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## FRANCHISE DISCLOSURE DOCUMENT

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**DL Franchising, LLC**  
**d/b/a Deka Lash**  
**A Utah Limited Liability Company**  
[20 South Main Street, #248](#)  
[Bountiful, UT 84010](#)  
[3527 Washington Road](#)  
[McMurray, PA 15317](#)  
724-271-8121  
info@DekaLash.com  
DekaLash.com

DL Franchising, LLC ~~d/b/a Deka Lash~~ (“~~Deka Lash~~”) offers a franchise opportunity to operate studios which offer eyelash extension, [skincare services](#), [energy devices](#), and related products and services, ~~as well as Medspa services including injectables and fillers as ancillary services upon our approval~~ (“~~Deka~~”).

The total investment necessary to begin operation of a Deka ~~Lash~~ franchise is \$285,900 - ~~\$449,350~~[460,850](#). This includes \$82,600 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Deka Lash Area Development Business franchise for 2-10 outlets is \$323,900 - ~~\$724,350~~[735,850](#). This includes \$120,600 - ~~\$357,449~~[,600](#) that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 the Legal Department, [20 South Main Street, #248, Bountiful, UT 84010](#), [3527 Washington Road, McMurray, PA 15317](#), or at 724-271-8121.

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 to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: ~~March 5, 2024 as amended June 24, 2024.~~

August 6, 2025.

### How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

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

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in Pennsylvania. 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 Pennsylvania than in your own state.
2. **Mandatory Minimum Payments**. You must make minimum royalty and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or 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.
4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
6. ~~6.~~ **Turnover Rate**. In the last year, a high percentage of franchised outlets were transferred, terminated, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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.

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## MICHIGAN ADDENDUM TO THE DISCLOSURE DOCUMENT

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**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 shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all 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 shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- 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 franchise 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, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- 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 or litigation 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 shall 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 or subfranchisor; (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 to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**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 Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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

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To simplify the language in this disclosure document, the terms “Deka Lash,” “we,” “us,” and “our” refer to DL Franchising, LLC d/b/a Deka Lash, ~~the Franchisor. We changed our corporate name from “MJ MK Enterprises, LLC” to “DL Franchising, LLC” on March 13, 2019.~~ The terms “you” and “your” refer to the person or entity that enters into this franchise, including any guarantors.

**The Franchisor**

We are a Utah Limited Liability Company formed on September 28, 2015. Our principal business address is ~~20 South Main Street, #248, Bountiful, UT 84010-3527~~ [Washington Road, McMurray, PA 15317.](#)

~~We~~Under the Mark of “Deka Lash,” we have offered franchises of the type offered here since January 2016.

We previously offered an Area Representative franchise in 2016, through a separate Franchise Disclosure Document, in which Area Representatives would recruit and support unit franchisees in their territory in exchange for a portion of the initial franchise fee and royalty paid by the unit franchisee. Area Representatives may have some management responsibilities related to the sale or operation of unit franchises. We attach here as Exhibit L a list of Area Representatives and further disclosures about them as to Items 2, 3, 4, and 11 of this disclosure document. We no longer offer an Area Representative franchise.

We have not conducted a business of the type being franchised.

We do business under our corporate name as well as “Deka Lash” or “Deka.”

Exhibit E contains our agents for service of process.

**Our Parents, Predecessors, and Affiliates**

Parents

Our parent company is DL Brands, LLC, a Delaware Limited Liability Company formed on March 13, 2019, with a principal business address at ~~20 South Main Street, #248, Bountiful, UT 84010-3527~~ [Washington Road, McMurray, PA 15317.](#) DL Brands, LLC does not offer products or services to our franchisees and has never offered franchises in any line of business.

DL Brands, LLC is owned by Look Good Brands, LLC, a Delaware Limited Liability Company formed on March 13, 2019, with a principal business address at ~~20 South Main Street, #248, Bountiful, UT 84010-3527~~ [Washington Road, McMurray, PA 15317.](#) Look Good Brands, LLC does not offer products or services to our franchisees and has never offered franchises in any line of business.

Predecessors

We do not have any predecessors.

Affiliates

Our affiliate, DL Studios, LLC, has operated lash extension studios since November 2019 as company owned outlets. DL Studios, LLC has not offered franchises and does not provide products or services to franchisees of ours. [At this time, DL Studios, LLC does not have any operating studios.](#)

Our affiliate, DL Products, LLC (“Deka Products”), will furnish eyelash extensions and related products to you to resell to your customers. We changed the name from “Deka Products, LLC” to “DL Products, LLC” on March 13, 2019. Deka Products was formed November 24, 2015. Deka Products does not offer franchises.

We have an affiliate, DL IP Holdings, LLC, a Utah Limited Liability Company formed on March 13, 2019 with a principal business address at [20 South Main Street, #248, Bountiful, UT 84010-3527 Washington Road, McMurray, PA 15317](#). DL IP Holdings, LLC owns the trademarks and intellectual property associated with this franchise and licenses those rights to us.

#### International

We have offered franchises of the same type offered through this Disclosure Document in Canada since September 2019. As of December 31, ~~2023~~2024, we had 1 franchised outlet open in Canada.

#### **The Franchise Offered.**

~~We offer franchises for the operation of a high end eyelash extension studio. Our primary business is eyelash extensions; however, studios also perform additional beauty related services such as eyebrow, tinting, waxing or shaping, and skincare. You will operate a studio which offers eyelash extensions and related products and services (“Franchised Business”). We offer franchise opportunities for the right to operate a Franchised Business in a designated geographic area under the Deka business model using the designated trademarks, trade dress, service marks, etc. (“Marks”), using a system of proprietary operating procedures, methods, and standards that we have developed (the “System”), which may be changed, modified, or revised throughout your ownership.~~

The franchise agreement (Attached as Exhibit B) will allow you the right to establish and operate one studio at a specific location.

~~We~~[In our sole discretion, we](#) also offer to qualified individuals the right to operate multiple Franchised Businesses, typically three to five, according to an agreed upon development schedule, under an Area Development Agreement. [The foregoing will only be offered to you if you have a proven record of successful and compliant ownership.](#) You must execute the franchise agreement for your first outlet under the Area Development Agreement at the same time as the Area Development Agreement. For all subsequent studios opened, you must sign the then-current future franchise agreements which may differ from the form of franchise agreement included in this franchise disclosure document.

**Market and Competition.** ~~The general target market for this service is developing. Your services will primarily be sold to females. potential clients includes members of the general public.~~ Sales are year-round. The market ~~for eyelash extensions is well developed and highly competitive.~~ Our primary competition ~~comes from includes other franchisors of franchised businesses offering eyelash extension services, independent studios that provide eyelash extension and Medspa~~

services, as well as [hair studios individually-owned](#) and [spas that provide eyelash extensions and eye-related operated entities offering beauty services](#).

## **Laws and Regulations.**

[You are responsible for operating the Franchised Business in full compliance with all applicable laws, regulations, rules, statutes, orders, and ordinances. You must secure and maintain all required licensing and certifications.](#)

[Below, you will find a sample overview of some of the legal issues that you should research prior to signing a franchise agreement. We strongly advise that you consult with an attorney to assist in the determination of your legal obligations.](#)

[General: You may be subject to federal and state laws and regulations, as well as local ordinances that apply to businesses in general. This may include, but is not limited to rules involving employment matters, wage laws, immigration laws, and OHSA.](#)

[Beauty Services:](#) Your business may be subject to various federal, state, and local laws and regulations, including those involving (i) licensing and certification for eyelash technicians (such requirements can be that technicians must be licensed as an esthetician, cosmetologist or nurse), (ii) licensing and certification for eyebrow waxing, threading and/or tinting (such requirements can be that technicians must be licensed as an esthetician, cosmetologist or nurse), and (iii) specific standards, specification and requirements for the location, construction, design and licensing of a studio that provides eyelash extensions and related services. You should investigate the application of these laws further.

[General Healthcare: When engaged in the healthcare industry, including Medspa services, federal, state, and local jurisdictions have laws, rules, and regulations related to the following: health and safety; ownership and control; licensing of providers; licensing for the administration of services; construction and zoning; employee practices; and equal access.](#)

[CPOM: Several states have laws restricting ownership and control of medical practices by lay persons or corporations \(commonly referred to as the Corporate Practice of Medicine doctrine, or "CPOM"\). The doctrines vary widely from state to state, and may include restrictions on ownership structure and who can serve in management. The ownership and control restrictions in your state may determine the structure of your Franchised Business and the terms of your MSA.](#)

[Required Providers will either be \(i\) a PE \(corporation or other business entity\); or \(ii\) another qualified third party that you contract via a Managed Service Agreement \(see below\) or other agreement that you and your independent counsel deem is permitted under the laws of your jurisdiction. Within this structure, our standard franchise offering requires that the Franchisee entity will be a non-professional, non-licensed management services organization \("MSO"\).](#)

### [Managed Service Agreement](#)

[If your jurisdiction requires that certain Approved Services be performed by a Required Provider, you \(or the entity that you form to serve as franchisee under the governing franchise agreement\) will be required to enter into a Managed Service Agreement \("MSA"\) with a third-party PE or other professional in form that complies with all applicable laws where your Franchised Business is located.](#)

While conducting your pre-opening due diligence, you must engage with an attorney that has appropriate expertise regarding the industry-specific laws and regulations related to: (i) ownership and/or management requirements of the Franchised Business in your jurisdiction; (ii) the performance of the Approved Services via Required Providers in your jurisdiction; (iii) the MSA, allowing you and a Required Provider to ensure compliance with the industry-specific laws and regulations; and (iv) your obligations as a franchisee under the franchise agreement.

HIPAA: HIPAA imposes strict requirements for the safeguarding and maintaining the privacy of personal information and medical data collected, stored, and processed.

Stark: The federal physician self-referral prohibitions (commonly referenced as "Stark") prohibits physicians from referring patients for the furnishing of designated health services to an entity that the referring physician (or an immediate family member of the physician) has a financial relationship. For clarity, under Stark, a financial relationship can be either direct or indirect ownership or a direct or indirect compensation arrangement.

Advertising: There are numerous and comprehensive federal, state, and local laws regulating marketing for the type of services and products that we offer.

Anti-Kickbacks: Some studios may receive approval to conduct services approved by Medicaid or Medicare. The Federal Anti-Kickback Regulations (42 USC §1320) apply only to those medical practices that provide care to patients that are federal program patients under Medicaid, Medicare, or TRICARE. The Federal Anti-Kickback Regulations prohibit any person from knowingly and willfully soliciting, receiving, offering, or paying any remuneration (including kickbacks, rebates, or bribes) directly or indirectly, to any person, in return for (or to induce) such person to make a referral or arrangement, or to purchase, lease, or order any service that will be covered in whole or in part, by Medicaid, Medicare, or TRICARE.

Similarly, many states have developed their own anti-kickback provisions that are NOT restricted to only services provided to federal program patients. States also often incorporate the same safe harbors and protections as the Federal Anti-Kickback, so arrangements protected under the federal level will receive the same protection at the state level.

**Referral Program.** Currently, we pay a referral fee in the amount of \$5,000 to franchisees, vendors and others who provide us with prospective franchisee leads that enter into a Franchise. The referral will only be paid once a Franchised Business is open and operating. This referral program is administered at our sole discretion and may be changed or discontinued by us at any time. The referral fee is further subject to change at any time. Those who are eligible to participate in this referral program and who may provide references to prospective franchisees are not acting as our agent and do not speak for us, despite the receipt of a referral fee. We do not control what these individuals may say, and we cannot guarantee the accuracy of any statement made by them, to you or any other prospective franchisee.

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## ITEM 2 BUSINESS EXPERIENCE

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Michael Blair, Executive Chairman. Michael Blair, who is the spouse of Jennifer Blair, has served as our Executive Chairman since September 2022. From September 2015 to September 2022, Mr. Blair served as our Co-Chief Executive Officer. From November 2016 until the present, Mr.

Blair has also served as an Area Representative for us in Florida through Shanough Lash Management South LLC. Mr. Blair has also served as the CEO of our affiliate, DL Products, LLC, since November 2015. Mr. Blair has also served as the CEO of Lash Spa Studio, LLC in McMurray, Pennsylvania since December 2012. Mr. Blair has also served as the CEO of our former affiliate, LB Franchising, from July 2019 to December 2020, in Pennsylvania.

Michael Debenham, Managing Director. Mr. Debenham has served as our Managing Director since February 2023. Prior to that, he served as our Chief Development Officer since June 2018. Mr. Debenham's other principal positions during the past five years include: Area Representative for DL Franchising, LLC in California through Lashtopia South, LLC and Lashtopia North, LLC since January 2017. Area Representative for LB Franchising, LLC in Texas through Punch-Drunk Enterprises, LLC since June 2019. Chief Development Officer of our former affiliate, LB Franchising, LLC in Salt Lake City, Utah from July 2019 to December 2020 and prior to that, Board of Managers for the predecessor to LB Franchising, LLC (Be A Legend, LLC) from June 2017 to July 2019. CEO of Zee Sprout, LLC a franchise development company located in Salt Lake City, Utah from September 2017 to present. CEO, Debenham Capital, LLC a consumer finance lender in various locations in Utah, from November 2009 until the present; CEO, Debenham Management, Inc, a management company that owns and manages various entities, from May 2013 to the present; CEO, Debenham Holdings, LLC, a real estate holding company, from May 2013 to the present.

Jennifer Blair, Chief Executive Officer. Ms. Blair, who is the spouse of Michael Blair, has served as our Chief Executive Officer since September 2022. From July 2020 to September 2022, Ms. Blair served as our Co-Chief Executive Officer since July 2020. From September 2015 to July 2020, Ms. Blair served as our Chief Experience Officer. From November 2016 until the present, Ms. Blair has also served as an Area Representative for us in Pennsylvania through Lash Management North LLC. From December 2012 until the present, Ms. Blair has also served as a Managing Member for Lash Spa Studio, LLC in McMurray, Pennsylvania.

Brad Collier, Chief Operating Officer. Brad Collier has served as our Chief Operating Officer since May 2024. From August 2017 to the present, Brad Collier has also served as a multi-unit franchisee of ours in Atlanta, GA. From February 2019 to November 2020, Brad Collier served as our Vice President of Finance.

~~Catherine Hall, Chief Marketing Officer. Catherine Hall has served as our Chief Marketing Officer since June 2023. From November 2020 to May 2022, Catherine Hall served as Chief Marketing Officer for PetPartners, Inc. in Raleigh, NC. From July 2016 to July 2020, Catherine Hall served as Chief Strategy Officer/Chief Marketing Officer for the Arizona Science Center in Phoenix, AZ.~~

~~Jared Nielsen, Vice President of Finance. Jared Nielsen has served as our Vice President of Finance since June 2022. From August 2020 to June 2022, Mr. Nielsen served as a Manager for True Financials, LLC in Salt Lake City, UT. From July 2018 to July 2020, Mr. Nielsen served as a Tax Staff Associate for Price Waterhouse Coopers in Salt Lake City, UT. From February 2017 to July 2019, Mr. Nielsen served as a Production Accountant for BYU Broadcasting in Provo, UT.~~

~~Meagan Mattei, Director, Supply Chain. Ms. Mattei has served as our Director, Supply Chain, since September 2021. From May 2014 to September 2021, Ms. Mattei held various Supply Chain positions with PVH—Calvin Klein in New York, New York.~~

Kathy Esposito, Director, Customer Service Center. Ms. Esposito has served as the Director, Customer Service Center for us since June 2018. From February 2017 to March 2018, Ms.

Esposito served as Director of Operations for Responsive Call Center in Greentree, PA. From July 2006 to September 2016, Ms. Esposito served as Director of Operations for Alorica in Greentree, PA.

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**ITEM 3  
LITIGATION**

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No litigation is required to be disclosed in this item.

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**ITEM 4  
BANKRUPTCY**

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No bankruptcy is required to be disclosed in this item.

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**ITEM 5  
INITIAL FEES**

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**Single-Unit Franchises**

The initial franchise fee is \$59,900 or \$19,900 if acquiring an already open and operating Franchised Business ("Initial Franchise Fee").

The initial franchise fees are fully earned and non-refundable upon signing of the franchise agreement and receipt of the funds by us.

