJ	<del>201-569-9322</del> 909-938-8709
<del>Favia Kelly &amp; Maria Doro Lasala</del>	Montvale	NJ	845-304-7598
Doreen Amano & Staci Choi	Reno	NV	775-394-4011
Patricia Haynes	New York #1*	NY	512-870-7740
Aleksandra Koldowska & Claudine Orlan	Nanuet	NY	510-828-1093
Tammie & Anthony Jackson	Oklahoma #1*	OK	512-731-9812
Bryan Frnka & Ben Hudson	Tulsa	OK	806-683-8659
Emily Raburn & Peggy Price	Raburn 2 of 2*	OK	806-683-8659
Emily Raburn & Peggy Price	Collegeville	PA	215-651-8180
Amanda Ricca & Melissa Sheppard			

Tammie & Anthony Jackson	Rockland County	NJ	#N/A
Sandra Brady	Centennial, NV	NV	#N/A
Sandra Brady	Las Vegas, NV	NV	#N/A
Sandra Brady	Brady 3 of 3	NV	#N/A
Aleksandra Koldowska & Claudine Orlian	New York #1	NY	512-870-7740
Tammie & Anthony Jackson	Nanuet, NY	NY	510-828-1093
Bryan Frnka & Ben Hudson	Oklahoma #1	OK	512-731-9812
Emily Raburn & Peggy Price	Tulsa, OK	OK	#N/A
Emily Raburn & Peggy Price	Raburn 2 of 2	OK	#N/A
Henrietta & Bernadette Orumwense	Ardmore	PA	586-873-4876
Joey Orr & Desiree Defrancesco	Ardmore, PA	PA	#N/A
Gregory Harris & Rhonda Thomas	Charlotte	SC	919-604-7008

Derek & Adryenne Hearne	Charleston Dntown	SC	312-292-1617
Derek & Adryenne Hearne	West Ashley	SC	312-292-1617
Derek & Adryenne Hearne	Mount Pleasant	SC	312-292-1617
Elizabeth A. Holte, Amy JK. Kulenkamp-Bozikowski, Bryan Kulenkamp & William Holte	South Dakota #1 *	SD	651-492-7267

Jim Wiehman	Sioux Falls, SD	SD	#N/A
-------------	-----------------	----	------

Ann Le & Tony Chin	West University	TX	832-541-8395
Cassandra Ghaffar	Mesquite	TX	832-283-2088

JD Busch	Fort Worth	TX	281-658-3331
Cassandra Ghaffar	Woodhollow	TX	#N/A 832-283-2088
Cassandra Ghaffar	The Trails at 620	TX	832-283-2088

Areya & Keith Aurzada	Lakewood, TX	TX	817-907-4140
-----------------------	--------------	----	--------------

Ben Hudson	Shertz	TX	239-823-6932
Ben Hudson	New Braunfels	TX	239-823-6932

Ben Hudson	Leon Springs	TX	239-823-6932
Ben Hudson	La Cantera Area	TX	#N/A

Ben Hudson	Boerne	TX	239-823-6932
Mindy Tran	Midtown	TX	281-450-9292

Craig & Leanne Gilchrist	East El Paso	TX	713-315-0089
Joseph & Jessica Davis, and Fred & Elaine Kenny	Novatee Nocatee	TX	#N/A 312-515-3935
Joseph & Jessica Davis, and Fred & Elaine Kenny	Gate Parkway	TX	312-515-3935
Joseph & Jessica Davis, and Fred & Elaine Kenny	San Marco	TX	312-515-3935
Joseph & Jessica Davis, and Fred & Elaine Kenny	Mandarin-Julington Creek	TX	#N/A 312-515-3935

Niek & Gloria Gareia	Corpus Christi	TX	214-621-4858
----------------------	----------------	----	--------------

