

FRANCHISE DISCLOSURE DOCUMENT

THE TEN SPOT[®]

THE TEN SPOT LTD.
a Delaware corporation
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We offer franchises for a beauty bar and grooming boutique under THE TEN SPOT[®] name and mark (each, a “Beauty Bar”) specializing in manicures, pedicures, facial treatments, body waxing and other grooming services we authorize and certain designated beauty and/or other grooming-related products that we designate or otherwise approve for retail sale from your Beauty Bar.

The total investment necessary to begin operation of a single franchised Beauty Bar is ~~\$335,000~~ \$377,500 to ~~\$524,530,000~~, which includes ~~\$75,750~~ \$250 to ~~\$78,750~~ \$250 that must be paid to us or our affiliates. The total investment necessary to begin operation under a Development Agreement where you commit to develop at least three Beauty Bars ranges from ~~\$410,000~~ \$452,500 to ~~\$599,605,000~~, which includes a ~~\$150,250 to \$153,250 that must be paid to us or our affiliates including the \$125,000 development fee that is paid to us~~ and the ~~total initial investment to begin operation of~~ amount that must be paid to us or your affiliates for your first Beauty Bar.

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 Kristen Gale, c/o The Ten Spot Ltd., 2967 Dundas St. W. #162D, Toronto, ON M6P 1Z2, Canada and (416) 561-4253.

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 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: August 18, 2025

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee in the amount of \$50,000 (the “Initial Franchise Fee”) in a lump sum at the time you enter into your Franchise Agreement with us. This fee is deemed fully earned when paid and is non-refundable upon payment.

Project Management Fee

You must pay us \$11,~~500~~000 (the “Project Management Fee”) in a lump sum upon receipt of an invoice from us, once the location for your Beauty Bar is accepted. The Project Management Fee is for services we provide in assisting you with the leasing, space planning, design, and buildout processes and the establishment of the Beauty Bar. This fee is deemed fully earned when paid and is non-refundable upon payment.

Technology Fee

We have the right to implement a Technology Fee in the future. When we do so, you must pay us a monthly technology fee in the amount that we specify, which we anticipate will be \$375 (the “Technology Fee”). You will be required to begin paying the Technology Fee two months prior to opening for a total of \$750. This fee will be deemed fully earned when paid and is non-refundable upon payment.

Training Expense Deposit

You must reimburse us for the travel, lodging and related expenses incurred by our trainers who conduct the Initial On-Site Training (as described in Item 11) at your Beauty Bar. You must pay us a deposit (the “Training Expense Deposit”), which is our estimated costs of these expenses, in a lump sum upon receipt of an invoice from us and prior to our training team conducting the Initial On-Site Training at your Beauty Bar. At the conclusion of the Initial On-Site Training, the actual travel, lodging, and related expenses of our trainers will be reconciled and you will be invoiced for the additional expenses incurred by our trainers or reimbursed for the amount by which the Training Expense Deposit exceeds the actual expenses incurred. We estimate the travel costs for our trainers will range from \$3,500 to \$6,500.

Marketing and Activities Associated with Opening

You will be required to expend a minimum of \$10,000 in connection with the initial marketing and other necessary activities for you and the personnel of your Franchised Business to be ready to open your Beauty Bar. We may require that you pay these funds to us, and we will expend them on your behalf for the initial marketing of the Franchised Business. See Item 11.