If you fail to successfully complete the initial training program or fail to open the Franchise within the time limits expressed in the Franchise Agreement, we may terminate the Franchise Agreement and retain the entire Initial Franchise Fee.

**Area Developers**

At our discretion, we may offer to qualified candidates an Area Development Agreement, attached to this Franchise Disclosure Document as Exhibit C, according to which the area developer ("Area Developer") obtains the right to develop and operate a prescribed number of Franchised Businesses over an agreed-upon period of time. Currently, we offer qualified candidates [who have proven successful and compliant ownership](#), the right to enter into an Area Development Agreement to operate multiple Franchised Businesses in a quantity from 2-10, with the payment of the development fee ("Development Fee"), which is in lieu of the initial franchise fee, ~~as follows of \$38,000 per each additional studio after the initial studio.~~

<del>Number of Franchised Businesses</del>	<del>Development Fee</del>
<del>2 Franchised Businesses</del>	<del>\$97,900</del>
<del>3 Franchised Businesses</del>	<del>\$114,900</del>
<del>4 Franchised Businesses</del>	<del>\$148,900</del>
<del>5 Franchised Businesses</del>	<del>\$179,900</del>
<del>6 Franchised Businesses</del>	<del>\$210,900</del>
<del>7 Franchised Businesses</del>	<del>\$241,900</del>

<del>8 Franchised Businesses</del>	<del>—————</del>	<del>\$272,900</del>
<del>9 Franchised Businesses</del>	<del>—————</del>	<del>\$303,900</del>
<del>10 Franchised Businesses</del>	<del>—————</del>	<del>\$334,900</del>

~~The Development Fee is fully earned and non-refundable under any circumstances upon signing of the Development Agreement and receipt of the funds by us.~~

~~If you fail to successfully complete the initial training program or fail to open any of the Franchises within the time limits expressed in the Area Development Agreement, we may terminate the Area Development Agreement and retain the entire Development Fee.~~

### **Additional Unit Costs**

If you purchase additional Franchised Business rights after the signing of the Franchise Agreement and/or Area Development Agreement, the price is \$38,000 per Franchised Business.

### **Extension Fees**

We reserve the right to approve and charge you a \$500 per month fee to temporarily extend the opening date of your franchise beyond the 365 days allowed by the franchise agreement and a \$500 per month fee to temporarily extend the development timeline in the Area Development Agreement. This fee is fully earned and nonrefundable when paid.

### **Operations Onboarding & First Studio Opening Support**

Additionally, you must pay to us at the same time as the Initial Franchise Fee, an Operations Onboarding & First Studio Opening Support Fee of \$5,450. This fee offsets our costs in supporting you and your operations staff through the onboarding process and supporting your efforts to get your first studio open. The Operations Onboarding & First Studio Opening Support Fee is fully earned and non-refundable upon your signing of the Franchise Agreement and receipt of the funds by us. For your second and subsequent studios, you are not required to pay an Operations Onboarding & First Studio Opening Support Fee. Additionally included in this fee is the tuition cost for two attendees for our initial owner training, Deka U.

### **Initial Lash Artist Training**

Additionally, for initial training at your first location, you must pay to us at the same time as the Initial Franchise Fee, a Non-Refundable Training Fee of \$3,750. This Non-Refundable Training Fee is to offset the expected costs for the initial Lash Artist training for your staff. The Training Fee is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages. These trainings are generally offered at your franchise location. For your second and subsequent locations, you are not required to submit a Non-Refundable Training Fee, however you must still pay for and otherwise reimburse us for any training we provide and any related out-of-pocket travel costs.

### **Inventory and Supplies**

You must also buy an opening package of inventory and supplies from us, our affiliate, DL Products, LLC, and/or third parties, that costs approximately \$13,500 for [Deka and an additional \\$20,000 to \\$25,000 if you are approved to offer Medspa services for](#) initial inventory and supplies

to begin operation of the franchise, ~~according to our current standards and specifications outlined from time to time in the Operations Manual.~~

Neither we nor our affiliate finance any portion of your purchases. Payment is due when you order the relevant inventory and supplies from our affiliate and is non-refundable. We reserve the right to require you to process some or all product purchases through automatic account withdrawal or electronic funds transfer processes we designate and outline in the Operations Manual.

If your Franchise Agreement or Area Development Agreement is terminated (whether for your failure to commence operations, failure to successfully complete initial training program, or for any other reason), we or our affiliates have no obligation to refund any portion of the purchase price for products, supplies, or other amounts paid by you.

**Veterans Discount**

We offer a 25% discount on the Initial Franchise Fee for the first Franchise Agreement signed by an honorably discharged veteran of the U.S. military that purchases through the VetFran program.

**Uniform and Non-Refundable**

Except as otherwise described in this Item 5, the initial fees are uniform and non-refundable.

**Financing**

We disclose financing terms available for certain expansion territory purchases by existing franchisees in Item 10.

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**ITEM 6  
OTHER FEES**

Fee	Amount	Due Date	Remarks
Royalty (Notes 1, 2, 3, and 4)	6% of Gross Studio Sales or \$600 per month, whichever is greater. After your 1 <sup>st</sup> year of operations, the minimum Royalty Fee increases to \$1,000 per month.	As specified in the operations manual. Currently we collect royalties twice a month on the 5 <sup>th</sup> day following the end of each semi-monthly period.	
Brand Development Fee (Note 4)	The greater of 3% of Gross Studio Sales or, after the 1 <sup>st</sup> year of operations, \$500 per month.	As specified in the operations manual. Currently we collect royalties twice a month on the 5 <sup>th</sup> day following the end of each semi-monthly period.	You are required to contribute the specified Brand Development Fee into the Brand Development Fund (the "Brand Fund"). We are not obligated to maintain the Brand Fund in a separate bank account nor use the entirety of amounts collected within the same calendar year. However, we will account for collections and expenditures and track the Brand Fund balance separately.
Technology Fee (Note 4)	\$199 per month per executed franchise agreement from date of signing franchise agreement through the date of opening of the studio. \$399 per month per franchise location thereafter.	5 <sup>th</sup> day of the month for the preceding month, or as specified in the operations manual.	If deemed necessary, we can change monthly fee once a calendar year with 30 days' notice. Any increase would be limited to cover costs of additional software made available to franchisees.
Computer & Software Fees	Currently \$259/month paid to our vendors	Monthly	You must pay the monthly fee for the POS and other software we specify. This fee may vary based upon optional add-on services that you may select.
Minimum Local Marketing Requirement	Minimum of \$2,000 per month.	When due as billed by local advertiser.	If you fail to spend the minimum amount on Local Marketing, we have the right to require you to pay the unspent required balance to the Brand Development Fund.

Fee	Amount	Due Date	Remarks
Local Advertising Cooperative	As determined by the Cooperative.	At the time set by the Cooperative.	Your contribution to a local advertising cooperative would be determined by a vote of the members. Any contributions you make towards the Cooperative will be credited against your Local Marketing Requirement.
Music and Media Licensing Fee	Currently \$35 paid directly to the Vendor.	Monthly.	We or our designated vendor will charge you for a pro-rata share of any music licensing or other similar type fees we may have to pay for music or media provided to your studio. This fee may vary based upon changes in the vendor's fee.
Customer Service Center Fee (Note 4)	As specified in the Operations Manual. Presently \$600 per month but we reserve the right to modify this at any time, based on any addition of software, personnel, or other expenses incurred necessary to continue providing or improving the service.	Monthly.	We, an affiliate or a third party we designate may provide a Customer Service Center to assist in inbound inquiries, appointment setting, memberships, customer service, follow up, outbound sales & campaigns, and other services. If required by us, you must participate in the customer service center and you agree to pay all reasonable fees imposed by the provider for those services. Additionally, you may be required to use a specific telephone number, phone, or VOIP system that we may specify. Currently we offer a Customer Service Center and require that you use it.

Fee	Amount	Due Date	Remarks
Conventions	Currently, \$750 per ownership group. This covers up to two attendees. For any additional attendee, \$375 per person will be charged.	Due as specified in our Operations Manual. Currently we collect this in 24 semi-monthly payments payable at the same time as your royalty payment and other recurring payments.	You are required to attend our Conventions. You will be charged a reasonable convention fee for you and your employees to attend conventions or conferences that we host. Currently this fee is \$750 per ownership group (for up to two attendees) but may change depending on increases in food & beverage, venue, production, and other costs charged by third parties. You are also responsible for all costs and expenses of travel, lodging, meals, entertainment, and wages and salary.
Secret Shopper Fee	Currently <del>we are not requiring a Secret Shopper Fee, the fee is \$90 each quarter per studio</del> ; however, we reserve the right to <del>require one</del> <del>in</del> <del>revise</del> the <del>future program</del>	As incurred.	You must reimburse us, or our designated vendor, for a 3rd party to secret shop your location and service. You also must reimburse us, or our designated vendor, for the fees paid to you by our secret shopper for the services provided at your studio.
Payment Convenience Fee	Up to 3.75% of total charge.	As incurred.	If you make a payment to us or our affiliate with a credit card for any fee owed we may charge up to 3.75% of the total charge as a payment service fee.
Renewal Fee	\$3,500.	When you enter into a new franchise agreement upon the expiration of the term of your original franchise agreement.	You must be in compliance with your Franchise Agreement and meet certain conditions.

Fee	Amount	Due Date	Remarks
Transfer Fee	\$10,000 (complete transfer or transfer of a majority interest) per transaction. Selling franchisee is responsible for all applicable broker fees.	At the time you transfer the franchise or a majority ownership in it.	Transferee must be approved by us and you must be in compliance with your Franchise Agreement. No fee if transferred from individual to business entity owned by the same owners with the same ownership percentages.  If deemed necessary, we can revise the transfer fee once a calendar year with a 30 days' notice.
Audit Fee	Cost of the audit plus any shortfall amount found to be due.	On demand.	Payable if audit discloses an underpayment of royalty or fee by 2% of more.
Opening Deadline Extension Fee	\$500 per month (or portion of month) for which the deadline is extended.	Automatically begins on the first date of default, unless a lease is executed.	Payable for each month that you are granted an extension beyond the 365 days allowed in your franchise agreement, for up to 12 months.
Development Delay Fees	\$500 per month per territory according to each territory's development deadline.	At time of extension to development schedule.	If at any point you (a) do not pay your delayed opening fee, (b) stop or refute our ability to ACH this transaction, (c) notify us, in writing, that you no longer want to be charged the delayed opening fees, or (d) after a period of 12 months of paying the delayed opening fee, you will immediately lose your protected territory rights and all accompanying transferability rights therein.
Interest and Late Fee	Lesser of 18% annually or the maximum permitted by law. Plus, a \$100 Late Fee per occurrence.	Owed on past due amounts.	Interest will be applied retroactively to day one for any payment that is more than 30 days past due. Late Fee applies to any payment that is 7 days past due.

Fee	Amount	Due Date	Remarks
Business Listing & Promotion Fee	Up to \$400 per month if your Franchised Business is listed by us. <del>We are not currently collecting such fee and are requiring you to list your Franchised Business yourself.</del>	On demand.	You must pay to us the cost of listing or promotion of your Franchised Business as specified in our manuals. Any Business Listing payments will be applied against Local Marketing requirements
Unauthorized or Unreported Payment Fee	\$750 per occurrence.	On demand.	If you fail to report cash or other payments through your POS account, we may charge you \$500 per occurrence and declare you in default of your franchise agreement, the consequence of which can be the termination of your franchise agreement.
Quality Control Inspection Fee	Reasonable costs associated with inspection of your business (including transportation, meals, lodging and employee wages.)	On demand.	We may, at our sole discretion, conduct a Quality Control inspection annually, or more frequently if you fail to maintain franchise standards, receive repeated consumer complaints or fail to comply with any provisions of the franchise agreement. You agree to pay us the reasonable costs associated with such inspections.
Failure to Comply Fee	\$500 for the first breach, \$1,000 for the second breach, and \$2,500 for the third breach and any other breaches.	On demand.	We may charge this fee if you breach any of the terms, conditions, or policies outlined in the franchise agreement or the operations manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, equipment, or vendors.

Fee	Amount	Due Date	Remarks
Prospect Generation Fee	The actual cost incurred by us, including commissions and fees charged by business brokers in cases where the buyer is identified through such broker.	Prior to us giving consent to transfer your operating studio.	In the event you decide to sell your operating studio to a prospective franchisee that comes from a lead generated through us (including broker networks, consultants, and referral sources used by us) you will be required to pay us a Prospect Generation Fee to reimburse us for our associated expenses before we will consent to the transfer of the operating studio to such a buyer. This fee is in addition to the Transfer Fee.
Legal Fees and Costs	Actual amount of attorney fees and costs incurred.	When incurred.	You must reimburse our attorney fees and costs for all expenses reasonably incurred (i) to enforce the terms of your Franchise Agreement or any obligation owed to us and our affiliates, whether or not we initiate the legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding; (ii) in the defense of any claim Franchisee asserts against us on which we substantially prevail in court or other formal legal proceedings; and (iii) as to any disputes that originate between you and any client, vendor, or other third-party affiliate of yours.

Fee	Amount	Due Date	Remarks
Taxes and Indebtedness	You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and equipment used in your Franchise.	Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings.	If we are charged with any tax by the authorized taxing authority of any state or municipality, including taxes on sales made to or licenses granted to you, or sales made by you at the Franchise Premises, you will pay those taxes and otherwise agree to allow us to deduct any amounts we paid. We do not charge royalty or Brand Development Fees on sales tax.
Sales, excise or gross receipts tax	Actual amount incurred.	At time of payment of fees to us which are subject to any tax.	If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, training, Brand Development Fee, products, and any other services, products or fees.
Assistance Fee in the event of death or incapacity	Reimbursement for reasonable expenditures incurred including travel, lodging, per diem and wages.	At time of expense.	In the event of your death or incapacity, we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing services.
Client Refunds	The amount of any fee we refund to a client.	At time of payment.	If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to pay the charges.
Other Eyelash Technician Training-On site	\$400 per day per trainer for each full or partial day plus costs of training including travel, lodging and food per diem.	As incurred.	

Fee	Amount	Due Date	Remarks
Additional Training Fees	As specified in the operations manual. Currently we offer the following optional courses:  - Eyelash Technician: \$400 per trainer, per day, plus travel expenses - Manager Training: \$350 per candidate - Master Lash Artist Training: \$350 per candidate - Studio Lash Trainer Training: \$350 per candidate	Before training.	These fees are per person. You agree to pay us these fees and also must cover your own employee wages and expenses. Trainings may be virtual or in person.

\*Except where otherwise specified, we uniformly impose and collect all the fees in this table, you pay them to us, and we do not refund them. However, the level of some fees, including the Brand Fund Fee, varied in older franchise agreements [and may vary in future versions of the franchise agreement](#).