Farhad Patel	TBD	TX	#N/A
--------------	-----	----	------

Farhad Patel	Patel 2 of 2 *	TX	#N/A 214-335-5116
Juan Cristerna	Brownsville	TX	805-807-9222
Stacey & Chris Csengery	Kingwood	TX	713-503-9555
Stacey & Chris Csengery	Csengery 2 of 2 *	TX	713-503-9555

Juan Cristerna	Brownville, TX	TX	#N/A
Amber Kimmel	Abilene, TX	TX	#N/A
Michelle Waters	Draper	UT	#NA

Mindi Clark	Leesburg	VA	571-918-1180
Mindi Clark	Sterling	VA	571-918-1180
Jayson & Kristi TappanPatrick & Tracy Statler	FredericksburgGainesville	VA	#N/A419-989-5678
Jayson TappanDavid & Frana Spataro	South RidingFredericksburg, VA	VA	#N/A571-237-3871
Patrick & Tracy StatlerErik Werner & Robert Conner Jr	GainesvilleRedmond	WA VA	#N/A703-989-1908

*\*Included as part of Development Agreement*

**EXHIBIT J**

**EXHIBIT K**

**LIST OF FORMER FRANCHISEES**

**LIST OF FORMER FRANCHISEES**  
as of December 31, 2019

City	State	Former Franchisee	Primary Contact	Primary Contact Phone	Reason for Change
<a href="#">Heritage Square</a>	<a href="#">AL</a>	<a href="#">NV Lash, LLC</a>	<a href="#">Damon Carnes</a>	<a href="#">256-425-8824</a>	<a href="#">Transfer</a>
Chandler Mall	AZ	Katherine's Lashes, LLC	Ronald DaVella	480-205-2071	Transfer
Daly City	CA	TBD	Peter & Cynthia Nathan	408-398-7943	Termination*
Mountain View	CA	Angel 1966 Corporation	Linda Zhang	650-279-7200	Termination*
La Costa	CA	San Diego Lash, LLC	Theresa & Raymond Shay	858-449-1101	Transfer
Vacaville	CA	iFrames, Inc.	Michael & Alice Wagner	707-330-6330	Termination*
<a href="#">Brea</a>	<a href="#">CA</a>	<a href="#">iLashes Services Investments LLC</a>	<a href="#">An "Melissa" Nguyen</a>	<a href="#">626-454-9227</a>	<a href="#">Closed</a>
<a href="#">Chino</a>	<a href="#">CA</a>	<a href="#">FMM Enterprises, LLC</a>	<a href="#">An "Melissa" Nguyen</a>	<a href="#">626-454-9227</a>	<a href="#">Closed</a>
Downey	CA	Norm & Lori Weaver	Norm & Lori Weaver	714-813-2801	Termination
<a href="#">Fair Oaks</a>	<a href="#">CA</a>	<a href="#">Folsom Lash Inc.</a>	<a href="#">Brad &amp; Eva Jenkins</a>	<a href="#">916-889-7000</a>	<a href="#">Transfer</a>
<a href="#">Folsom</a>	<a href="#">CA</a>	<a href="#">Switchlabs, Inc.</a>	<a href="#">Brad &amp; Eva Jenkins</a>	<a href="#">916-889-7000</a>	<a href="#">Transfer</a>
<a href="#">Northern California #1</a>	<a href="#">CA</a>	<a href="#">DDE Development Group Inc. &amp; Frankly Beautiful Inc.</a>	<a href="#">Daniel Castellini, Ilan and Kristin Frank</a>	<a href="#">559-799-1018</a>	<a href="#">Termination</a>
<a href="#">Northern California #2</a>	<a href="#">CA</a>	<a href="#">DDE Development Group Inc. &amp; Frankly Beautiful Inc.</a>	<a href="#">Daniel Castellini, Ilan and Kristin Frank</a>	<a href="#">559-799-1018</a>	<a href="#">Termination</a>
Denver	CO	ALSDV1, Inc.	Jason Tran & Dinh Lam	832-331-9977	Termination
<a href="#">Loveland</a>	<a href="#">CO</a>	<a href="#">Individuals</a>	<a href="#">Sandra Brady</a>	<a href="#">913-757-2655</a>	<a href="#">Termination*</a>
Fairfield	CT	NalaCC, LLC	Elyse Pedersen	631-827-1497	Closed
<a href="#">Connecticut #2</a>	<a href="#">CT</a>	<a href="#">TBD</a>	<a href="#">Elyse Pedersen</a>	<a href="#">631-827-1497</a>	<a href="#">Termination</a>
<a href="#">Westport</a>	<a href="#">CT</a>	<a href="#">G&amp;M Ventures, LLC</a>	<a href="#">Glenn and Martha Poulter</a>	<a href="#">203-270-9060</a>	<a href="#">Closed</a>
Coconut Creek	FL	Knollman Lash 1, LLC	David Sherman & Linda Knolle	954-279-6655	Termination
<a href="#">Delray Beach</a>	<a href="#">FL</a>	<a href="#">Florida Lash LLC</a>	<a href="#">Joey Orr</a>	<a href="#">586-873-4876</a>	<a href="#">Transfer</a>
Parkland	FL	Knollman Lash 1, LLC	David Sherman & Linda Knolle	954-279-6655	Termination
Hollywood	FL	ALS Fort Lauderdale, LLC	Gary Linnell	954-849-7685	Termination*
Pompano Beach	FL	ALS Fort Lauderdale, LLC	Gary Linnell	954-849-7685	Termination*
SW Florida #5	FL	ALS of SWFL LLC	Ben Hudson	239-823-6932	Termination*
Palm Beach #2	FL	Lots of Lashes, LLC	Edward Buchbinder	845-446-5570	Termination*
Jupiter #1	FL	The Kozy Group, LLC	Harris & Gina Kozak	561-891-1241	Termination
Jupiter #2	FL	The Kozy Group, LLC	Harris & Gina Kozak	561-891-1241	Termination
South Miami	FL	South Miami LLC	Warren Freistat, Michelle LaPierre & Gary Hirsch	305-609-2251	Termination