ITEM 7

ESTIMATED INITIAL INVESTMENT

**TABLE 7(A) - FRANCHISE AGREEMENT
YOUR ESTIMATED INITIAL INVESTMENT**

| Type of Expenditure | Amount (Low) | Amount (High) | Method of Payment | When Due | To Whom Payment is to be Made |
|--|--|--|--------------------------|---|--|
| Initial Franchise Fee ¹ | \$50,000 | \$50,000 | Lump sum | At signing of Franchise Agreement | Us |
| Project Management Fee ² | \$11, 500 <u>00</u> <u>0</u> | \$11, 500 <u>00</u> <u>0</u> | As arranged | When project commences | Us |
| Your Travel Expenses - Corporate Training ³ | \$1,500 <u>0</u> | \$5,000 | As arranged | As incurred | Airlines, Hotels, Restaurants and Travel Providers |
| Reimbursement of our Travel Expenses - Initial On-Site Training ⁴ | \$3,500 | \$6,500 | Lump sum | Prior to attending the training program | Us |
| Architecture, MEP Engineering and Design ⁵ | \$11,000 | \$20,000 | As arranged | As incurred | Suppliers |
| Construction and Leasehold Improvements ⁶ | \$125,165,000 | \$210,000 | As arranged | As arranged | Suppliers |
| Signage Package and Signage Permit(s) ⁷ | \$15,000 | \$17,000 | As arranged | As arranged | Suppliers |
| Furniture and Equipment Package; Other FF&E ⁸ | \$50,60,000 | \$65,75,000 | As arranged | As incurred | Suppliers |
| Start-up Supplies & Esthetic Products ⁹ | \$16,000 <u>13,500</u> | \$19,000 | As arranged | As incurred | Suppliers |
| Retail Opening Inventory ¹⁰ | \$9,6,000 | \$11,000 <u>7,500</u> | As arranged | As incurred | Suppliers |
| Marketing and Other Opening-Related Expenditures ¹¹ | \$10,000 | \$10,000 | As arranged | As incurred | Suppliers, Personnel or Us |
| Professional and Accounting Fees ¹² | \$2,000 | \$5,000 | As arranged | As incurred | Lawyers, Accountants and other Professional Advisors |
| Security Deposit and Rent – 3 months of operation ¹³ | \$8,000 | \$20,000 | As arranged | As arranged | Lessor/Landlord |
| Insurance – 3 months ¹⁴ | \$2,000 | \$3,000 | As arranged | As arranged | Insurance Provider |
| Business Licenses and Permits ¹⁵ | \$500 | \$1,000 | As arranged | As arranged | Government Authorities |

| Type of Expenditure | Amount (Low) | Amount (High) | Method of Payment | When Due | To Whom Payment is to be Made |
|---|--------------------------------|---------------------------|-------------------|-------------|--|
| Additional Funds – 3 months ¹⁶ | \$20,000 | \$70,000 | As arranged | As incurred | Your Personnel, Lessor, Suppliers, Utilities and other Third Parties |
| TOTAL¹⁷ | \$335,000 77,500 | \$524,530 ,000 | | | |

Explanatory Notes to Table 7(A) Above:

Generally. Unless negotiated with a third-party, non-affiliated supplier, all payments disclosed in this Item 7 are generally nonrefundable.

1. **Initial Franchise Fee.** This fee is disclosed more fully in Item 5 of this Disclosure Document.
2. **Project Management Fee.** You must manage the construction and buildout activities and requirements associated with the initial establishment of your Franchised Business according to the standards that we specify in our confidential and proprietary operating manuals (“Manuals”) or otherwise in writing. We will send an invoice for the Project Management Fee that you must pay upon receipt so that we may start evaluating the potential management needs associated with the establishment of your Beauty Bar and otherwise assist you with the leasing, space planning, design, and buildout processes and the establishment of your Beauty Bar.
3. **Costs and Expenses Associated with Corporate Training.** This is our estimated range of costs to cover the travel and living expenses, including airfare, lodging and meals, which you will incur when your Principal Owner (as defined in Item 15) and Designated Manager (as defined in Item 11) attend the Corporate Training portion of our Initial Training Program as described in Item 11 that takes place at our corporate headquarters or other designated training facility we designate (in Canada or the U.S.). The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. This estimate does not include any wages or salary for you or your trainees during training. The low end of this estimate assumes that your Principal Owner will also serve as your Designated Manager and only one individual will attend the Corporate Training who will not need to purchase a flight to attend while the high end assumes that two individuals will attend the Corporate Training and will be required to purchase a flight to/from that training to attend. We typically require your Principal Owner and Designated Manager to attend Corporate Training at our headquarters in Toronto, Canada. If travel restrictions to Canada prevent these individuals from entering Canada and if our representatives are able to travel to the United States, then we may send two of our representatives to your Franchised Business to conduct the Corporate Training when they conduct the Initial On-Site Training (as described in Item 11), in which case you must reimburse us for our travel costs.
4. **Reimbursement of our Travel Expenses - Initial On-Site Training.** This is our estimated range of travel, lodging and related expenses for our training team to conduct the Initial On-Site Training at your Franchised Business. You must pay the Training Expense Deposit (which is our estimate of these expenses) upon receipt of an invoice from us and prior to our training team conducting the Initial On-Site Training at your Beauty Bar. At the conclusion of the Initial On-Site Training, the actual travel, lodging, and related expenses of our trainers will be reconciled and you will be

such an event, (a) any modification will need to be approved by us, and (b) you will need to advise us of this potential issue when submitting the Premises for our approval.

8. **Furniture and Equipment Package; Other FF&E.** You will need to purchase furniture ~~and~~ fixtures [and equipment \(including the Computer System\)](#) for the Premises that meet our System specifications. We may require that certain of the FF&E must be purchased from one of our Approved Suppliers; however, we will remain open to alternate supplier proposals. You may decide to lease the furniture and/or equipment needed rather than purchasing it with a lump sum payment. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing products in your area, the interest rates offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased products, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or equipment. The amounts listed are an estimate and may vary per your location and market.