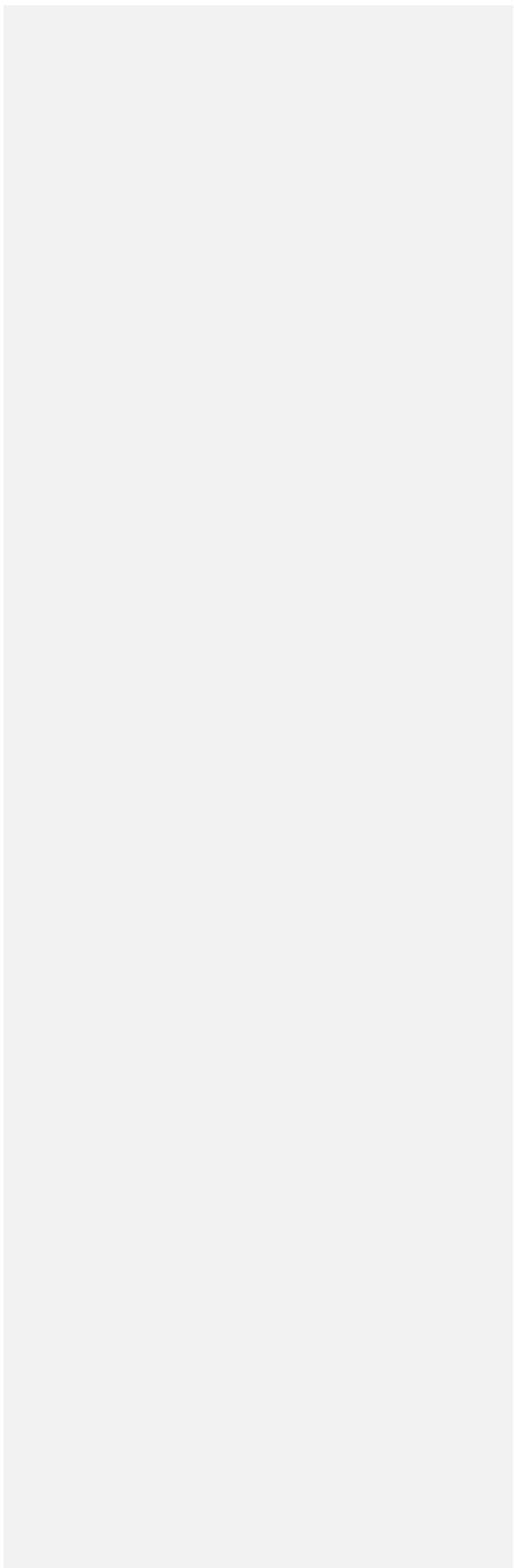
**Note 1.** We require you to execute an Automatic Bank Draft Authorization and pay most fees, including the Royalties and Brand Development Fee, to us via ACH electronic funds transfer.

**Note 2. Gross Studio Sales or Gross Revenue.** "Gross Studio Sales" or "Gross Revenue" includes all revenue generated from the operation of the Franchise from whatever source derived and means the total Revenue for any calendar month or other accounting period specified in the Operations Manual. "Gross Revenue" includes, but is not limited to sales, memberships, prepaid programs, rentals, products, apparel, gear, vending, exchanges, services, labor, service charges, gross sales on deal sites (including Groupon and Living Social) attributed to your franchise, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received. Gross Revenue does not include sales tax, returned merchandise and isolated sales of furniture or fixtures. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Gross Revenue.

**Note 3.** Should a franchisee breach a Franchise Agreement and close a studio, all fees are still mandatory. This means that a breaching franchisee will still be required to pay the monthly technology fees and minimum royalties for the remaining life of the Franchise Agreement.

**Note 4.** Royalties, Brand Development Fees, Technology Fees, and the Customer Service Center Fees shall be paid based upon the age of the outlet from its original opening date, not the Effective Date of a successor or transferred franchise agreement.

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**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**TABLE 1**  
**YOUR ESTIMATED INITIAL INVESTMENT**  
**FRANCHISE AGREEMENT**

Fee	Estimated Amount Low	Estimated Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$59,900	\$59,900	Wire / ACH	Upon entering into franchise agreement	Us
Operations Onboarding & First Studio Opening Support Fee (Note 2)	\$5,450	\$5,450	Wire / ACH	Upon entering into franchise agreement	Us
Initial Staff Training & Certification (Note 3)	\$3,750	\$3,750	Wire / ACH	Upon entering into franchise agreement	Us
New Franchisee Training Travel, Meals & Lodging (Note 4)	\$300	\$3,000	As Arranged	Before Opening	Third-party vendors
Design / Architectural Plans (Note 5)	\$1,000	\$5,000	As Arranged	Before Opening	Third-party vendors
Leasehold Improvements & Project Management (Note 6)	\$75,000	\$150,000	As Arranged	Before Opening	Third-party vendors
Rent & Security Deposits (Note 7)	\$12,000	\$25,000	As Arranged	Monthly	Landlord & Third-party suppliers
Signage (Note 8)	\$5,000	\$10,000	As Arranged	Before Opening	Third-party vendors
Furniture, Fixtures and Equipment (Note 9)	\$60,000	\$86,000	As Arranged	Before Opening	Third-party vendors
Flooring (Note 10)	\$5,000	\$8,000	As Arranged	Before Opening	Third-party vendors
Computers and Hardware (Note 11)	\$2,000	\$5,000	As Arranged	Before Opening	Third-party vendors
Start-up Supplies / Inventory (Note 12)	\$13,500	<del>\$13,500</del> \$25,000	As Arranged	Before Opening	Us & Third-party vendors
Grand Opening / Marketing (Note 13)	\$9,000	\$12,000	As Arranged	Before Opening	Us & Third-party vendors
Insurance & Permits (Note 14)	\$3,250	\$7,500	As Arranged	As incurred	Third-party vendors
Professional Fees (Note 15)	\$1,250	\$3,750	As Arranged	As incurred	Third-party vendors
Utilities (Note 16)	\$500	\$1,500	As Arranged	As incurred	Third-party utilities
Payroll (Note 17)	\$23,000	\$35,000	As Arranged	Bi-Weekly or Semi-Monthly	Employees
Additional Funds (Note 18)	\$6,000	\$15,000	As Arranged	As incurred	Us & Third-party Vendors
<b>TOTAL (Note 19)</b>	<b>\$285,900</b>	<b><del>\$449,350</del> \$460,850</b>			

**Table 1 Notes**

None of the fees paid to us in this table are refundable. Whether fees paid to third parties are refundable would depend upon the policies of those third parties.

**Note 1 – Initial Franchise Fee.** We base the initial franchise fee on your acquisition of one territory. We offer a 25% discount for military veterans with proper honorable discharge documentation. If you are acquiring an open and operating Franchised Business, the initial franchise fee is \$19,900.

If you have been a franchisee for at least 24 months, we may offer financing of up to 50% of the initial franchise fee of \$38,000 for an additional expansion territory, at 10% per annum interest, repaid monthly over 60 months. If you financed \$19,000 over 60 months at 10% per annum interest, your monthly payment would be approximately \$404.

**Note 2 – Operations Onboarding & First Studio Opening Support Fee.** Only paid for the first studio you open. This fee offsets our costs in supporting you and your operations staff through the onboarding process and supporting your efforts to find and develop your first site. The Operations Onboarding & First Studio Opening Support Fee is fully earned and non-refundable upon your signing of the Franchise Agreement and receipt of the funds by us.

**Note 3 – Initial Staff Training and Certification.** This is the fee for the Non-Refundable Training Fee referenced in Item 5.

**Note 4 – New Franchisee Training, Travel, Meals & Lodging.** We normally offer initial operations training in Pittsburgh, PA. Travel and living expenses will vary significantly depending upon whether you live within driving distance or whether you must fly, rent a car, or incur lodging expenses. Your costs will vary. The estimated amount is for [one person-two attendees](#).

**Note 5 – Design / Architectural Plans.** Low cost is based on our third-party Furniture, Fixtures, and Equipment provider laying out the space, and no architecture plans are needed. If you desire architectural plans to assist or as required by your locality, you will incur architectural fees for the plans. Plans and related fees can vary by complexity of the space, layout, and construction needs.

**Note 6 - Leasehold Improvements.** You will need to improve an appropriate retail location in accordance with our specified studio design with a build out including a bathroom, walls, flooring, plumbing, HVAC, lighting, phone ports, data ports, a security system and electrical work and other work depending on the condition of the premises. These costs may vary significantly based upon the size and existing condition of the premises, the market prices charged for such work in your specific geography, availability and capacity of local contractors, market prices of building materials, and any tenant improvement allowances negotiated in your lease agreement. We base the figures on recent data provided by franchisees.

**Note 7 - Rent and Security Deposit.** You will need to rent a location containing approximately 750-1,250 square feet. Rent is based on commercial facility for the first 3 months of operations including security deposit for one month's rent. Rental costs vary considerably by geographic area and the size of the location you select, among other factors.

**Note 8 – Signage.** We provide estimates for exterior signage. Type of signage allowed varies depending on city ordinances, property owners' association covenants, and landlord preferences. Your costs will vary.

**Note 9 – Furniture, Fixtures and Equipment.** You are required to use the specified studio furniture, fixtures and equipment and other items we specify. Shipping and lighting is included. Additionally, you will incur costs to have these items installed in your studio. Costs will vary

depending on the number of beds and extent of furnishing in the common areas of the studio. The estimated initial investment represents studios that have 3 to 5 beds.

**Note 10 – Flooring.** These are the estimated costs to purchase, ship and install flooring to your facility. The low amount is based on the specified flooring package for a 750 square foot facility and the associated shipping costs. The high amount is based on the specified flooring package for a 1,250 square foot studio and the associated shipping costs.

**Note 11 – Computers and Hardware.** We require you to have an internet connection, email, a laptop or desktop computer along with Microsoft Office, Word, and Excel. We recommend an Apple MacBook. We require a minimum of two iPads or comparable tablets at each studio. Please refer to item 11 as well for additional guidance on computers and software.

**Note 12 - Start-Up Supplies & Inventory.** Your primary cost for start-up supplies and inventory will be to purchase eyelash extension and related products, employee uniforms, products for resale to customers and miscellaneous studio supplies. [Deka studios that are approved to offer Medspa services will incur costs on the higher end, around \\$20,000 to \\$25,000.](#)

**Note 13 – Grand Opening / Marketing.** We require you to engage in a Grand Opening Marketing campaign to draw attention to the opening of your studio. The estimated initial investment includes 3 months of recommended pre-opening marketing expenses and 3 months of marketing upon opening.

**Note 14 – Insurance & Permits.** You will need [insurance coverage such as](#) Commercial General Liability, Rented Premises and Fire Legal Liability, Automobile, Workers Compensation/Employers Liability, ~~as described.~~ [The requirements are set forth in more greater detail in Item 8. Additionally, you may need licensing and permitting.](#)

**Note 15 – Professional Expenses.** You may incur professional legal and accounting fees to assist with your entity set up, including local licensing, lease review, and other legal and accounting issues.

**Note 16 – Utilities.** Utilities rates vary by market areas. Additionally, some utilities such as gas, electric, sewer, water, or trash removal are included in the lease rate and some are not. These costs estimate initial setup and 3 months of service.

**Note 17 – Payroll.** Our estimate includes compensation expenses for 4 full-time lash artists paid over 12 weeks. Payroll expenses can vary significantly depending on local wage and benefits requirements. We base our estimate on your acting as your own studio manager. If you hire a studio manager, you will incur additional expenses. [For clarity, the range set forth does not include the onboarding of a medical professional.](#)

**Note 18 - Additional Funds.** Additional funds for 12 weeks are to pay for required software licenses, technology fee, ~~permits, licenses, and~~ to maintain sufficient working capital for miscellaneous expenses. You must use the studio software and subscriptions we specify which may include customer scheduling, online booking, reporting and a Point of Sale/Credit Card application. We require that you use Quickbooks Online for your financial record keeping.

**Note 19 – Total.** Does not include Royalties, Brand Development Fees, depreciation, interest expenses or taxes.

**Note 20 – Generally.** These figures are estimates of your initial expenses covering the first three months of your operation. We cannot guarantee that you will not have additional expenses starting the business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

**TABLE 2**  
YOUR ESTIMATED INITIAL INVESTMENT  
AREA DEVELOPMENT AGREEMENT

Fee (Note 1)	Estimated Amount Low	Estimated Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Area Development Fee (Note 2)	\$97,900	\$334,900	Wire / ACH	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business (Note 3)	\$226,000	<del>\$389,450</del> <u>400,950</u>	See Chart above.		
<b>TOTAL (Note 4)</b>	<del>\$323,900</del> <u>\$323,900.00</u>	<del>\$724,350</del> <u>\$735,850.00</u>			

**Table 2 Notes**

**Note 1 – Fee.** The estimates set forth in Table 2 assume that you will be entering into an Area Development Agreement for the right to open and operate two (low amount) to ten (high amount) Franchised Businesses within a Development Area and the cost of opening the first Franchised Business.

**Note 2 – Area Development Fee.** The Area Development Fee ranges from \$97,900 for two Area Development territories to \$334,900 for ten territories, as explained in Item 5 above.

**Note 3 – Initial Investment for Your Initial Franchised Business.** This figure represents the total estimated initial investment required to open your initial Franchised Business under the Franchise Agreement you must enter into with us at the same time as the execution of your Development Agreement. The low-end comprises of the low-end estimate from the Item 7, Table 1, less the \$59,900 initial franchise fee, as it is included in the Area Development Fee (\$285,900 - \$59,900 = \$226,000). The high-end comprises of the high-end estimate from the Item 7, Table 1, less the \$59,900 initial franchise fee, as it is included in the Area Development Fee (~~\$449,350~~460,850 - \$59,900 = ~~\$389,450~~400,950).

**Note 4 – Total.** Other than the Development Fee and the cost to open the first studio required under the Area Development Agreement, this figure does not include the costs associated with opening a second and subsequent locations which will incur additional costs.

**Note 5 – Generally.** Does not include royalties, Brand Development Fees, interest expense, depreciation, or taxes. These figures are estimates of your initial expenses covering the first three months of your operation. We cannot guarantee that you will not have additional expenses starting the business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

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

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**The Goods or Services Required to be Purchased or Leased:**

**Advertising and Marketing.** You must use advertising material provided by us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

**Computers and Software.** You must purchase such computer hardware and subscribe to and use the Point-of-Sale, client management and scheduling, and other software systems that we specify. You will execute and be bound by all software licenses we require. We may change the computer hardware or software (including the point-of-sale software and facilities software) at any time, and you are required to convert to the new system.

**Deka Labeled Products.** You must purchase Deka labeled products for resale to your customers from our affiliate, DL Products, LLC.

**Equipment and Furniture.** You must purchase equipment and furniture from a supplier that we designate or subject to our specifications.

**Eyelash Extensions, Skincare Products, and Related Products.** You must purchase all eyelash extensions, adhesives, brow products, skincare products, resale products and related products from us, our affiliate, DL Products, LLC or a vendor we designate.

**Customer Service Center.** We, an affiliate or a third party we designate may provide a customer service center to assist in inbound inquiries, appointment setting, memberships, customer service, follow up, outbound sales & campaigns, and other services. If required by us, you must participate in the customer service center and you agree to pay all reasonable fees imposed by the provider for those services. Additionally, you may be required to use a specific telephone number, phone, or VOIP system that we may specify. Currently we offer a Customer Service Center and require that you use it. The fee is as specified in the Operations Manual.

**Project and Construction Management.** We reserve the right to require you to use a specific architect, project and/or construction management company.

**Insurance.** You must maintain insurance policies protecting you and us (as additional insured). The policies must be written by an *A.M. Best "A" or better rated insurance company* and must include the following types and minimum amounts of coverage, as well as any other insurance as required in the Operations Manual and any other insurance as may be required by state law.

*Commercial General Liability:* Coverage including bodily injury, property damage, and personal injury. Per occurrence \$1,000,000, annual policy aggregate of \$2,000,000.

*Rented Premise and Fire Legal Liability:* Coverage of \$250,000.

*Automobile:* Coverage for all owned, non-owned and hired vehicles of \$1,000,000 for uninsured and underinsured motorist, bodily injury and property damage. Must include statutory personal injury protection per individual state requirements.

*Workers' Compensation/Employers Liability:* As required by statute, workers' compensation coverage for employees and all owner(s) of \$500,000 of employer's liability limits of protection.

You must name DL Franchising, LLC and their respective affiliates, officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of the same to us. Certificates of insurance must be sent in upon the annual expiration date.

Area Developers must maintain insurance as required under their individual franchise agreements for Franchised Businesses to be open within the Development Area.

**Leased Location.** You will need a site in which to operate the Franchised Business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You must include our franchise addendum in any lease you sign. See Exhibit F-1.

**Leasehold Improvements.** You may purchase leasehold improvements from any supplier but must build out your location according to our specifications.

**Music and Media.** You must use the designated vendor we specify for your music and media systems, library, including a designated channel or clearinghouse for music and other media.

**Supplies/Inventory.** We require you to purchase supplies and inventory from DL Products, LLC or another designated vendor as specified by us. We have the right to require that you purchase certain products and supplies, for resale within your facilities. You may purchase miscellaneous office supplies from any vendor and we do not have specifications for these items.

**Whether we or our Affiliates are Approved Suppliers:**

We are an approved supplier of Advertising and Marketing templates. DL Products, LLC is an approved supplier, and currently the only approved supplier, of eyelash extension and related products and Deka labeled products.