Kendall	FL	Kendall Lash LLC	Warren Freistat, Michelle LaPierre & Gary Hirsch	305-609-2251	Termination
Pinecrest	FL	Pinecrest Lash LLC	Warren Freistat, Michelle LaPierre & Gary Hirsch	305-609-2251	Termination
Aventura	FL	Aventura Lash LLC	Warren Freistat, Michelle LaPierre & Gary Hirsch	305-609-2251	Termination
West Boynton	FL	Blue Light Coming, LLC	Mia & Phillip Cummings	954-916-6222	Termination*
East Boynton	FL	Blue Light Coming, LLC	Mia & Phillip Cummings	954-916-6222	Termination*
Weston	FL	Lash Weston, LLC	Gary Hirsch, Howard & Jennifer Strickman, Mark Sturman & Ryan Nolte	954-445-1529	Termination
Oviedo	FL	Pretty Please Orlando, LLC	Michael & Kimberly Sutherland	321-223-5067	Termination
Hunter's Creek	FL	<del>Tomer and Anat Taggart</del> Individuals	Tomer & Anat Taggart	321-348-7825	Transfer
<a href="#">Hunter's Creek</a>	<a href="#">FL</a>	<a href="#">C&amp;K ORL, LLC</a>	<a href="#">Kevin and Clair Cooper</a>	<a href="#">407-280-4953</a>	<a href="#">Termination</a>
Clermont	FL	Tomer and Anat Taggart	Tomer & Anat Taggart	321-348-7825	Termination*
Winter Park	FL	Lash Orlando, LLC	Tomer & Anat Taggart	321-348-7825	Termination*
Downtown Orlando #2	FL	Tomer and Anat Taggart	Tomer & Anat Taggart	321-348-7825	Termination*
<a href="#">North Hillsborough #3</a>	<a href="#">FL</a>	<a href="#">Flowermill LLC</a>	<a href="#">Don &amp; Nicole Blake</a>	<a href="#">813-679-0712</a>	<a href="#">Termination*</a>
<a href="#">Pembroke Pines</a>	<a href="#">FL</a>	<a href="#">Lash Pines, LLC</a>	<a href="#">Gary Hirsch, Howard &amp; Jennifer Strickman, Mark Sturman &amp; Ryan Nolte</a>	<a href="#">954-445-1529</a>	<a href="#">Termination</a>
<a href="#">South Miami #2</a>	<a href="#">FL</a>	<a href="#">EDC Lash 2, LLC</a>	<a href="#">Eileen &amp; Daniel Newhouse &amp; Carol Boaziz</a>	<a href="#">305-490- 9989</a>	<a href="#">Termination</a>