You will need to purchase spa equipment and smallwares for your Beauty Bar that meet our System specifications from Approved Suppliers or designated vendors (if we choose to designate vendors for these items). Examples include wax beds, pedicure stands, manicure bar chairs and other items necessary to buildout the Premises and/or provide the Approved Services. The cost of these items will depend on the size, layout and design of your Premises.

9. **Start-Up Supplies and Esthetic Products.** This estimate covers the costs to purchase an initial stock of (a) the start-up supplies and esthetic products you will need to perform certain of the Approved Services, (b) employee uniforms (if required); and (c) start-up office equipment and supplies including stationery, forms, miscellaneous supplies and related items. Your specific expenditures for initial supplies and inventory will vary according to anticipated sales volume and current market prices. The cost of the employee uniforms will vary with the number of employees you hire and the items you purchase. Many of these items must be purchased from our Approved Suppliers.
10. **Retail Opening Inventory.** This estimate covers the costs to purchase an initial stock of retail inventory that you can offer and resell to your clientele, which may include spa products, other merchandise and/or snacks and beverages. Your specific expenditures will vary according to anticipated sales volume and current market prices for retail supplies.
11. **Marketing and Other Opening-Related Expenditures.** You must spend this amount in connection with (a) the initial marketing plan you develop and implement to promote the opening and initial launch of your Beauty Bar, and (b) other amounts you will incur in connection with certain pre-opening sales activities designed to generate clientele. We expect you will expend these amounts within the period that typically commences around 90 days prior to the contemplated opening of your Beauty Bar and typically ending around 90 days following that opening. You may be required to expend all or some portion of these funds on marketing materials and/or services that we specify or require you to engaged an Approved Supplier to provide. We may require you to pay all or a portion of these funds to us directly and we will expend these funds on your behalf.
12. **Professional and Accounting Fees.** This item includes an estimate of the cost to incorporate as an entity and an initial consultation with an accountant.
13. **Security Deposit and Rent – Three Months of Operation.** You will need to rent or acquire a building for your Franchised Business. Rent varies considerably from market to market, and from location to location in each market. This figure estimates your rent for the Premises over the first

three months of your lease, and this figure assumes that you will be leasing your Premises (rather than purchasing it). You may be able to obtain rent concessions in the form of “Free Rent” or “Deferred Rent” from your landlord so that you can focus your resources during the initial months of operating your Beauty Bar on other expenses, but there is no guarantee that your landlord will agree to such an arrangement.

14. **Insurance.** This is an estimate of insurance premiums for the initial three months of business operation. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors.
15. **Business Licenses and Permits.** You are required to obtain all business licenses, permits, certificates or approvals before you start business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. If you are offering alcohol from your Franchised Business as part of the Approved Products, then you must ensure that you obtain and maintain the necessary liquor, beer and/or wine license(s) and/or permits necessary to offer and sell such alcohol items from your Beauty Bar.
16. **Additional Funds – Three Months.** You will need additional capital to support on-going expenses during the initial three months after you open your Franchised Business. The estimate includes items such as payroll, royalty fees, contributions and expenditures, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, other amounts you will incur in connection with certain pre-opening sales activities designed to generate clientele and/or the Initial On-Site Training that we provide to you and your Initial Training Team (as described more fully in Item 11 of this Disclosure Document) over a period of up to ten days, and other miscellaneous items. This range does not include any draw or salary for you or your owners. These figures are estimates. In calculating this estimate, we relied on our experience opening, operating and franchising Beauty Bars using the Marks and System in Canada and the United States and estimates we received from our Approved Suppliers and other third-party suppliers.
17. **Total Estimated Initial Investment.** The figures in this table are only estimates. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing.