**Officer Interests in Suppliers:**

Our officers, Michael Blair, Michael Debenham, and Jennifer Blair own an interest in us and in our affiliate, DL Products, LLC.

**Alternative Suppliers and Vendors:**

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers and vendors, including marketing and technology vendors, if approved by us in writing and they meet our criteria. If you desire to purchase products or services other than those provided by our approved suppliers or vendors, you may submit to us a written request for approval of the proposed suppliers, products or services. We may charge you for the reasonable expenses and costs we incur to test and approve these suppliers, products, or services. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved

vendors. We will notify you within 60 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Franchisees may not contract separately with vendors, unless we otherwise approve in writing.

**Issuance and Modification of Specifications:**

We issue specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

**Revenue from Required Purchases:**

We may derive revenue or other material consideration from required purchases or leases by you.

In our last fiscal year ending December 31, ~~2024~~2023, we earned revenue of ~~\$999,433,887.675~~ from required purchases or leases by franchisees, representing 10.654% of our total revenue of ~~\$9,445,5768,420,741~~.

In addition, our last fiscal year ending December 31, ~~2024~~2023, our affiliate DL Products, LLC earned revenue of ~~\$3,462,9332,259,783~~ selling eyelash extensions and related products and Dekalabel products to our franchisees, representing ~~33.626.8~~% of total revenue.

**Required Purchases as a Proportion of Costs:**

We estimate that required purchases described above will be approximately 30%-55% of all purchases and leases by you of goods and services to establish a franchise and approximately 25% - 30% of your operating costs.

**Supplier Payments to Us:**

Designated suppliers may make payments to us from franchisee purchases. In our last fiscal year ending December 31, ~~2024~~2023, we received payment of ~~\$20,03213,854.90~~ from franchisee purchases.

In our last fiscal year ending December 31, ~~2024~~2023, suppliers paid to us ~~\$75,20026,649~~ as sponsorship for our Annual Convention.

**Purchasing or Distribution Cooperatives:**

At this time, we do not have any purchasing or distribution cooperatives.

**Purchase arrangements:**

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

**Material Benefits:**

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in

compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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**ITEM 9  
FRANCHISEE'S OBLIGATIONS**

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**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.**

Franchisee's Obligations	Section In Franchise Agreement	Section in Area Development Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	3, 6.2	1, Appendix 1	11
b. Pre-opening purchases/leases	6.10, 6.11, 6.12	Not Applicable	7, 8
c. Site development and other pre-opening requirements	6.2	Not Applicable	11
d. Initial and ongoing training	5.7, 6.1, 6.7	Not Applicable	11
e. Opening	6.3	5	11
f. Fees	4, 15, 19.11	2	5, 6, 7, 11
g. Compliance with standards and policies/Manual	6.4	Not Applicable	8, 11
h. Trademarks and proprietary information	7, 8	Not Applicable	13, 14
i. Restrictions on products/services offered	6.5	Not Applicable	8, 16
j. Warranty and customer service requirements	6.6	Not Applicable	6
k. Territorial development and sales quotas	Not Applicable	1, 5	12
l. Ongoing product/service purchases	6.10, 6.11, 6.12	Not Applicable	8
m. Maintenance, appearance & remodeling requirements	6.13	Not Applicable	Not Applicable
n. Insurance	6.8	Not Applicable	8
o. Advertising	7	Not Applicable	8, 11
p. Indemnification	13.3	Not Applicable	6
q. Owner's participation/management/staffing	6.9	Not Applicable	15
r. Records and reports	9	Not Applicable	11
s. Inspections and Audits	9	Not Applicable	11
t. Transfer	14	8	17
u. Renewal	2.2	Not Applicable	17
v. Post-termination obligations	11	Not Applicable	15, 16, 17
w. Non-competition covenants	12	Not Applicable	15, 16, 17
x. Dispute resolution	19	9	17

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**ITEM 10  
FINANCING**

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We do not offer direct or indirect financing until you have been a franchisee for at least 24 months. At that time, we may offer financing for the Initial Franchise Fee for any additional units.

Whether we will extend financing, and the amount, will vary depending upon the availability of funds and your creditworthiness.

The following table summarizes the financing we may offer you for the Initial Fees.

Item Financed	Initial Franchise Fee for any additional unit rights acquired after 24 months of signing of a Franchise Agreement
Source of Financing	Us
Down Payment	50%
Amount Financed	50%
Interest Rate	10% Annual Percentage Rate (A.P.R.)
Period of Repayment	60 months
Monthly Payment	\$404 per month on a \$19,000 loan
Security Required	Personal Guaranty
Whether a Person Other than the Franchisee Must Personally Guarantee the Debt	If the franchisee is an entity, the owners of the franchisee entity must personally guarantee the debt
Prepayment Penalty	None
Liability Upon Default	Termination of Franchise Agreement; you must pay entire amount due, our attorney fees, and court costs in collecting debt.
Waiver of Defenses or Other Legal Right on Default	Waiver of right to jury trial; homestead and other exemptions; waiver of presentment, demand, protest, notice of dishonor.

We do not guarantee your notes, leases, or obligations. We do not have any past or present practice or intention to sell, assign or discount to any third party, any note, contract or other instrument signed by you.

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

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

**Before Opening:**

**Initial Training.** We provide an initial training program, currently four days long either virtual or in person. The Operations Onboarding & First Studio Opening Support Fee, paid at the time of purchase, covers the fees charged by us for the owners listed on the Franchise Agreement (up to two attendees). We charge \$1,500 per person for other individuals to attend. You are responsible for your travel, lodging, transportation, meal costs and your employees' wages to attend initial training. The topics covered in initial training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

**Site Selection.** We provide site selection criteria, guidelines, and counseling to help you select a site. We do not select the site. It is your responsibility to locate and select a suitable site for your studio. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site. We must approve any site you select before you sign a lease for that location. We do not generally own the premises and lease it to you. Before you enter into a lease or purchase agreement, you must have the site approved by us. We consider the following factors in approving your site selection: general location, proximity to other affiliated/Deka Lash locations, neighborhood, traffic patterns, signage, parking, size, zoning, physical characteristics of the proposed space, demographics, population density of the area, and lease terms (including the cost of the build-out, monthly rent rate). We may conduct an on-site evaluation if we consider it necessary as part of our evaluation. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the pertinent information required by us on the proposed site. If we accept a proposed site and you obtain it, we will insert a description of the specific location in Schedule 1 to the franchise agreement. In the unlikely event that you and we cannot agree on a site within the opening timeframe allowed, you can extend the timeline by getting approved and paying the opening deadline extension fee, we can allow you more time to search for a site that we can agree upon, or we can terminate the franchise agreement. (Franchise Agreement, Section 5.2(a)).

**Build out.** It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements (including those required for a studio that offers our services) and obtain any required permits. (Franchise Agreement, Sections 6.2(b)-(c)).

**Plans and Layout.** We, or our designee, will furnish to you a sample site layout plan. You are required to have the site laid out by our approved furniture supplier. You are required to submit the layout and have it approved by us. We will typically approve or disapprove a proposed layout within 14 days of your submission to us. Once approved by us, it is your responsibility to remodel the premises and install the furniture, fixtures and equipment accordingly. (Franchise Agreement, Sections 5.2(b) and 6.2(c)).

**Lease.** Before you sign a lease, sublet a space, purchase space, or make any binding commitment to do so, we must approve, in writing, your proposed lease or purchase agreement. (Franchise Agreement, Sections 5.2(c) and 6.2(d)).

**Relocation Review.** We will evaluate locations you propose to us to relocate your studio. We will typically approve or disapprove a relocation site within 14 days of your submission to us of

the pertinent required information by us on the proposed site. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site. (Franchise Agreement, Section 5.2(d) and 6.2(e)).

**Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies.** We provide guidance to obtain equipment, signs, fixtures, and supplies. (Franchise Agreement, Section 5.3).

**Operations Manual.** We provide to you access to our Operations Manual (“Manual”) to offer guidance in the operation of your Franchised Business. (Franchise Agreement, Section 5.4). Exhibit J contains the Table of Contents to the Operations Manual, which presently contains 198 pages.

#### **Length of Time Before Opening:**

We estimate that it should take you approximately 9 to 12 months to open your studio. You must be open and operational within 365 days from the Effective Date of your Franchise Agreement. Factors that may affect this time include: arranging for the training of owners and employees, meeting business permit and license requirements, finding a suitable site, negotiating a lease, obtaining any needed licenses or permits, performing the build out, obtaining furniture and equipment, hiring and training staff, obtaining an occupancy permit, and your personal operational needs. If you fail to open the Franchise within this time limit, you must pay us an Opening Deadline Extension Fee of \$500 for each month, or portion of month, that you are delayed in opening your studio beyond the 365 days allowed in this agreement. We will allow you to pay an Opening Deadline Extension Fee for up to 12 months. If at any point you (a) do not pay your Opening Deadline Extension Fee, (b) stop or refute our ability to debit or ACH this transaction, (c) notify us, in writing, that you no longer want to be charged the delayed opening fees, or (d) after a period of 12 months of paying the Opening Deadline Extension Fee you fail to open the franchise unit, we may terminate the Franchise Agreement and will retain the entire Initial Franchise Fee. Additionally, we have no obligation to refund any portion of products & inventory purchased by you or other amounts paid to us, our affiliates, or third parties.

#### **During the Operation of the Franchise:**

**Operations Manual.** We will provide you with electronic access to our Operations Manual. We may provide updates to this Operations Manual from time-to-time as appropriate. You agree to comply with any revised standards and procedures in the updates. (Franchise Agreement, Section 5.4).

**Establishing Prices.** We will provide assistance in establishing prices by suggesting prices but the final decision on pricing levels will be up to the franchisee. (Franchise Agreement, Section 5.4).

**Operational Support.** We offer assistance with operating problems and issues that you may encounter. (Franchise Agreement, Section 5.5).

**Software, Subscriptions and Computer Systems.** We may specify software, subscriptions, licenses, tablets, computer systems, and equipment to assist in the operation of your Franchised Business. We may update, modify, or otherwise make changes to our software, subscriptions, licenses, tablets, computer systems, and equipment specifications and that, in the event of any updates, modification or other changes in or additions to our specifications, you will promptly

modify, replace or add to your existing software, subscriptions, licenses, tablets, computer systems and equipment at your sole expense. (Franchise Agreement, Section 5.6).

**Additional Training or Seminars.** We may elect to offer and you may elect to attend additional training or seminars. (Franchise Agreement, Section 5.7).

**Advertising Program:**

**Our Obligation to Conduct Advertising.** We advise you in the advertising, marketing, and promotion of your Franchised Business, to the extent we deem necessary. We may, from time to time, at our sole discretion, produce advertising material and conduct promotional programs. We may use online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. (Franchise Agreement, Section 5.8).

**Use of Your Own Advertising Material.** You may use your own advertising materials provided that, prior to use, you submit them to us and we approve them, in writing, and they adhere to federal, state, and local law. All Internet and social media marketing using our Marks must be coordinated through us and approved by us. If our written approval is not received within 14 days from the date we received any material or marketing request, the material or request is deemed disapproved. (Franchise Agreement, Section 7.2).

**Local Advertising Cooperative.** We may designate any geographic area as a region for establishing a local advertising cooperative ("Local Advertising Cooperative"), though we typically designate areas based on Designated Market Areas as determined by the A.C. Nielsen Company. The members of the Local Advertising Cooperative for any area will consist of all Franchised Businesses, as well as outlets operated by us or our affiliates. We will determine in advance how each Local Advertising Cooperative will be organized and governed and when it must start operation. Each Local Advertising Cooperative will be organized for the sole purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. If a Local Advertising Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Local Advertising Cooperative is established during the term of the Franchise Agreement, you must become a member of the Local Advertising Cooperative and abide by the rules of the Local Advertising Cooperative.

If we establish a Local Advertising Cooperative for your area, you and franchisor-owned outlets in the Cooperative must contribute to the Local Advertising Cooperative the amounts required by its members, and all outlets must contribute on the same basis (which may be a uniform percent of revenue, a fixed amount, etc.). The amount of contribution will be determined by the members of the Local Advertising Cooperative, subject to our approval. Each member will have one vote for each Franchised Business operated by the member within the geographic area subject to the Local Advertising Cooperative.

Any contributions you make towards the Cooperative will be credited against your Local Marketing Requirement.

We reserve the right to form, change, dissolve or merge any Local Advertising Cooperative. (Franchise Agreement, Section 7.5).

**Brand Development Fees.** We require you to contribute a monthly Brand Development Fee equal to the greater of 3% of Gross Studio Sales or, after one year of being open, \$500 per month. We may use the Brand Development Fund to pay for any costs incurred through third parties or our employment of personnel primarily dedicated to consumer marketing and promotion activities associated with advertising, promotional events, graphic design, photography, video production, branding, public relations, marketing, promotional materials, media, production, and any other activity we believe will benefit Deka Lash, including the creation, maintenance, optimization, and advertising of the company website or other websites, pay per click advertising, and administration of such, creating, conducting, and managing social media, creating, maintenance and promotion of appointment setting software, contests, direct mailers, promotions, and providing promotional materials to our franchisees. We may also use these fees for the support of creation and execution of all materials. We have the right to develop all media and marketing programs (internally or through outside vendors), and have the final decision on all promotions, creative concepts, and media. We may add information about franchise opportunities to advertising and activities supported by the Brand Development Fee. We do not guarantee that you will benefit from the Brand Development Fund in proportion to your contributions. We will not use the Brand Development Fund to defray the cost of our general operating expenses except for reasonable allocation of overhead, including pro-rata amount of salaries and facilities, used to develop, research and administer the promotions, products and activities covered by the Brand Development Fees. By making a written request to us, you may obtain an annual unaudited financial statement of the Brand Development Fund, at the expense of the Brand Development Fund, available 120 days after our fiscal year end. If we do not spend all Brand Development Fees received in a given year, we roll them over and apply them to the Brand Development Fund in the following year. We may use Brand Development Fees to pay for an independent audit of the Brand Development Fund, if we choose to have it audited.

In our last fiscal year ending December 31, ~~2024~~2023, we collected ~~\$508,197,661.388~~ in Brand Development Fees and spent a total of ~~\$797,535,836.750~~ as follows:

Production and administration	<del>63</del> <u>59</u> %
Online/digital advertising and promotion	<del>48</del> <u>15</u> %
Marketing technology systems	<del>14</del> <u>20</u> %
Other expenses	<del>56</del> %
Total	100%

**Digital Marketing.** We may create, operate and promote websites, social media accounts (including but not limited to Facebook, Twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, studios, Marks and franchise opportunities. We may require that you use specified advertising vendors. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your studio. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your studio, including through an independent website, or social media account. We may withdraw approval at any time and you must immediately modify or delete any digital marketing as required. (Franchise Agreement, Section 7.7(a)).

**Digital Deals and Promotions.** We have the right, but not the obligation, to offer deals, discounted services, gift certificates, memberships, coupons, or vouchers on third party websites or apps such as LivingSocial, Facebook or Groupon and their associated reach (be it digital or otherwise). If we offer any deals, coupons, gift certificates, vouchers or such, we have the right to collect and retain any revenue from such deals, including payments to third parties and you will

not be entitled to receive any payment or reimbursement from us, our affiliates, third parties, or the customers that purchase the services, deals, vouchers, memberships, gift certificates or coupons if the related services have not been provided by your Franchised Business. Any net cash gain to the company however, (revenue minus associated expenses, such as the costs and fees charged by the third-party websites and apps), that we cannot directly tie to a specific studio, will be contributed to the Brand Development Fund and spent accordingly. You must provide the services and products associated with the deals. Funds contributed to the marketing from these digital deals and promotions do not count towards your Brand Development Fees. Unless we consent in writing, you and your employees must not conduct or be involved in any digital marketing related to our brand, marks or your studio. If we do permit you to conduct any digital marketing, you must comply with our policies and we may withdraw approval at any time. (Franchise Agreement, Section 7.7(b)).

**Promotional Programs.** You agree to participate in all promotional programs that we create, offer, or advertise. You agree to accept gift certificates, coupons, vouchers, corporate discounts, and other promotional programs as we create and develop from time to time. You agree you will not be entitled to receive payment or be reimbursed for any expenses, lost revenue or costs associated with such. (Franchise Agreement, Section. 7.2(c)).