Pembroke Pines	FL	Lash Pines, LLC	Gary Hirsch, Howard & Jennifer Strickman, Mark Sturman & Ryan Nolte	954-445-1529	Termination
South Miami #2	FL	EDC Lash 2, LLC	Eileen & Daniel Newhouse & Carol Boaziz	305-490-9989	Termination

Kendall #2	FL	EDC Lash 3, LLC	Eileen & Daniel Newhouse & Carol Boaziz	305-490- 9989	Termination
Winter Garden	FL	Tomer and Anat Taggart	Tomer & Anat Taggart	321-348-7825	Transfer
<a href="#">Winter Garden</a>	<a href="#">FL</a>	<a href="#">C&amp;K ORL, LLC</a>	<a href="#">Kevin and Clair Cooper</a>	<a href="#">407-280-4953</a>	<a href="#">Termination</a>
Coral Springs	FL	Knollman Lash 1, LLC	David Sherman & Linda Knolle	954-279-6655	Transfer
<a href="#">SW Florida #1</a>	<a href="#">FL</a>	<a href="#">ALS South Florida, LLC</a>	<a href="#">JD Busch</a>	<a href="#">281-658-3331</a>	<a href="#">Termination</a>
SW Florida #5	FL	ALS of SWFL LLC	Gordon Kaufman, John Preston & Kurt Kaufman	239-823-6932	Termination
<a href="#">Atlanta #1</a>	<a href="#">GA</a>	<a href="#">ALS Atlanta Group, LLC</a>	<a href="#">JD Busch</a>	<a href="#">281-658-3331</a>	<a href="#">Termination</a>
Suburban Chicago #2	IL	Cortes-Lesiak-J-R-M, Inc.	Robin & Rudy Cortes	630-201-2151	Termination*
Northbrook	IL	Wink, LLC	Marcella & Tony Jerfita	847-913-6300	Transfer
<a href="#">Chicago Lincoln Park</a>	<a href="#">IL</a>	<a href="#">Squints Enterprises</a>	<a href="#">Janelle Panozzo</a>	<a href="#">708-527-5333</a>	<a href="#">Transfer</a>
<a href="#">Brookline</a>	<a href="#">MA</a>	<a href="#">Ruppe Group Holdings – Brookline MA – LLC</a>	<a href="#">Michael Ruppe</a>	<a href="#">973-651-1206</a>	<a href="#">Closed</a>
<a href="#">Dedham</a>	<a href="#">MA</a>	<a href="#">TBD</a>	<a href="#">Michael Ruppe</a>	<a href="#">973-651-1206</a>	<a href="#">Termination</a>
<a href="#">Burlington</a>	<a href="#">MA</a>	<a href="#">Ruppe Group Holdings – Burlington MA – LLC</a>	<a href="#">Michael Ruppe</a>	<a href="#">973-651-1206</a>	<a href="#">Termination</a>
<a href="#">College Park</a>	<a href="#">MD</a>	<a href="#">Individuals</a>	<a href="#">Keith &amp; Kurtae Boyd, Warren &amp; Bridgette Chambers, and Brenda &amp; William Lee</a>	<a href="#">862-244-9576</a>	<a href="#">Termination*</a>
<a href="#">Brier Creek</a>	<a href="#">NC</a>	<a href="#">Garrison Lash 1, LLC</a>	<a href="#">Josh Garrison</a>	<a href="#">408-888-6032</a>	<a href="#">Transfer</a>
<a href="#">Southpoint</a>	<a href="#">NC</a>	<a href="#">Garrison Lash 2, LLC</a>	<a href="#">Josh Garrison</a>	<a href="#">408-888-6032</a>	<a href="#">Transfer</a>