**TABLE 7(B) - DEVELOPMENT AGREEMENT
YOUR ESTIMATED INITIAL INVESTMENT¹**

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to be Made |
|---|---|------------------------------------|---------------------------------------|-------------------------------|
| Development Fee ² | \$125,000 | Lump Sum | Upon signing of Development Agreement | Us |
| Initial Investment to Open Initial Franchised Business ³ | \$285,000 <u>\$327,500</u> to <u>\$474,480,000</u> | See Table 7(A) above in this Item. | | |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to be Made |
|---------------------|---|--|----------|-------------------------------|
| TOTAL ⁴ | \$410,000 <u>\$452,500</u> to \$599,605,000 | This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of three Franchised Businesses, as well as the costs to open and commence operating your initial Franchised Business for the first three months (as described more fully in Table 7(A)). | | |

Explanatory Notes to Table 7(B) Above:

1. **Generally.** All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. Table 7(B) details the estimated initial investment associated with executing a Development Agreement for the right to develop three Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.
2. **Development Fee.** The Development Fee is described in greater detail in Item 5 of this Disclosure Document. The Development Fee in this table is for the right to develop three Franchised Businesses.
3. **Estimated Initial Investment to Open Initial Franchised Business.** This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to develop under the Development Agreement. You will be required to enter into our then-current form of Franchise Agreement for your initial Franchised Business at the same time you execute your Development Agreement. The range includes all the items outlined in Table 7(A) of this Item, except for the \$50,000 Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for the Franchised Businesses that you develop under the Development Agreement).
4. **Total.** This is the Development Fee plus our estimated initial investment to open and commence operating your initial Franchised Business within your Development Area. This range does not include any of the costs you will incur in opening any additional Franchised Businesses that you are granted the right to develop under your Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, which we will notify you of in writing, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Products and Services

You may only market, offer, sell and provide the Approved Products and Services at your Franchised Business in a manner that meets our System standards and specifications. We will provide you

| SUBJECT | CLASSROOM TRAINING HOURS | HOURS OF ON THE JOB TRAINING | LOCATION |
|----------------------------------|--------------------------|------------------------------|----------------------------------|
| Shadowing of a Certified Trainer | 0 | 78 | Shadowing of a Certified Trainer |
| Final Exam/ Certification | 0 | 2 | Remotely Provided |
| TOTAL | 10 | 104 | |

F. Advertising

Local Advertising. All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 11). If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we prescribe a different time period for use or require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 11). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Brand Fund. We have established the Brand Fund for the worldwide benefit of the System and brand generally. Contributions are currently made to the Brand Fund by US and Canadian Beauty Bars. [We currently require you to contribute 2% of the Gross Sales of your Franchised Business to the Brand Fund weekly. Upon 60 days prior written notice, we may modify how we calculate your Brand Fund Contribution so that it amounts to the greater of 3% of weekly Gross Sales or \\$1,200 per month.](#) We will administer and use the Brand Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System. We will designate all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other median advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Brand Fund may be used for advertising materials and campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Franchise Agreement, Section 11.03).

We will account for the Brand Fund contributions separately from our other funds and not use the Brand 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 Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Brand Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest, determined from time to time by us, which provides us with a return commensurate with the prevailing interest rate charged by persons in the business of lending money under similar circumstances) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Brand Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" on any and all advertising/marketing that is covered by the Brand Fund. We may incorporate the Brand Fund or operate it through a separate entity if we deem appropriate. Our affiliate-owned Beauty Bars will contribute to the Brand Fund in the same manner that each franchised Beauty Bar is required to contribute.

We are not required to spend any of your Brand Fund Contributions or any other amount on advertising in the Designated Territory you are granted under your Franchise Agreement and your contributions to the Brand Fund shall be combined with contributions to the Brand Fund by Beauty Bars located in Canada and other countries. We will provide you with an accounting of the Brand Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Brand Fund audited, but we may do so and use the Brand Fund Contributions to pay for such an audit. If we do not spend all Brand Fund Contributions in a given year, we may rollover any excess contributions into the Brand Fund for use during the following year. We will have the right to modify or discontinue the Brand Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 11.03).

In our last fiscal year, which ended on April 30, 2025, Fund expenditures were for media and public relations (10%), point of purchase items, artwork, and packaging (19%), administrative expenses (45%), and social media, search engine optimization and website (26%).

Franchise Advisory Council. We do not have a advertising council that advises us specifically on advertising issues; however, we do have a franchise advisory council (the "FAC"). The FAC serves in an advisory capacity and addresses some advertising matters as well as operational issues related to the operation of businesses in the System. The ~~FAC includes~~ FAC includes our management representatives, employees, and franchisees from the United States and Canada. We have the right to modify or dissolve the FAC at any time. (Franchise Agreement, Section 11.05).

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Beauty Bars (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Beauty Bar owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Beauty Bars within the geographical boundaries of the Cooperative. If you are designated as a member of a Cooperative, you may be required to contribute to the Cooperative in an amount not to exceed the then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited toward your Local Advertising Requirement. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document. We reserve the right to establish the governing rules, terms, and operating procedures of any Cooperative and make them available for your review. (Franchise Agreement, Section 11.04).