**Membership Programs.** You agree to participate in any and all membership programs that we create, offer, or advertise. Additionally, through the membership program, customers may also be entitled to a discount on products and services. You agree you will not be entitled to receive payment or be reimbursed for any discounts on products or services offered through the membership program (Franchise Agreement, Section. 7.16).

**Minimum Local Marketing.** We require you to spend \$2,000 per month on local marketing and promotion in accordance with our standards and specifications (the "Local Marketing Requirement"). Your local marketing is in addition to your Brand Development Fee. You must spend the Local Marketing Requirement funds as we prescribe in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements or engaging certain public figures to assist you in promoting the Franchised Business. Unless we otherwise approve in writing, you must spend the Local Marketing Requirement within your Protected Territory. You must participate in promotional, advertising, charity, or other programs we may specify at your own expense. Any mass media, internet, mailers, or other type advertising must be primarily focused in your territory unless we agree otherwise. You may spend any additional sums as you wish on local marketing. You must ensure that all advertising, promotions or public statements are done with the highest ethical standards, is not misleading in any way, and adhere to federal, state and local rules and law. You must use only such advertising press releases, public statements, and promotional materials provided by, or approved in writing by us. We reserve the right to require you to discontinue any advertising, promotions, or promotional materials, as we deem necessary. Upon our request, you must submit proof of your expenditures on the Local Marketing Requirement. (Franchise Agreement, Section 7.3).

**Business Listing & Promotion.** You agree to advertise, at your expense, in such online directories, advertising agencies, advertising fees and/or other promotional efforts as specified by us from time to time in our manuals. We have the right to place such listings, advertising, fees or promotions, on your behalf and collect the cost from you. If other franchises are served by the same directories, agencies, promotions or listings, we have the right to require group participation, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee. You must pay to us when billed the cost of listing or promotion of your Franchised Business on the

internet or any other promotional sources as required by us. Any Business Listing & Promotion Fees will be applied against your Local Marketing Requirement. (Franchise Agreement, Section 7.4).

**Advisory Council.** We have a Franchise Advisory Council (“FAC”) for the purpose of having our franchisees assist, collaborate, and provide feedback to the franchisor around all areas of operations. We formed the FAC to keep open, direct, and close communication with our franchisees and to encourage the sharing of ideas. Currently, the FAC consists of ~~seven (7)~~ [five \(5\)](#) franchisees with staggered two-year terms. The FAC operates through the unincorporated Franchise Advisory Council Bylaws. We have the right to form, change, or dissolve the FAC at any time. [In addition to the FAC, we have also formed focused advisory councils, including the Marketing Advisory Council and a Lash Artist committee.](#)

#### **Computer Systems:**

We require you to have an internet connection, email, and a laptop or desktop computer. We recommend an Apple iMac or MacBook. We require a minimum of two iPads or other tablets as specified by us at each studio. You must use the studio software we specify, which may include customer scheduling, online booking, reporting, and a Point of Sale/Credit Card application. We may change the computer hardware or software (including the point-of-sale software, studio software) at any time and we reserve the right to require you to convert to the new system at your expense. We also require that you use QuickBooks Online for your financial record keeping.

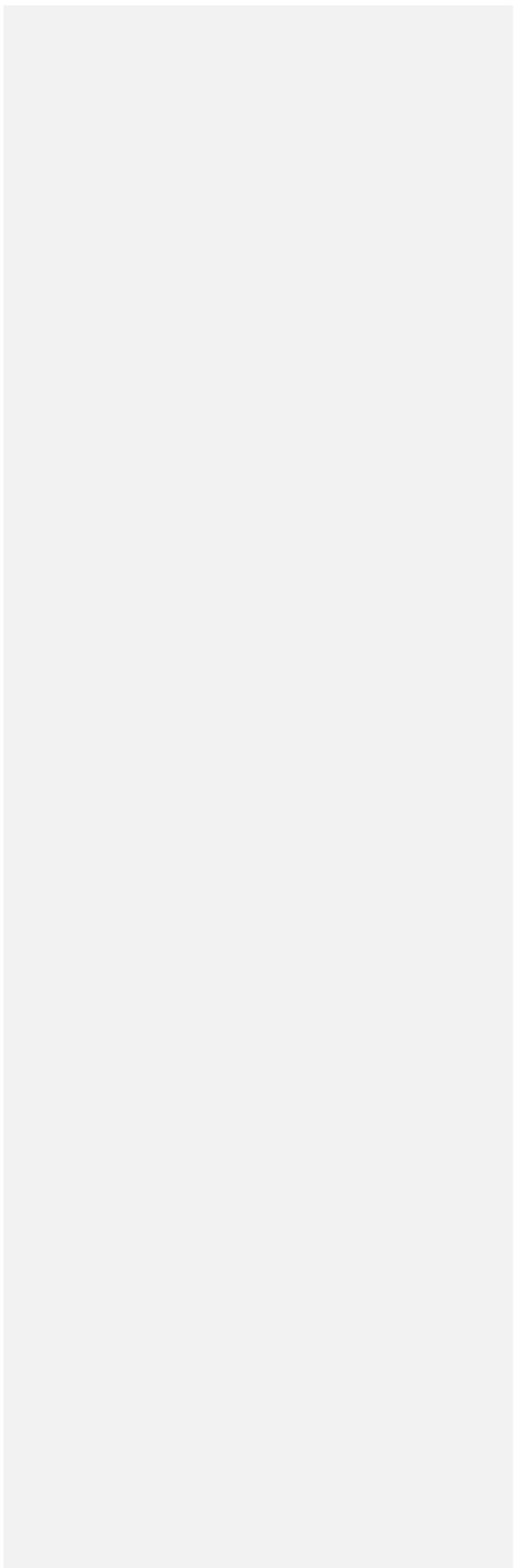
These items can be purchased for approximately \$2,000- \$5,000. Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately \$1,000.

**Internet Access.** You must establish both a broadband internet connection and we require that you conduct all franchised business utilizing our established domain’s email accounts. We do not specify a particular internet vendor but reserve the right to do so.

**Anti-virus protection.** You must use anti-virus protection on your computer. At present, we do not specify a particular vendor, but reserve the right to do so.

**Independent Access to Information.** We have, and you are required to provide, independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must, at all times, give us unrestricted and independent electronic access to your studio information including, but not limited to, your studio software, appointment software and point-of-sale system, for the purposes of obtaining information about the studio. We have the right to review your business operations in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records, including review of your accounting data (we require you use Intuit Quickbooks Online), related to the Franchised Business and any other operations taking place through your Franchised Business. We reserve the right to require you to provide automated electronic access of your accounting data to a business intelligence software application we designate. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within three business days of receiving our request.

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### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction / Culture	3 hours		Online (video conference); or in person.
Studio Opening	5 hours		
Staffing and Organization	5 hours		
Products	4 hours		
Services Offerings	3 hours		
Marketing	7 hours		
System & Processes	8 hours		
Customer Relations	4 hours		
Financials	4 hours		
Business Planning	3 hours		
Totals	46 hours	0 hour	

The following Instructors teach our initial training program: ~~Troy McCullen, Melissa Blundell, Missy Signoracci,~~ Bianca King, Karli Blair, Ann-Marie Korzen, Ana O'Brien, Jessica Fasanelli. The nature of our instructors' experience is as follows:

*Troy McCullen, Director of Franchise Training and Success.* Troy McCullen has served as our Director of Franchise Training and Success since February 2023. Previously, Mr. McCullen was a Franchise Success Manager for us from March 2022 to February 2023. From July 2017 to December 2022, Troy McCullen served as a Licensed Real Estate Salesperson for Keller Williams Realty in Latham, NY. From October 2021 to June 2022, Troy McCullen served as Director of Operations for Thomas Pest Services in Schenectady, NY. From September 2015 to September 2020, Troy McCullen served as a Regional Sales Director for GNC in Pittsburgh, PA.

*Melissa Blundell, Director of Training.* Melissa Blundell has served as our Director of Training since November 2023. Previously Mrs. Blundell was a Regional Trainer with us from December 2021 to November 2023. From January 2018 to December 2021, Melissa workworked at Central Oklahoma College as an Esthetics Instructor. From October 2008 to January 2018, she was the owner and operator of a Salon & Spa in Oklahoma City, OK.

*Missy Signoracci, Director of Technology and Program Management.* Missy has served as our Director of Technology and Program Management since joining Deka Lash in August 2022. Prior

~~to joining Deka Lash, Missy was the Director of Operational Effectiveness at Mad Mobile in Tampa, FL from July 2018 through July 2022. From June 2017 to July 2018, she was Technical Human Resources Manager at Charter Communications in St. Petersburg, FL and also worked at Nielsen June 2011 to June 2017 as Global Talent Acquisition Partner and Global Business Process Improvement Project Manager in Tampa, FL.~~

Jessica Fasanelli, Head of Digital and Performance Marketing. Ms. Fasanelli joined the Deka Lash in September 2023 and serves as the Head of Digital and Performance Marketing. Prior to joining Deka Lash, Ms. Fasanelli served as the Digital Marketing Manager for Streamline Brands from February 2022 to September 2023. From 2014 to 2022, she served in various marketing roles for The Little Gym International.

Ann-Marie Korzen, Franchise Success Manager. Ms. Korzen has been a Franchise Success Manager for us since June ~~2003~~2023 and served as a Regional Marketing Manager from April 2022 to June ~~2003~~2023 and as our Outbound Sales Manager from October 2020 to April 2022. Prior to joining us, Ms. Korzen was the Director of Business Development for Network Deposition Services from 2019 to 2020 and a Regional Sales Manager for Around Campus from 2017 to 2018.

Karli Blair, Franchise Success Manager. Ms. Blair has served as a Franchise Success Manager for us since July 2023 and as a Regional Marketing Manager from April 2022 to July 2023. Ms. Blair served as a call agent in our Customer Service Center from 2017 to 2022.

Bianca King, Supply Chain Specialist. Ms. King has served as our Supply Chain Specialist since September 2022. From November 2016 to September 2022 Ms. King served in various roles at DePasquale Salon Systems in Fairlawn, NJ including three years as a buyer for their supply chain.

Ana O'Brien, Branding Coordinator. Ms. O'Brien has served as our Branding and Social Media Coordinator since May 2021. From November 2020 to May 2021, Ms. O'Brien served as our Brand Marketing Intern. Prior to joining us, Ms. O'Brien was the Social Media Manager for two Deka Lash studios in Pittsburgh, PA from 2016 to 2020.

The Instructors' length of experience in the field and with us is shown in the following chart:

Instructor	Years of Experience in the Field	Years of Experience with the Franchisor*
Troy McCullen	<del>8</del> 9	<del>2</del> 3
Melissa Blundell	<del>4</del> 516	<del>2</del> 3
<del>Missy Signoracci</del>	4	4
Bianca King	<del>7</del> 8	<del>4</del> 2
Karli Blair	<del>6</del> 7	<del>6</del> 7
Ann-Marie Korzen	<del>4</del> 516	<del>3</del> 4
Ana O'Brien	<del>7</del> 8	<del>3</del> 4
Jessica Fasanelli	<del>9</del> 10	<del>&lt;</del> 42

\*Includes experience with an affiliate or predecessor of the franchisor.

We intend to hold initial training classes quarterly or as needed. We may offer these classes online or in person (at locations to be determined).

The Initial Onboarding Fee, paid at the time of executing the franchise agreement, covers the cost of two attendees. You agree to pay a \$500 charge per person for any additional attendees. In addition, you are required to pay any travel, transportation, lodging, meal costs and wages.

We use the Operations Manual, handouts, presentations, and current franchisees to conduct initial training.

You and any general or studio manager you intend to use must take our initial training. Completion of initial training to our satisfaction is required to operate a franchise [upon signing the of a lease, typically](#) within six months of signing the franchise agreement. To successfully complete initial training, you must fully attend the classes, behave in a manner that we feel is professional and attentive, and pass any tests we may give out during training. We advise you during or immediately after initial training if you have successfully completed the course.

Our training programs are subject to change without notice to reflect updates in the materials, methods, manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on current market trends, experience of the trainees, and updates on our systems, products and processes.

**Additional Training or Seminars.** At this time, we offer the following optional training programs:

Training	Fee
Eyelash Technician Training	\$400 per person
Manager Training	\$350 per person
Master Lash Artist Training	\$350 per person
Studio Lash Trainer Training	\$350 per person

At this time, we do not require any of these additional training programs. This list is subject to change. See the Operations Manual for the complete list, current pricing and terms and conditions of all available trainings. Training topics, frequency, prices, required attendance, medium, and location (including online or in person) are subject to change (as reflected in the Operations Manual) as deemed necessary by us. You are responsible for all costs you or your employees incur to attend such training, including training fees, travel, lodging, meals, and wages.

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## ITEM 12 TERRITORY

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**Location for Franchise Premises.** You will operate your Franchised Business at the Franchise Location that we have approved as designated in Section 2 of the Schedule 1 to the Franchise Agreement. We base approval on our site selection criteria in our Manual. You must operate the Franchised Business only from the site we approve.

**Permitted Uses.** You may operate the Franchised Business only at the accepted site and may not relocate without our approval. You must sell approved products and provide approved services only at the Deka Lash studio you operate under a Franchise Agreement with us.

**Relocation of the Franchised Business.** We will not normally approve the relocation of the Franchised Business unless there is a material change in economic or other factors affecting your outlet. We will not normally allow you to open additional outlets within your Protected Area. If you lose possession of the Location through no fault of your own, or if we give our approval, you may apply to us for our approval to relocate your business to another site in the designated area, provided such a site is available. We will approve or disapprove the relocation of your outlet, typically within 14 business days of your submission of the required site selection documents required by us.

**Protected Area.** There will be a “Protected Area” around your Franchised Business as stated in Schedule 1, Section 3. The area or population included in each Protected Area will vary. The Protected Area is generally a 1.5-mile radius. We reserve the right to vary the size of the Protected Area based on the demographics and development of each market. For example, in densely populated urban areas, the Protected Area may be smaller than a 1.5-mile radius. We may not alter your Protected Area without your consent, even if the population in your Protected Area increases.

**Exclusive Territory.** Your Protected Area will be an exclusive territory in which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks within the Protected Area of your Franchised Business.

**Not Exclusive for Marketing.** Because marketing efforts are difficult to limit to a specific area (for example, radio and internet do not follow geographic boundaries), your territory is not exclusive for marketing.

**Advertising Limits.** Your advertising must be primarily focused in your territory unless we agree otherwise in writing. All marketing and advertising, including through other channels of distribution such as the Internet, social media, catalog sales, telemarketing, or other direct marketing must be approved by us, in writing, for each occurrence, in advance. You may accept customers in your Studio who come for services without regard to where they reside.

**Required Sales Volume.** After two years from the Effective Date of your Franchise Agreement, or the date the Territory first opened, whichever is earlier, you are required to have minimum Gross Revenue of \$15,000 per month in a Territory ~~or a minimum of 75 members in our membership program in a Territory~~, or we may terminate your Franchise Agreement.

**Non-Exclusive Designated Search Area.** Unless specified otherwise, we will provide you with a non-exclusive “Designated Search Area” as defined in Section 1 of Schedule 1 of your Franchise Agreement within which you must locate your Franchised Business.

**Exclusive Designated Search Area.** If your Designated Search Area contains exclusive rights, such as being part of an Area Development Agreement, we will not license anyone the right to open or operate a Franchised Business that is physically located within that Exclusive Designated Search Area. This does not mean you can open or operate a Franchised Business anywhere within that Exclusive Designated Search Area. If a franchisee secures a location near your Exclusive Designated Search Area, and their associated protective radius (generally 1.5 miles) overlaps into your Exclusive Designated Search Area, you will not be able to locate a studio within the protected radius that overlaps your Exclusive Designated Search Area. We will let you know of any existing studios that have protective radius overlapping into your Exclusive Designated Search Area prior to execution of this agreement, but we make no warranties that a franchisee

will not subsequently choose a location that creates a protective radius that overlaps into the Exclusive Designated Search Area.