<a href="#">Waverly Place</a>	<a href="#">NC</a>	<a href="#">Garrison Lash 3, LLC</a>	<a href="#">Josh Garrison</a>	<a href="#">408-888-6032</a>	<a href="#">Transfer</a>
<a href="#">Raleigh #4</a>	<a href="#">NC</a>	<a href="#">Garrison Lash 4, LLC</a>	<a href="#">Josh Garrison</a>	<a href="#">408-888-6032</a>	<a href="#">Transfer</a>
<a href="#">Raleigh #5</a>	<a href="#">NC</a>	<a href="#">Garrison Lash 5, LLC</a>	<a href="#">Josh Garrison</a>	<a href="#">408-888-6032</a>	<a href="#">Transfer</a>
<a href="#">Florham Park</a>	<a href="#">NJ</a>	<a href="#">North Jersey Lash 1, LLC</a>	<a href="#">G. Reeder Patton III</a>	<a href="#">714-648-3474</a>	<a href="#">Transfer</a>
Blue Diamond Crossing	NV	Thuy Lash, LLC	Ngocthuy Pham	832-602-0258	Transfer
<a href="#">Centennial</a>	<a href="#">NV</a>	<a href="#">Individual</a>	<a href="#">Sandra Brady</a>	<a href="#">913-787-2655</a>	<a href="#">Termination*</a>
<a href="#">Las Vegas</a>	<a href="#">NV</a>	<a href="#">Individual</a>	<a href="#">Sandra Brady</a>	<a href="#">913-787-2655</a>	<a href="#">Termination*</a>
<a href="#">Nassau County #2</a>	<a href="#">NY</a>	<a href="#">Individuals</a>	<a href="#">Gina Favia-Kelly &amp; Maria Bono Lasala</a>	<a href="#">909-938-8709</a>	<a href="#">Termination*</a>
North Round Rock	TX	Gilchrist Holdings, LLC	Craig & Leanne Gilchrist	713-315-0089	Termination*
Allen	TX	AL DFW4, LLC	Evelyn Nguyen	832-638-2845	Termination*
Spring Green	TX	KK Beauty, LLC	Kesh Aggarwal	281-809-2903	Termination*

[Amazing Lash Franchise, LLC](#)

[March 2020 FDD](#)

[Ex. J – Former Franchisees as of December 31, 2019](#)

[Amazing Lash Franchise, LLC \(Studio\)](#)

[June 2019 Amended FDD | Ex. G – Sample General Release](#)

Kingwood	TX	Caluese, LLC	Elizabeth Tran & Truong Nguyen	832-969-8766	Termination*
Rosenburg	TX	Individuals	Vinh "Danny" T. Nguyen	713-398-3908	Termination*
Coppell	TX	Vizag Ventures Two LLC	Krishna Korlepara, Sridhar Kandukuri, Kalyan Siddabattula, Raghu Machepalli & Rajesh Chilukuri	214-799-7992	Termination*
Keller	TX	Vizag Ventures Three LLC	Krishna Korlepara, Sridhar Kandukuri, Kalyan Siddabattula, Raghu Machepalli & Rajesh Chilukuri	214-799-7992	Termination*
Cedar Park	TX	VivantLashAUS1, LLC	Roy Shao & Tin Dinh	512-796-2618	Termination
<del>Cedar</del> Cedar Hill	TX	ALSJT3, Inc.	Jason Tran & Dinh Lam	832-331-9977	Termination
Lake Jackson	TX	AIM Partners, LLC	<a href="#">Moona Shenawi</a>	<a href="#">281-845-1003</a>	<a href="#">Closed</a>
Utah #3	UT	Individuals	Floyd, Nicole & Preston Price	801-828-5488	Termination*
Reston	VA	Lash Luv 4, LLC	Mindi Clark	571-918-1180	Termination*
Totem Lake	WA	Real Company, Inc.	Erik Werner and Robert Conner, Jr.	206-919-7559	Termination*