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

1. Fee Deferral. The following statement is added to Item 5 and Item 7:

Based upon the review of our audited financial statements (attached as Exhibit F) by the State of Minnesota Department of Commerce (the “DOC”), the DOC has required that we defer the payment of: (1) the Development Fee until the first Franchised Business required to be developed under the Development Agreement opens for business; and (2) the Initial Franchise Fee for each Franchised Business until the relevant Franchised Business opens for business. Upon the opening of the first Franchised Business that you develop under the Development Agreement, you must pay to us the Development Fee. Upon the opening of each Franchised Business, you must pay the Initial Franchise Fee for that Franchised Business to us.

~~1.2.~~ 2. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreements.

~~2.3.~~ 2.3. **Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~3.4.~~ 3.4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

~~4.5.~~ 4.5. **Waiver of Right to Jury Trial or Termination Penalties:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

~~5.6.~~ 5.6. **Item 22.** The following statement is added to Item 22:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Ten Spot Ltd. for use in the Commonwealth of Virginia shall be amended to include the following:

1. **Risk Factor.** The following is added to the State Cover Sheets page entitled, “Special Risks to Consider About *This* Franchise”:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from ~~\$335,000~~\$377,500 to ~~\$524,000~~\$530,000. This amount exceeds the franchisor’s stockholders equity as of April 30, 2025, which is (\$18,926).

2. [Initial Fees, Item 5.](#) The following is added to Item 5:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement.

~~2.3.~~ [Termination, Item 17.](#) The following is added to Item 17.h:

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 ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

~~3.4.~~ [Additional Disclosure, Item 22.](#) The following is added to Item 22:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

This Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Additional Disclosure.

**ADDENDUM TO THE TEN SPOT DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA DEVELOPERS**

This Addendum to THE TEN SPOT Development Agreement dated _____ (“**Development Agreement**”) is entered into by and between **The Ten Spot Ltd.**, a Delaware limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and _____, a _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“**you**”, “**your**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement.

2. The following is added to the end of Section 2.01:

Notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Development Fee until the first Franchised Business that you develop under this Agreement opens for business. Upon the opening of the first Franchised Business, you shall pay the Development Fee to us.

~~2.~~3. The following sentence is added to the end of Section 7:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which require, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreements.

~~3.~~4. The following sentence is added to the end of Section 9:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~4.~~5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~5.~~6. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

~~6.~~7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

~~7.~~8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic

**ADDENDUM TO THE TEN SPOT FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to THE TEN SPOT Franchise Agreement dated _____ (“Franchise Agreement”) is entered into by and between **The Ten Spot Ltd. , a Delaware limited liability company** (“we”, “us”, “our” or “Franchisor”) and _____, a _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“you”, “your” or “Franchisee”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement.

2. The following is added to the end of Section 3.01:

Notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Initial Franchise Fee until you open your Franchised Business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

~~2.3.~~ The following sentence is added to the end of Sections 4.02(g) and 18.02(c)(iii):

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

~~3.4.~~ The following sentence is added to the end of Section 16

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

~~4.5.~~ The following sentence is added to the end of Section 21.03:

You may not consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

~~5.6.~~ The following sentences are added to the end of Sections 21.04:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~6.7.~~ The following sentence is added to the end of Section 21.07:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

~~7.8.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~8.9.~~ NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

~~9.10.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

~~10.11.~~ This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

THE TEN SPOT LTD.

By: _____

Print Name: _____

Title: _____

EFFECTIVE DATE: _____

FRANCHISEE:

If a corporation, partnership, or limited liability company, print name of business entity on the line below:

By: _____

Print Name: _____

Title: _____

If Franchisee is one or more individuals:

(Print Name) _____

(Print Name) _____

**ADDENDUM TO THE TEN SPOT DEVELOPMENT AGREEMENT
REQUIRED FOR VIRGINIA DEVELOPERS**

This Addendum to THE TEN SPOT Development Agreement dated _____ (“**Development Agreement**”) is entered into by and between **The Ten Spot Ltd.**, a Delaware limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and _____, a _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“**you**”, “**your**” or “**Developer**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement.

2. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee and other initial payments owed by you to us until we have completed our pre-opening obligations for the first Franchised Business that you open under the Development Agreement.

~~2.3.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~3.4.~~ Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

~~4.5.~~ This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**ADDENDUM TO THE TEN SPOT FRANCHISE AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to THE TEN SPOT Franchise Agreement dated _____ (“**Franchise Agreement**”) is entered into by and between **The Ten Spot Ltd.**, a Delaware limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and _____, a _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement.

2. [The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement.](#)

~~2.3.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~3.4.~~ Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

~~4.5.~~ This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]