**Protected Area Temporary Protection.** We will not define a Franchise Location or Protected Area until you have an executed lease. However, upon the submission of a fully executed Letter of Intent (“LOI”) to us for a proposed location for the Franchised Business that we have approved, we will create a temporary protected radius around said proposed location within which we will not locate any other Franchised Business. We will grant this protected radius for a period of up to 60 days to allow you to negotiate and finalize a lease for the proposed location. While you may have multiple fully executed LOIs, we will only grant a protected radius around one of the proposed locations you designate. This designation shall be made to us in writing, accompanied by the associated signed LOI, and we have up to 5 business days to accept such designation.

**Protective Area Defined.** Once the lease for the site is approved by us, fully executed, and submitted to us, we will then define the Franchise Location and associated Protected Area in Section 2 and Section 3 of the Schedule 1 to the Franchise Agreement, which will supersede the temporary protected radius noted above.

**Lease Length.** You must sign a lease for a minimum of 5 years with optional extension periods.

**Options, Rights of First Refusal.** On a rare occasion, we may grant an option to acquire an additional franchise; but we do not grant rights of first refusal or similar rights to acquire additional franchises.

**Our Rights in Protected Areas.** We and our affiliates also reserve the right in your Protected Area to:

- a. Sell approved products and services, using our principal trademarks or different trademarks, through all alternative channels of distribution as we deem appropriate, including, but not limited to, the internet, the right to run a website, advertise services, and sell products and services on that website under our Marks, without paying compensation to you for soliciting or accepting orders inside your territory.
- b. Acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area and that may or may not then operate under our Marks and brand.
- c. Develop and establish other business systems (including systems that distribute products or services similar to those offered at Deka Lash businesses) using other names or marks that are not the same or similar to the trademarks under which you will operate, and grant licenses to use those systems.
- d. Engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

**No Rights to Alternate Channels of Distribution.** You understand that the Franchise Agreement grants you no rights: (i) to distribute such products through alternative channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing); or (ii) to share in any of the proceeds received by any party selling through alternative channels of distribution.

**Acceptance & Reimbursement Policies.** We reserve the right to establish policies and guidelines regarding the acceptance and reimbursement associated with gift certificates, gift cards, memberships, discounts, coupons, or promotions as set forth in our Manuals or otherwise

in writing by us. For example, we reserve the right to establish policies relating to allocation of funds when a person buys a gift certificate in one studio, but it is redeemed in another studio.

### **Area Development Agreement**

If you enter into an Area Development Agreement, you will obtain the right to own and operate multiple Franchised Businesses in a Development Area according to a mandatory Development Schedule. The size of the Development Area will depend upon the number of Franchised Businesses you are required to open. Provided you comply with the terms of the Area Development Agreement, and any Franchise Agreements signed for Franchised Businesses within the Development Area, we grant to you an exclusive territory in which we will not locate another Deka Lash Studio operating under the Marks or marks similar to the Marks, whether franchised or affiliate-owned, in your Development Area.

Note, that while we will not license anyone the right to open or operate, any Franchised Business that is physically located within the Development Area, that does not mean you can open or operate a Franchised Business anywhere within that Development Area. If a franchisee secures a location near your development area, and their associated protective radius (generally 1.5 miles) overlaps into your Development Area, you will not be able to locate a studio within the protected radius that overlaps your Development Area. We will let you know of any existing studios that have protective radius overlapping into your Development Area prior to execution of this agreement, but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Development Area.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises under the Area Development Agreement.

Each Franchised Business must be opened according to the Development Schedule described in the Area Development Agreement, which will specify the number of Franchised Businesses to be open and the time frames within which they must be open.

**Area Development Territorial Exclusivity.** Your territorial exclusivity is not dependent upon meeting the development schedule, achievement of a certain sales volume, market penetration or any other contingency. However, you can lose all rights to the undeveloped portion of a development area for failure to meet a development schedule.

**Area Development Schedule Extension & Fees.** In the event that you fail to meet your Area Development obligations under your Area Development Agreement, and you are (a) current on your obligations owed to us, (b) in compliance with your franchise agreement(s) and (c) showing a good faith effort in trying secure and open your next scheduled studio, then following will occur:

- a) *Extension with Release (6 months).* Per written notice to us and execution of a general release in our favor, we will grant you a one-time, six-month extension to your development schedule with no Delayed Opening Fee. This six-month extension can only be used once during your development agreement and delays all subsequent development dates by 6 months. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of sale, or transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- b) *Delayed Opening Fee Assessed (for up to 12 months).* For each month you are behind on your Development Schedule (*Extension with Release* excluded), you will be charged a Delayed Opening Fee of \$500 for each territory when that territory is due. This

Development Schedule Extension Fee must be paid to us with our then-current royalty collections process. For each month this is paid, your development schedule for each of those unit rights will be extended by one month. We will allow you to pay a Delayed Opening Fee for up to 12 months.

- c) *Loss of Protected Territory and Transferability.* If at any point you (a) do not pay your delayed opening fee, (b) stop or refute our ability to ACH this transaction, (c) notify us, in writing, that you no longer want to be charged the delayed opening fees, or (d) after a period of 12 months of paying the delayed opening fee, you will immediately lose your protected territory rights and all accompanying transferability rights therein. Franchisor additionally retains all rights to approve the studio location(s).

If at any point, you are (a) not current on your obligations owed to us, (b) not in compliance with your Franchise Agreement(s) or Development Agreement, or (c) not showing a good faith effort in trying to secure and open your next scheduled studio, your territory and remaining development rights will be immediately terminated.

Deka Lash reserves the right to revise the above options at any time.

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Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

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### ITEM 13 TRADEMARKS

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The franchise agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Description of Mark	Principal or Supplemental Register of the USPTO	<a href="#">Serial or Registration Number</a>	Registration Date
Deka Lash	Principal	5079356	November 8, 2016
DEKALASH	Principal	5739771	April 30, 2019
	Principal	6238949	January 4, 2021
<a href="#">Deka</a>	<a href="#">Principal</a>	<a href="#">99106977</a>	<a href="#">Not Registered; Pending; Applied for March 27, 2025</a>

[The following statement applies to the unregistered mark in the table above: We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.](#)

We have filed all required affidavits and renewals.

You must use the Marks in accordance with our specifications and standards. You may not use the words “Deka” or “Deka Lash” or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, “Deka Lash” followed by your entity number, or such other designation as we shall specify, shall be your “doing business as” name for an entity which owns this franchise, sometimes also called your “assumed name,” “trading as” name, or “fictitious name.” You may not use the Marks in connection with the sale of any unauthorized product or service, or in a manner that we have not authorized in writing.

You and we will use reasonable efforts to continuously improve the products, processes, and services used in our system and to develop new products, processes, and services for use as part of the system. All the improvements, inventions, and developments you make, develop, or create for use in the system or arising from or related to the system or any of our Confidential Information will be our property and we, our parent, and our affiliates alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods, and practices.

You will not contest, directly or indirectly, our or our parent’s or affiliates’ ownership, title, right, or interest in the Marks, the Operations Manual, or the System; or our or our parent’s or our affiliates’ exclusive right to register, use, or license others to use the Marks, Operations Manual, and the System.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

DL IP Holdings, LLC owns the trademarks listed in the chart above and licenses it to us pursuant to a written License Agreement effective July 6, 2019, and amended on August 19, 2019. The License Agreement is for one-year terms that automatically renew unless terminated by either party at any time for any reason upon a 30-day written notice to the other party. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial

proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

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

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**Patents & Copyrights.** At this time, we do not hold any patents. We claim a copyright to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights. We consider all of these items confidential and proprietary. Upon termination of your franchise agreement, you must return to us our Operations Manuals and any confidential information.

**Confidential Information.** You will not directly or indirectly disclose, publish, disseminate or use our “Confidential Information” except as authorized in the Franchise Agreement. You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information [and who are bound by confidentiality obligations](#). We may share performance data of your Franchised Businesses and studios between us, our employees and affiliates, our franchisees and their employees. You agree to keep such performance data confidential. Additionally, you agree that we may share performance data of your Franchised Businesses in Item 19 (Financial Performance Representations) of our future Franchise Disclosure Documents.

“Confidential Information” means information or data (oral, written, electronic, or otherwise), including, without limitation, a trade secret, of or about us that is valuable and not generally known or readily available to third parties, obtained by you from us during the term of the Franchise Agreement [, regardless of whether marked “confidential”](#). The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated by the parties in the course of the performance of the Franchise Agreement.

**Customer Data.** “Customer Data” is considered Confidential Information and includes any and all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address, and email address. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights.

**Personal and Performance Data.** You agree that we may share performance data of Franchised Businesses between us, our employees, franchisees, franchisee’s employees, affiliates, consultants, distributors, vendors, and agents. You agree to keep such performance data confidential. You consent to the disclosure by us of certain personal information concerning you and the Franchise and the Franchise Premises, namely your identity, including your name, address and telephone number, in our franchise disclosure documents, whether or not such

disclosure is required by law, and in our other documents relating to the sale of franchises. Further, you consent to provide us with, and the additional disclosure by us of certain personal information concerning you, the Franchise and the Franchised Premises, including historical performance of the Franchise, sales, revenues, expenses, costs, results of operations, and similar financial information and operating information, and any information regarding the expiration or termination of your Franchise Agreement in our franchise disclosure documents (whether or not such disclosure is required by law), or to a prospective transferee of your Franchise or of the Franchise Premises or to any other prospective purchaser of us or any other franchise from us.

**Studio Design, Furniture, Fixtures, and Equipment.** Your [unit's studio's](#) design, layout, color patterns, signage, supplies, furniture, fixtures, and equipment are considered intellectual property and proprietary to us and as such, we retain all rights and control associated therewith. As such, upon termination or expiration of your Franchise Agreement, at our option, you will offer to us the right to purchase from you any or all of the furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration. If we elect not to purchase any or part of the furniture, equipment, signage, fixtures, and supplies, you agree to either sell such furniture, equipment, signage, fixtures, and supplies to a current franchisee of ours, or destroy the furniture, equipment, signage, fixtures, and supplies such that they cannot be re-used.

Upon termination of your franchise agreement, you must return to us our Operations Manuals and any Confidential Information, including Customer Data. You may never - during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our Confidential Information to any other person or entity or use it for the benefit of any other person or business.

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

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You must provide franchise services under your direct supervision and control or under the direct supervision and control of a full-time studio manager who has attended and passed our initial training. You and your spouse must be able to pass a criminal background check. Your studio manager (if applicable) and all employees that have access to client accounts or as required by local law, must be able to pass a criminal background check.

You must ensure that your studio managers comply fully with all applicable terms of the franchise agreement including maintaining all confidential information, not competing with us, and safeguarding all relevant documents, manuals, etc.

**Principal Owner.** You must designate one, and only one, owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority over all transactions and dealings related to your studio and must have the power to create binding agreements with us.

If the franchisee is a business entity, the studio manager does not have to have an equity interest in the franchisee's business.

All holders of an ownership interest must assume and agree to discharge all of your obligations under your franchise agreement. You are expected to participate actively in franchisee meetings, seminars, conferences, and supplemental training we sponsor. The Franchise Agreement requires you, including all holders of an ownership interest in a franchisee that is an entity, to execute a personal guaranty, confidentiality agreement, and a covenant not to compete acceptable to us. Furthermore, your employees must sign a confidentiality agreement and, to the extent permitted by law, a covenant not to compete.

We require your spouse to guarantee the obligations under the franchise agreement.

**Non-Employed Participants.** All participants that (a) operate in the business, (b) are not listed owners on the franchise agreement, and (c) not formally recognized as employees, including, but not limited to, family members, close friends, significant others, spouses, and children (hereinafter "Non-Employed Participants"), must execute an approved confidentiality, non-disclosure, and non-competition agreement. Additionally, Non-Employed Participants must comply with any and all system policies, and Franchisor shall retain the right to terminate and/or limit any access or privileges.

**Access to Franchisee Only Information.** Your Employees and Non-Employed Participants are not allowed access to privileged franchisee-only information such as franchisee-only meetings, and franchisee-only information, including the confidential information as contained in the Operations Manual, unless authorized by express written consent by us. This written consent can be terminated at any time, for any reason, by us.

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

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You may offer for sale in your studio only the products and services we have approved in writing. We may designate products or services as optional or mandatory. You must maintain an inventory supply sufficient to meet the inventory standards of our Manual. You may not sell any goods or services that we have not authorized or approved.

You are required to sell all goods or services that we authorize unless prohibited by your applicable local law or approved by us. We may change the types of authorized goods and services in response to legal, technological, or competitive changes, or attempts to improve in the marketplace. There are no limits on our right to make changes to the authorized goods and services sold by franchisees. We may, at our sole discretion, revoke approval of previously approved goods or services, in which case you must immediately stop performing or selling the revoked services or products.

If your Franchise Agreement is terminated (whether for your failure to commence operations, or for any other reason), we or our affiliates have no obligation to refund any portion of the purchase price for products, equipment, and inventory or other amounts paid by you.

We have complete and exclusive control over all Deka Lash logos, designs, and products. You may not approach any manufacturers, vendors, or third parties regarding the design or production of any Deka Lash memorabilia or products.

For the duration of your Franchise Agreement and for two years thereafter, you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

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**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.

**A. THE FRANCHISE AGREEMENT**

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2	10 years.
b. Renewal or extension of the term	2	Can be renewed for successive terms if you are in compliance with your Franchise Agreement ("Agreement") and we are still offering franchises in your geographic area at the time.
c. Requirements for franchisee to renew or extend	2	You must: a. Be in good standing and full compliance. b. Have satisfied all monetary obligations. c. Give notice at least 3 months and not more than 6 months before expiration of the initial term. d. Sign a General Release. e. Sign a new franchise agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract. f. Pay the renewal fee. g. Successfully complete any retraining program we require at your expense.
d. Termination by franchisee	10.1	You may terminate the Agreement if you do not renew, sell the franchise pursuant to the Agreement, and under any grounds permitted by law.
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	10.2, 10.3	We can terminate only if you default.
g. "Cause" defined – curable defaults	10.3	Violate the Agreement, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice.
h. "Cause" defined – non-curable defaults	10.2	Franchise Agreement: Immediate if any of the following occur: a. Insolvency b. Abandonment

Provision	Section In Franchise Agreement	Summary
		<p>c. Repeated Breaches  d. Material Misrepresentation  e. Fail to Timely Open or Open without Site Approval  f. Judgement or Levy of Execution  g. Felony / Material Violation  h. Imminent Danger to Public Health or Safety  i. Material and Unfavorable Conduct  j. Attempt to Repudiate Agreement  k. Mutual Agreement  l. Unreported / Misreported Revenue  m. Failure to Pay Suppliers  n. Inhibit Inspection  o. Violate Key Covenants</p> <p>Area Development Agreement: Immediate if any of the following  a. Cease to Actively Engage in Business  b. Insolvency  c. Termination of Associated Franchise Agreement(s)</p>
i. Franchisee's obligations on termination/non-renewal	11	Stop using our marks; deliver to us business records; pay debts due to us; cancel or assign telephone numbers to us; reimburse customers; assist in lease transfer and our purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to the post-termination covenants not to compete or solicit; adhere to other post-termination duties; execute any necessary documents; pay to us any amounts owed on the remaining term of the Agreement.
j. Assignment of contract by franchisor	14.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. "Transfer" by franchisee – defined	14.2	Includes transfer of the Franchised Business, any interest of the Franchised Business, or substantially all of the assets of the Franchised Business.
l. Franchisor approval of transfer by franchisee	14.2	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	14.5	You must: - be current in monetary obligations; - be in compliance with the Franchise Agreement;

Provision	Section In Franchise Agreement	Summary
		<ul style="list-style-type: none"> <li>- execute any transfer, amendment, or release forms that we may require;</li> <li>- provide to us a copy of the proposed transfer documents;</li> <li>- comply with the post-termination provisions; and</li> <li>- request that we provide the prospective transferee with our current franchise disclosure document.</li> <li>- pay to us the Transfer Fee;</li> <li>- pay to us the Prospect Generation Fee, as applicable;</li> <li>- the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation.</li> </ul> <p>Transferee must:</p> <ul style="list-style-type: none"> <li>- meet our criteria;</li> <li>- execute our then-current Franchise Agreement;</li> <li>- pay any initial franchise fee, as applicable;</li> <li>- satisfactorily complete our initial training program;</li> <li>- obtain necessary licenses and permits;</li> <li>- obtain any lessor approval for transfer;</li> <li>- the transfer must be made in compliance with any laws that apply to the transfer.</li> </ul>
n. Franchisor's right to first refusal to acquire franchisee's business	14.6	We have a right of first refusal to match any purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.
o. Franchisor's option to purchase franchisee's business	15.c.	Upon franchisee's death, we may purchase the business for fair market value.
p. Death or disability of franchisee	15	<p>Within 90 days of the event, one of the following must be completed:</p> <ul style="list-style-type: none"> <li>a. Assume and Continue Operations</li> <li>b. Transfer Your Interest to approved Transferee</li> <li>c. Sell to Us</li> <li>d. Cease Operations.</li> </ul>
q. Non-competition covenants during the term of the franchise	12	No competition allowed in the United States and its territories (subject to applicable state law).
r. Non-competition covenants after the franchise is terminated or expires	12	No competition for 2 years within the Protected Area, or 30 miles from the boundaries of the

Provision	Section In Franchise Agreement	Summary
		Protected Area or any other Protected Area we have granted (subject to applicable state law).
s. Modification of the agreement	16	No modifications unless the parties agree in writing, except to Operations Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	18	Only the terms in the franchise agreement are binding (subject to federal or state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No claim in any franchise agreement(s) is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	19.9; Franchise Agreement, Sch. C	You must mediate and arbitrate claims against us (subject to applicable state law).
v. Choice of forum	19.2	All claims must be brought in Pittsburgh, Pennsylvania (subject to applicable state law).
w. Choice of Law	19.1	Pennsylvania law governs (subject to applicable state law).