*\*Indicates agreement voluntarily terminated, studio never opened*

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

[Amazing Lash Franchise, LLC](#)

[March 2020 FDD](#)

[Ex. J – Former Franchisees as of December 31, 2019](#)

[Amazing Lash Franchise, LLC \(Studio\)](#)

[June 2019 Amended FDD | Ex. G – Sample General Release](#)

EXHIBIT K

**EXHIBIT L**

**STATE EFFECTIVE DATES AND RECEIPTS**

Amazing Lash Franchise, LLC (Studio)

June

### State Effective Dates

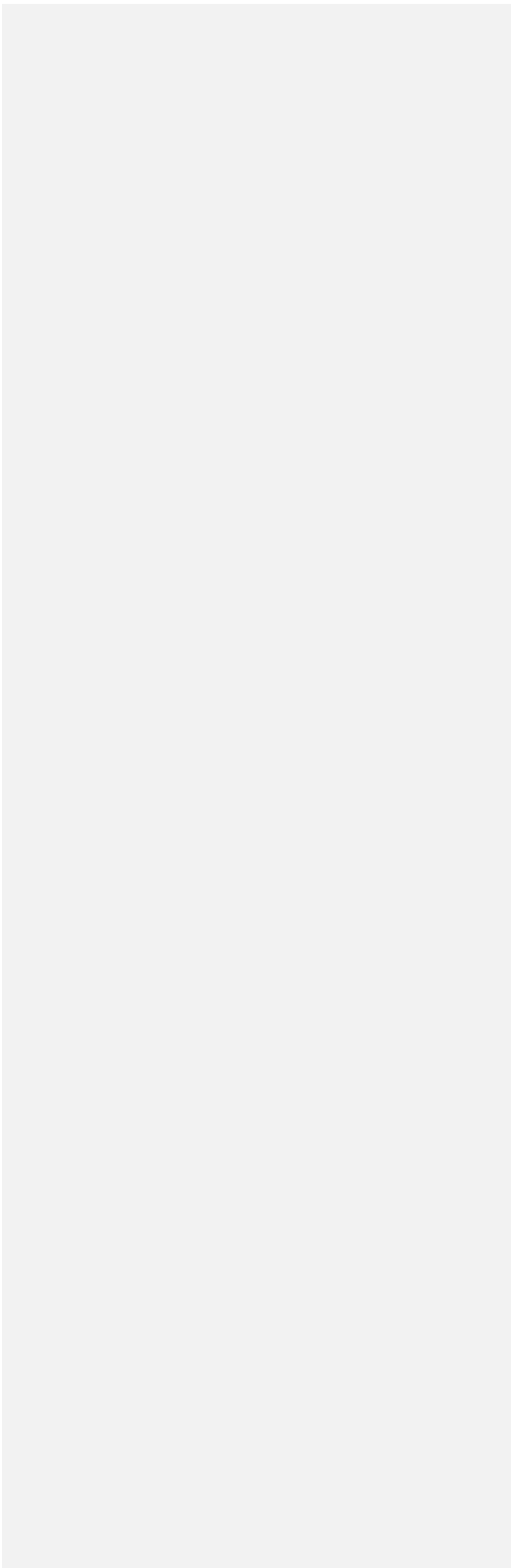
The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

<u>State</u>	<u>Effective Date</u>
<u>California</u>	<u>Exempt</u>
<u>Hawaii</u>	<u>Pending</u>
<u>Illinois</u>	<u>Exempt</u>
<u>Indiana</u>	<u>Pending</u>
<u>Maryland</u>	<u>Pending</u>
<u>Michigan</u>	<u>Pending</u>
<u>Minnesota</u>	<u>Pending</u>
<u>New York</u>	<u>Exempt</u>
<u>North Dakota</u>	<u>Pending</u>
<u>Rhode Island</u>	<u>Pending</u>
<u>South Dakota</u>	<u>Pending</u>
<u>Virginia</u>	<u>Pending</u>
<u>Washington</u>	<u>Pending</u>
<u>Wisconsin</u>	<u>March 30, 2020</u>

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  
(OUR COPY)**

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 Amazing Lash Franchise, LLC, offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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 Amazing Lash Franchise, LLC, does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit ~~ED~~.

The franchisor is Amazing Lash Franchise, LLC, 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112, ~~(855)-5274-303~~ 663-0880. The franchise seller for this offering is:

~~872. The franchise seller for this offering is:~~

~~☐~~ Heather Elrod  
Chief Executive Officer  
Amazing Lash Franchise, LLC  
9780 South Meridian Boulevard  
Suite 400  
Englewood, CO 80112  
(855)-527-4872

~~☐~~ \_\_\_\_\_  
Amazing Lash Franchise, LLC  
9780 South Meridian Boulevard  
Suite 400  
Englewood, CO 80112  
(855)-527-4872

~~☐~~ Name of Franchised Seller: \_\_\_\_\_  
Principal Business Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

~~☐~~ Amazing Lash Franchise, LLC  
9780 South Meridian Boulevard  
Suite 400  
Englewood, CO 80112  
(303) 663-0880

~~☐~~ Amazing Lash Franchise, LLC  
9780 South Meridian Boulevard  
Suite 400  
Englewood, CO 80112  
(303) 663-0880

~~☐~~ Name of Franchised Seller: \_\_\_\_\_  
Principal Business Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Issuance Date: March ~~13, 30, 2020, 2019, as amended April 11, 2019 and June 28, 2019~~

See Exhibit ~~EF~~ for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March ~~13, 30, 2020, 2019, as amended April 11, 2019 and June 28, 2019~~, that included the following Exhibits:

<u>Exhibit A -</u>	<u>Franchise Agreement and Exhibits</u>	<u>Exhibit G -</u>	<u>Agreement and Conditional Consent to Transfer</u>
<u>Exhibit B -</u>	<u>Area Development Agreement and Exhibits</u>	<u>Exhibit H -</u>	<u>Form of Renewal Addendum</u>
<u>Exhibit C -</u>	<u>Table of Contents of Operations Manual</u>	<u>Exhibit I -</u>	<u>List of Current Franchisees</u>
<u>Exhibit D -</u>	<u>State Agencies for Service of Process</u>	<u>Exhibit J -</u>	<u>List of Former Franchisees</u>
<u>Exhibit E -</u>	<u>Financial Statements</u>	<u>Exhibit K -</u>	<u>State Effective Dates and Receipt</u>
<u>Exhibit F -</u>	<u>State Addenda</u>		

PROSPECTIVE FRANCHISEE:

Exhibit A —	Franchise Agreement	Exhibit G —	Sample General Release
Exhibit B —	Software Use and License Agreement	Exhibit H —	State Specific Addenda
Exhibit C —	Area Development Agreement	Exhibit I —	Agreement and Conditional Consent to Transfer
Exhibit D —	Table of Contents of Confidential Operations Manual	Exhibit J —	List of Current Franchisees
Exhibit E —	List of State Administrators and Agents for Amazing Lash Franchise, LLC (2019) June 2019 Amended Sample General Release	Exhibit K —	List of Former Franchisees

~~PROSPECTIVE FRANCHISEE~~

If a business entity:

If an individual:

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

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

Name of Business Entity

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

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

Dated: \_\_\_\_\_

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

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

(Do not leave blank)

Dated: \_\_\_\_\_

(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail to Amazing Lash Franchise, LLC, 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112, or by ~~emailing it to~~ ~~franchise@amazinglashstudio.com~~ [faxing it to \(720\) 545-2151](mailto:franchise@amazinglashstudio.com).