## B. THE DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	6.1	The Area Development Agreement will commence on the date it is fully executed and end on the last day of the calendar month that the final Franchised Business is required to be opened and operating under the mandatory development schedule.
b. Renewal or extension of the term	Not Applicable	Not Applicable.
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable.
d. Termination by franchisee	Not Applicable	You may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	6.2	We may terminate the Area Development Agreement for cause.

<b>Provision</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
g. "Cause" defined – curable defaults	6.2	We may terminate the Area Development Agreement if you fail to meet your development obligations under the mandatory development Schedule and fail to cure the default within a 30-day cure period. This cure period will only be offered once during the term of your Area Development Agreement.
h. "Cause" defined – non-curable defaults	6.2	We may terminate the Area Development Agreement if: (i) abandonment; (ii) insolvency; (iii) if you fail to meet your development obligations under the Development Schedule for any Development Period, and fail to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill your development obligations under this Agreement is terminated.
i. Franchisee's obligations on termination/non-renewal	Not Applicable	Not Applicable.
j. Assignment of contract by franchisor	8	No restrictions on our right to assign our rights under the Area Development Agreement to a person or entity who agrees to remain bound to its terms.
k. "Transfer" by franchisee – defined	8	Any sale, transfer, or assignment of any of your rights under the Area Development Agreement.
l. Franchisor's approval of transfer by franchisee	8	You may not transfer any rights or obligations under the Area Development Agreement.
m. Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable.
p. Death or disability of franchisee	Not Applicable	Not Applicable.
q. Non-competition covenants during the term of the franchise	Not Applicable	Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Area Development Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Area Development Agreement.
s. Modification of the agreement	10.6	Any modification of the Area Development Agreement must be in writing and signed by both parties.

Provision	Section in Area Development Agreement	Summary
t. Integration/merger clause	10.6	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and the Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	9	You must mediate and arbitrate claims against us. (subject to applicable state law).
v. Choice of forum	9	All claims must be brought in Pittsburgh, Pennsylvania (subject to applicable state law).
w. Choice of law	9	The Area Development Agreement is governed by the laws of the State of Pennsylvania (subject to applicable state law).

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**ITEM 18  
PUBLIC FIGURES**

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We have not paid any compensation or other benefit to a public figure for the use of their endorsement or recommendation of the franchise to prospective franchisees.

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**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.

Here we set forth a historic representation of our franchise studio locations that were open and in operation for at least 12 months as of December 31, ~~2024~~2023. We had ~~430~~128 open franchised locations as of December 31, ~~2024~~2023, ~~119~~113 of which were open and in operation for 12 months or more as of December 31, ~~2024~~2023, and which are included in the table below. ~~Fifteen~~ ~~(15)~~ Twelve (12) franchised outlets are not included in the table below because they closed part way through ~~2024~~2023 and the table below only includes the results of franchised outlets.

**Studio Revenue by Performance Segments**

<del>2024</del> 2023			
	Top 1/3	Middle 1/3	Bottom 1/3
<b>Number of Studios</b>	<del>384</del> 0	<del>384</del> 0	<del>373</del> 9
<b>Average of Gross Revenue</b>	<del>\$490,659</del> 437,199	<del>\$285,106</del> 262,607	<del>\$446,104</del> 142,922
<b>Median of Gross Revenue</b>	<del>\$453,564</del> 411,867	<del>\$276,099</del> 264,270	<del>\$460,537</del> 145,417
<b>Number of Studios Which Attained or Surpassed Average</b>	<del>14 of 38</del> ( <del>36.84</del> 16 of 40 (40%))	<del>15 of 38</del> ( <del>39.47</del> 12 of 40 (50%))	<del>24 of 37</del> ( <del>64.86</del> 39 of 40 (51.3%))
<b>Highest 5 Studio Revenues in Performance Segment</b>			
	\$ <del>795,224</del> 772,566	\$ <del>355,629</del> 322,517	\$ <del>223,304</del> 196,803
	\$ <del>758,436</del> 653,833	\$ <del>351,746</del> 314,524	\$ <del>219,966</del> 196,185
	\$ <del>723,516</del> 600,604	\$ <del>340,793</del> 313,112	\$ <del>219,320</del> 196,162
	\$ <del>684,195</del> 548,590	\$ <del>339,459</del> 310,586	\$ <del>219,311</del> 195,939
	\$ <del>599,102</del> 522,135	\$ <del>339,347</del> 306,444	\$ <del>214,128</del> 195,667
<b>Lowest 5 Studio Revenues in Performance Segment</b>			
	\$ <del>385,286</del> 351,899	\$ <del>240,930</del> 209,865	\$ <del>73,330</del> 68,682
	\$ <del>383,125</del> 341,581	\$ <del>235,187</del> 208,250	\$ <del>67,743</del> 076

	\$ 379,654 340,615	\$ 233,466 204,472	\$ 50,500 57,049
	\$ 367,618 330,872	\$ 229,714 202,626	\$ 38,828 55,153
	\$ 358,240 323,919	\$ 226,594 197,570	\$ 30,645 38,498

**Revenue Breakdown of Studios Open During ~~2024~~2023**

Source	2023 Proportion
Automatic Memberships	56.58%
Products	5.4%
Other & Non-Member Services	38.02%
Total	100%

**Note 1. Gross Revenue.** "Gross Revenue" includes all revenue generated from the operation of the Franchise from whatever source derived and means the total Revenue for any calendar month or other accounting period specified in the Operations Manual. "Gross Revenue" includes, but is not limited to sales, memberships, prepaid programs, rentals, products, apparel, gear, services, service charges, gross sales on deal sites (including Groupon and Living Social) attributed to your franchise, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received. Gross Revenue does not include sales tax, returned merchandise and isolated sales of furniture or fixtures. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts.

**Note 2. Average Gross Revenue.** "Average Gross Revenue" means the sum of Gross Revenues in the table above divided by their number.

**Note 3. Median Gross Revenue.** "Median Gross Revenue" means the Gross Revenue amount found at the mid-point of the distribution of Gross Revenue. Where the number of outlets presented is an even number, then the Median Gross Revenue is an average of the two numbers found nearest to the mid-point.

**Note 4. Automatic Memberships.** "Automatic memberships" refers to revenue collected from clients with memberships, collected monthly.

**Note 5. Products.** "Products" refers to revenue collected from the sale of retail products.

**Note 6. Other and Non-Member Services.** "Other and Non-Member Services" refers to revenue collected from services provided to clients who do not maintain monthly memberships.

Written substantiation for this financial performance representation is available to you upon reasonable request.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**

Other than the preceding financial performance representation, DL Franchising, 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 Jennifer Blair, CEO, at [20 S. Main Street, #248, Bountiful, UT 840103527](mailto:jblair@dlfranchising.com) [Washington Road, McMurray, PA 15317](mailto:jblair@dlfranchising.com); 724-271-8121, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
System Wide Outlet Summary  
For Years ~~2021~~2022 to ~~2024~~2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2021</del> 2022	<u>99</u> 103	<u>103</u> 123	+ <u>4</u> 320
	<del>2023</del> 2022	<u>103</u> 123	<u>123</u> 130	+ <u>2</u> 07
	<del>2024</del> 2023	<u>123</u> 130	<u>130</u> 124	+ <u>7</u> -6
Company-Owned*	<del>2021</del> 2022	<u>65</u>	<u>56</u>	- <u>1</u>
	<del>2023</del> 2022	<u>56</u>	<u>60</u>	+ <u>4</u> -6
	<del>2024</del> 2023	<u>60</u>	<u>0</u>	- <u>60</u>
Total Outlets	<del>2021</del> 2022	<u>96</u> 108	<u>108</u> 129	+ <u>12</u> 21
	<del>2023</del> 2022	<u>108</u> 129	<u>129</u> 130	+ <u>2</u> 1
	<del>2024</del> 2023	<u>129</u> 130	<u>130</u> 124	+ <u>1</u> -6

\*Company-owned outlets refers to outlets operated by our affiliate, DL Studios, LLC.

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)  
For Years ~~2021~~2022 to ~~2024~~2023**

State	Year	Number of Transfers
California	<del>2021</del> 2022	<u>0</u>
	<del>2023</del> 2022	<u>40</u>
Arkansas	<del>2021</del> 2022	<u>40</u>
	<del>2023</del> 2022	<u>42</u>
Colorado	<del>2021</del> 2022	<u>0</u> 1
	<del>2023</del> 2022	<u>0</u> 1
California	<del>2021</del> 2022	<u>1</u>
	<del>2023</del> 2022	<u>0</u>
Florida	<del>2021</del> 2022	<u>0</u>
	<del>2023</del> 2022	<u>4</u>
	<del>2024</del> 2023	<u>1</u>
Georgia	<del>2021</del> 2022	<u>0</u>
	<del>2023</del> 2022	<u>0</u>
	<del>2024</del> 2023	<u>1</u>
Massachusetts	<del>2021</del> 2022	<u>0</u>
	<del>2023</del> 2022	<u>4</u>
	<del>2024</del> 2023	<u>0</u>
Michigan	<del>2021</del> 2022	<u>0</u>
	<del>2023</del> 2022	<u>0</u>

	<del>2022</del>	0
	2023	1
	2024	0
Minnesota	<del>2022</del> 2024	01
	<del>2022</del>	4
	2023	0
	2024	0
North Carolina	<del>2022</del> 2024	03
	2023	2
	2024	1
Ohio	2022	30
	2023	20
	2024	1
Pennsylvania	<del>2022</del> 2024	10
	2023	0
	2024	1
South Carolina	2022	0
	2023	0
	2024	2
Tennessee	<del>2022</del> 2024	0
	<del>2022</del>	0
	2023	1
<del>Texas</del>	<del>2022</del> 2024	0
<del>Texas</del>	2022	2
	2023	0
	2024	1
Virginia	<del>2022</del> 2024	0
	<del>2022</del>	0
	2023	1
<b>Total</b>	<del>2022</del> 2024	<b>21</b>
<b>Total</b>	<b>2022</b>	<b>8</b>
	<b>2023</b>	<b>11</b>
	<b>2024</b>	<b>10</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years ~~2021~~2022 to ~~2024~~2023\***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Outlets Operating at Year End
Arizona	<del>2022</del> 2024	1	0	0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
	<del>2023</del> 2024	1	0	0	0	0	0	1
Arkansas	<del>2022</del> 2024	01	1	0	0	0	0	42
	2022	42	40	0	0	0	0	2
	<del>2024</del> 2023	2	0	0	0	0	0	2
California	<del>2022</del> 2024	58	32	0	0	0	0	810