**RECEIPT  
(YOUR COPY)**

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 Amazing Lash Franchise, LLC, offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must 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 Amazing Lash Franchise, LLC, does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit ~~ED~~.

The franchisor is Amazing Lash Franchise, LLC, 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112, ~~(855) 5274-303~~ 663-0880. The franchise seller for this offering is:

~~872~~. The franchise seller for this offering is:

 <u>Heather Elrod</u> Chief Executive Officer Amazing Lash Franchise, LLC 9780 South Meridian Boulevard Suite 400 Englewood, CO 80112 <del>(855) 527-4872</del>	 <u>Amazing Lash Franchise, LLC</u> 9780 South Meridian Boulevard Suite 400 Englewood, CO 80112 <del>(855) 5274-872</del>	 <u>Name of Franchised Seller:</u>  <u>Principal Business Address:</u>  
---	--	--

 <u>Amazing Lash Franchise, LLC</u> 9780 South Meridian Boulevard Suite 400 Englewood, CO 80112 <del>(303) 663-0880</del>	 <u>Amazing Lash Franchise, LLC</u> 9780 South Meridian Boulevard Suite 400 Englewood, CO 80112 <del>(303) 663-0880</del>	 <u>Name of Franchised Seller:</u>  <u>Principal Business Address:</u>  
--	--	--

Issuance Date: March ~~13, 30, 2020~~ 2019, as amended April 11, 2019 and June 28, 2019

See Exhibit ~~EF~~ for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March ~~13, 30, 2020~~ 2019, as amended April 11, 2019 and June 28, 2019, that included the following Exhibits:

Exhibit A — Franchise Agreement	Exhibit G — Sample General Release
Exhibit B — Software Use and License Agreement	Exhibit H — State-Specific Addenda
Exhibit C — Area Development Agreement	Exhibit I — Agreement and Conditional Consent to Transfer
Exhibit D — Table of Contents of Confidential Operations Manual	Exhibit J — List of Current Franchisees
Exhibit E — List of State Administrators and Agents for Service of Process	Exhibit K — List of Former Franchisees

Exhibit F - Financial Statements Exhibit L - Receipts

<a href="#">Exhibit A - Franchise Agreement and Exhibits</a>	<a href="#">Exhibit G - Agreement and Conditional Consent to Transfer</a>
<a href="#">Exhibit B - Area Development Agreement and Exhibits</a>	<a href="#">Exhibit H - Form of Renewal Addendum</a>
<a href="#">Exhibit C - Table of Contents of Operations Manual</a>	<a href="#">Exhibit I - List of Current Franchisees</a>
<a href="#">Exhibit D - State Agencies for Service of Process</a>	<a href="#">Exhibit J - List of Former Franchisees</a>
<a href="#">Exhibit E - Financial Statements</a>	<a href="#">Exhibit K - State Effective Dates and Receipt</a>
<a href="#">Exhibit F - State Addenda</a>	

PROSPECTIVE FRANCHISEE:

If a business entity:

If an individual:

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

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

Name of Business Entity

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

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

Dated: \_\_\_\_\_

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

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

(Do not leave blank)

Dated: \_\_\_\_\_

(Do not leave blank)

[Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail to Amazing Lash Franchise, LLC, 9780 South Meridian Boulevard, Suite 400, Englewood, Colorado 80112, or by faxing it to \(720\) 545-2151](#)

~~PLEASE~~ SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED  
THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.