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Franchised Outlets Operating at Year End
	<del>2023</del> 2022	<del>8</del> 10	2	0	0	0	0	<del>4</del> 12
	<del>2023</del> 2024	<del>4</del> 12	20	<del>0</del> 1	0	0	0	<del>4</del> 21
Colorado	<del>2022</del> 2024	6	<del>0</del> 1	<del>0</del> 1	0	0	0	6
	<del>2023</del> 2022	6	12	13	0	0	0	65
	<del>2023</del> 2024	65	20	30	0	0	0	5
Connecticut	<del>2022</del> 2024	0	0	0	0	0	0	0
	<del>2023</del> 2022	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2023</del> 2024	<del>0</del> 1	10	0	0	0	0	1
Florida	<del>2022</del> 2024	8	<del>0</del> 2	<del>0</del> 1	0	0	0	<del>8</del> 9
	<del>2023</del> 2022	89	23	40	0	0	0	912
	<del>2023</del> 2024	912	31	0	0	0	0	1213
Georgia	<del>2022</del> 2024	8	<del>0</del> 1	0	0	0	0	<del>8</del> 9
	<del>2023</del> 2022	89	13	<del>0</del> 1	0	0	0	<del>9</del> 11
	<del>2023</del> 2024	911	30	40	0	0	0	11
Idaho	<del>2022</del> 2024	0	0	0	0	0	0	0
	<del>2023</del> 2022	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2023</del> 2024	<del>0</del> 1	10	0	0	0	0	1
Illinois	<del>2022</del> 2024	8	0	<del>0</del> 1	0	0	0	<del>8</del> 7
	<del>2023</del> 2022	87	0	1	0	0	0	76
	<del>2023</del> 2024	76	0	10	0	0	0	6
Indiana	<del>2022</del> 2024	<del>0</del> 1	12	0	0	0	0	<del>0</del> 13
	<del>2023</del> 2022	13	21	0	0	0	0	34
	<del>2023</del> 2024	34	10	93	0	0	0	41
Kansas	<del>2022</del> 2024	2	0	0	0	0	0	2
	<del>2023</del> 2022	2	0	0	0	0	0	2
	<del>2023</del> 2024	2	0	<del>0</del> 1	0	0	0	<del>2</del> 1
Kentucky	<del>2022</del> 2024	2	0	0	0	0	0	2
	<del>2023</del> 2022	2	0	0	0	0	0	2
	<del>2023</del> 2024	2	0	0	0	0	0	2
Maryland	<del>2022</del> 2024	30	0	0	0	0	0	30
Massachusetts	<del>2023</del> 2022	30	0	0	0	0	0	30
	<del>2023</del> 2024	30	<del>0</del> 1	0	0	0	0	<del>3</del> 1
Massachusetts	<del>2022</del> 2024	23	10	0	0	0	0	3
Michigan	<del>2023</del> 2022	3	0	0	0	0	0	3
	<del>2023</del> 2024	3	0	0	0	0	0	3
Michigan	<del>2023</del> 2024	13	0	0	0	0	0	13
Minnesota	<del>2023</del> 2022	13	0	0	0	0	0	13
	<del>2023</del> 2024	13	1	0	0	0	0	24
Minnesota	<del>2022</del> 2024	1	0	0	0	10	0	1
Missouri	<del>2023</del> 2022	<del>0</del> 1	<del>0</del> 1	0	0	0	0	<del>0</del> 2
	<del>2023</del> 2024	2	<del>0</del> 1	0	0	0	0	<del>2</del> 3
Nebraska	<del>2022</del> 2024	12	10	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Franchised Outlets Operating at Year End
	<del>2023</del> 2022	2	<u>0</u> 1	<u>0</u> 1	0	0	0	2
	<del>2023</del> 2024	2	<u>4</u> 0	<u>4</u> 0	0	0	0	2
Nevada	<del>2022</del> 2024	1	0	0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
New Jersey	<del>2022</del> 2024	6	<u>0</u> 2	0	0	0	0	<u>6</u> 8
	<del>2023</del> 2022	<u>6</u> 8	<u>2</u> 1	<u>0</u> 2	0	0	0	<u>8</u> 7
New York	<del>2022</del> 2024	2	0	0	0	0	0	2
	<del>2023</del> 2022	2	0	<u>0</u> 1	0	0	0	<u>2</u> 1
North Carolina	<del>2022</del> 2024	<u>4</u> 3	<u>2</u> 3	0	0	0	0	<u>3</u> 6
	<del>2023</del> 2022	<u>3</u> 6	<u>3</u> 0	0	0	<u>0</u> 1	0	<u>6</u> 5
Ohio	<del>2022</del> 2024	5	<u>0</u> 3	0	0	0	0	<u>5</u> 8
	<del>2023</del> 2022	<u>5</u> 8	<u>3</u> 1	0	0	0	0	<u>8</u> 9
Oklahoma	<del>2022</del> 2024	<u>4</u> 2	1	0	0	0	0	<u>4</u> 3
	<del>2023</del> 2022	<u>2</u> 3	1	0	0	0	0	<u>3</u> 4
Oregon	<del>2022</del> 2024	1	0	0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
Pennsylvania	<del>2022</del> 2024	<u>7</u> 8	<u>4</u> 3	0	0	0	0	<u>8</u> 11
	<del>2023</del> 2022	<u>8</u> 11	<u>3</u> 0	<u>0</u> 1	0	0	0	<u>4</u> 10
South Carolina	<del>2022</del> 2024	3	0	0	0	<u>0</u> 2	0	<u>3</u> 1
	<del>2023</del> 2022	<u>3</u> 1	<u>0</u> 2	0	0	<u>2</u> 0	0	<u>4</u> 3
Tennessee	<del>2022</del> 2024	<u>4</u> 2	<u>4</u> 0	0	0	0	0	2
	<del>2023</del> 2022	2	0	0	0	0	0	2
Texas	<del>2022</del> 2024	<u>5</u> 10	<u>5</u> 3	0	0	<u>0</u> 1	0	<u>1</u> 012
	<del>2023</del> 2022	<u>4</u> 012	3	<u>0</u> 3	0	<u>4</u> 0	0	12
Utah	<del>2022</del> 2024	<u>2</u> 1	0	<u>4</u> 0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
Virginia	<del>2022</del> 2024	<u>3</u> 4	1	0	0	0	0	<u>4</u> 5
	<del>2023</del> 2022	<u>4</u> 5	<u>4</u> 0	<u>0</u> 1	0	0	0	<u>5</u> 4
Washington	<del>2022</del> 2024	0	<u>0</u> 1	0	0	0	0	<u>0</u> 1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Outlets Operating at Year End
	<del>2023</del> 2022	<u>0</u> <sub>1</sub>	<u>4</u> <sub>0</sub>	<u>0</u> <sub>1</sub>	0	0	0	<u>4</u> <sub>0</sub>
	<del>2023</del> 2024	<u>4</u> <sub>0</sub>	0	<u>4</u> <sub>0</sub>	0	0	0	0
West Virginia	<del>2022</del> 2024	0	<u>0</u> <sub>1</sub>	0	0	0	0	<u>0</u> <sub>1</sub>
	<del>2023</del> 2022	<u>0</u> <sub>1</sub>	<u>4</u> <sub>0</sub>	0	0	0	0	1
	<del>2023</del> 2024	1	0	0	0	0	0	1
Total	<del>2022</del> 2024	<u>9</u> <sub>0</sub> <u>1</u> <sub>0</sub>	<u>1</u> <sub>5</sub> <u>2</u> <sub>6</sub>	<u>4</u> <sub>3</sub>	0	<u>4</u> <sub>3</sub>	0	<u>4</u> <sub>0</sub> <u>3</u> <sub>1</sub> <u>2</u> <sub>3</sub>
	<del>2023</del> 2022	<u>4</u> <sub>0</sub> <u>3</u> <sub>1</sub> <u>2</u> <sub>3</sub>	<u>2</u> <sub>6</sub> <u>2</u> <sub>3</sub>	<u>3</u> <sub>1</sub> <u>5</u>	0	<u>3</u> <sub>1</sub>	0	<u>1</u> <sub>2</sub> <u>3</u> <sub>1</sub> <u>3</u> <sub>0</sub>
	<del>2023</del> 2024	<u>4</u> <sub>2</sub> <u>3</u> <sub>1</sub> <u>3</u> <sub>0</sub>	<u>2</u> <sub>3</sub> <u>7</u>	<u>4</u> <sub>5</sub> <u>1</u> <sub>2</sub>	0	<u>4</u> <sub>0</sub>	<u>0</u> <sub>1</sub>	<u>1</u> <sub>3</sub> <u>0</u> <sub>1</sub> <u>2</u> <sub>4</sub>

\*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

\*\*In 2023, two studios in South Carolina were acquired by a franchisee from the franchisor and reflected as Outlets Opened in this table.

**Table No. 4**  
**Status of Company-Owned Outlets\*\***  
**For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Missouri	<del>2022</del> 2024	<u>0</u> <sub>1</sub>	0	<u>4</u> <sub>0</sub>	0	0	1
	<del>2023</del> 2022	1	0	0	<u>0</u> <sub>1</sub>	0	<u>4</u> <sub>0</sub>
	<del>2023</del> 2024	<u>4</u> <sub>0</sub>	0	0	<u>4</u> <sub>0</sub>	0	0
North Carolina	<del>2022</del> 2024	<u>2</u> <sub>1</sub>	0	<u>0</u> <sub>1</sub>	0	<u>4</u> <sub>2</sub>	<u>4</u> <sub>0</sub>
	<del>2023</del> 2022	<u>4</u> <sub>0</sub>	0	1	<u>0</u> <sub>1</sub>	<u>2</u> <sub>0</sub>	0
	<del>2023</del> 2024	0	0	<u>4</u> <sub>0</sub>	<u>4</u> <sub>0</sub>	0	0
Pennsylvania	<del>2022</del> 2024	1	0	0	0	0	1
	<del>2022</del>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2023	1	0	0	1	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
South Carolina	<del>2022</del> 2024	0	0	<u>0</u> <sub>2</sub>	0	0	<u>0</u> <sub>2</sub>
	<del>2022</del>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2023	2	0	0	0	2	0

Tennessee	2024	40	0	0	0	40	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Texas	2022	21	0	0	0	40	42
	2023	1	0	1	0	0	2
	2024	2	0	0	2	0	0
	2025	0	0	0	0	0	0
Total	2022	65	0	23	0	32	56
	2023	4	0	3	0	2	6
	2024	6	0	1	5	2	0
	2025	0	0	0	0	0	0

\*\*Company-owned outlets refers to outlets operated by our affiliate, DL Studios, LLC.

**Table No. 5**  
**Projected Openings as of December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	4	4	0
Florida	3	3	0
Georgia	4	4	0
Maryland	4	4	0
Michigan	4	4	0
Minnesota	4	4	0
New Jersey	4	4	0
New York	4	4	0
Pennsylvania	4	4	0
Texas	4	4	0
<b>TOTALS</b>	<b>42</b>	<b>42</b>	<b>0</b>

Exhibit G contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit H contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three years, some franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Deka Lash. 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.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

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**ITEM 21  
FINANCIAL STATEMENTS**

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Exhibit I contains our audited financial statements for the fiscal years ending December 31, [2024](#), [2023](#), [and 2022](#), [and 2021](#), as well as our unaudited [Balance Sheet as of June 30, 2025](#) and our [unaudited Profit and Loss Statement](#) for the time period January 1, [2024](#)[2025](#) – June 30, [2024](#) and our [unaudited Balance Sheet as of June 30, 2024](#)[2025](#).

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**ITEM 22  
CONTRACTS**

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The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

Exhibit A	State Addenda to the Disclosure Document
Exhibit B	Franchise Agreement
	Schedule 1 - Protected Area
	Schedule 2 - Holders of Ownership Interest in the Franchise
	Schedule 3 - State Addenda
Exhibit C	Area Development Agreement
	Appendix 1 - Data Sheet
	Appendix 2 - State Addenda
Exhibit D	List of State Administrators
Exhibit E	Registered Agents
Exhibit F-1	Franchisor Addendum
Exhibit F-2	Conditional Assignment of Lease and Telephone Number Assignment
Exhibit F-3	Confidentiality and Non-Disclosure Agreement
Exhibit F-4	Automatic Bank Draft Authorization
Exhibit F-5	Deka Lash Closing Acknowledgments
Exhibit F-6	SBA Addendum
Exhibit G	List of Current Franchisees
Exhibit H	List of Former Franchisees
Exhibit I	Financial Statements
Exhibit J	Table of Contents of Operations Manual
Exhibit K	Release
Exhibit L	Area Representative Disclosures
Exhibit M	State Effective Dates
Exhibit N	Receipt

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**ITEM 23  
RECEIPT**

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Exhibit N contains two copies of a Receipt of our Disclosure Document.

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**EXHIBIT A**  
**STATE ADDENDA TO DISCLOSURE DOCUMENT**

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**CALIFORNIA ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 FRANCHISE DISCLOSURE DOCUMENT.

Item 1 of the Disclosure Document is amended by adding the following paragraph:

In California, the practice of applying eyelashes, lash extensions, and lash strips to any person is only within the scope of practice of licensed Cosmetologists and Estheticians pursuant to section 7316 of the California Business and Professions Code.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

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

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

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

The franchise agreement requires application of the laws of the state of Pennsylvania. This provision may not be enforceable under California law.

Exhibit F-1: That portion of Exhibit F-1 concerning a Franchisor Addendum and Conditional Assignment of Lease is hereby deleted.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL

PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our Website is located at [www.dekalash.com](http://www.dekalash.com).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

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. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS. <https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf>.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

**The registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

**HAWAII ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

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

Items 5 and 7 of the Disclosure Document are modified to also provide that we defer the payment of all initial fees paid to us until we have performed all of our pre-opening obligations and you are open for business.

**ILLINOIS ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

If any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
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.
6. Surety Bond. Item 5 is supplemented with the following: "Based on our current financial condition, the Illinois Attorney General's Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General's Office."

## **MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Item 17.u. is modified to also provide, “This franchise 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.”
3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”
4. 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. Initial Fee Deferral. Item 5 is modified to also provide, “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.” .”

## MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

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

### Surety Bond:

Items 5 and 7 of the Disclosure Document are amended to also provide the following: "Based on our current financial condition, the Minnesota Commerce Department has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Department."

**NEW YORK ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend,**" and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**,” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA ADDENDUM TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

**General Release:** Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

**Restrictive Covenants:** To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

**Choice of Venue:** Provisions designating venue outside of North Dakota do not apply to franchise agreements covered under North Dakota law.

**Applicable Laws:** North Dakota law will govern the Franchise and Area Developer Agreement.

**Waiver of Trial by Jury:** Any waiver of a trial by jury will not apply to North Dakota Franchises.

**Waiver of Exemplary & Punitive Damages:** Any waiver of punitive damages will not apply to North Dakota Franchises.

**Limitations of Claims:** Any limitation period requiring claims to be brought within one year shall not apply to claims by North Dakota Franchises.

**Enforcement of Agreement:** Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

### Initial Fee Deferral:

Items 5 and 7 of the Disclosure Document are modified to also state that the franchisor defers the receipt of the initial franchise fee until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee is open for business.

**RHODE ISLAND ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**VIRGINIA ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are 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.

Item 5 of the Disclosure Document is modified to also provide:

Escrow Account.

Due to our financial condition, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to establish an escrow account for all initial franchise fees that we charge. You shall make your check for franchise fees or other payments to the depository (Truist Bank) and send the check to us. Within two business days of our receipt of the check, we will deposit the check into an escrow account that we have established with Truist Bank.

When we complete all of our pre-opening obligations to you (listed in Item 11 of this Disclosure Document), we will request that you affirm, in writing, that we have completed those obligations and that you assent to release of the funds held in escrow. After receipt of authorization from the Commission, the depository shall release the funds held in escrow by the depository to us to be applied to your account with us.

Closing Questionnaire.

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.

## **WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 1 is amended to also provide: "Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington."

Item 5 and 7 are modified to also provide:

Surety Bond. A surety bond in the amount of \$100,000 has been obtained by the Franchisor. The Washington

Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

Item 17.r. is amended to strike out these words: "or any other Protected Area we have granted."

Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

No statement, questionnaire, or 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.

**WISCONSIN ADDENDUM  
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

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**EXHIBIT B**  
**FRANCHISE AGREEMENT**

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**FRANCHISE AGREEMENT**

**DL Franchising, LLC d/b/a Deka Lash**  
**A Utah Limited Liability Company**  
[20 South Main Street, #248](#)  
[Bountiful, UT 84010](#)  
[3527 Washington Road](#)  
[McMurray, PA 15317](#)  
412-977-0220

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WHEREAS, DL Franchising, LLC d/b/a Deka Lash (“Deka Lash,” “we,” “us,” or “our”) offers a franchise program to operate studios which offer eyelash extension, eyebrow, and skincare services and related products (“System”). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively “Franchisee,” “you,” or “your”) desire to utilize our System and our trade names, service marks, and trademarks (collectively, the “Marks”); and

NOW, THEREFORE, for value received, Deka Lash and Franchisee (“the Parties”) agree as follows:

## 1. GRANT OF FRANCHISE

Subject to the terms of this franchise agreement (“Agreement” or “Franchise Agreement”), we grant to you a Deka Lash franchise (“Franchised Business”) using our ~~system~~System and our Marks in the protected area described in Schedule 1 (“Protected Area”). You agree to abide by the terms of this Agreement.

## 2. TERM AND RENEWAL

**2.1. Term.** Subject to the terms and conditions of this Agreement, we grant to you and you accept from us, the Franchise, license, and privilege to use the Marks, the System, and marketing materials bearing the Marks, for 10 years from the “Effective Date” of this Agreement, as designated on the signature page to this Agreement.

**2.2 Renewal of Franchise.** If you are not in breach of this Agreement, and if you meet the following conditions, and if we are still offering franchises in your geographic area at the time, you may renew the Franchise under the terms of our then-current Franchise Agreement: You must:

- a. Be in good standing and full compliance.
- b. Have satisfied all monetary obligations.
- c. Give notice at least 3 months and not more than 6 months before the end of the Franchise term established by this Agreement.
- d. Execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.
- e. Execute our then-current Franchise Agreement within 30 days after it is delivered to you. If you do not, we may conclude that you do not intend to renew. You may be asked to sign a contract with materially different terms and conditions than your original contract.
- f. Pay the renewal fee of \$3,500.
- g. Successfully complete any retraining program we require at your expense.

**2.3 Renewal Acknowledgements.** Under a Renewal of Franchise, you acknowledge that:

- a. Royalty Fees, Brand Development Fund Fees, and other fees will be set under the then-current Franchise Agreement and may vary materially from the terms of this Agreement.
- b. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

- c. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon 30 days written notice. Otherwise, all provisions of this Agreement will apply while operations continue.

### 3. PROTECTED AREA

**3.1 Location for Franchise Premises.** You will operate your Franchised Business at the Franchise Location that we have approved as designated in Section 2 of the Schedule 1 of this Franchise Agreement. We base approval on our site selection criteria in our Manual. You must operate the Franchised Business only from the site we approve.

**3.2 Permitted Uses.** You may operate the Franchised Business only at the approved site and may not relocate without our approval. You must sell approved products and provide approved services only at the ~~Deka Lash studio~~[Franchised Business](#) you operate under a Franchise Agreement with us.

**3.3 Relocation of the Franchised Business.** We will not normally approve the relocation of the Franchised Business unless there is a material change in economic or other factors affecting your outlet. We will not normally allow you to open additional outlets within your Protected Area. If you lose possession of the Location through no fault of your own, or if we give our approval, you may apply to us for our approval to relocate your business to another site in the designated area, provided such a site is available. We will approve or disapprove the relocation of your outlet, typically within 14 business days of your submission of the required site selection documents required by us.

**3.4 Protected Area/Exclusive Territory.** There will be a "Protected Area" around your Franchised Business as defined in Schedule 1, Section 3. The area or population included in each Protected Area will vary. The Protected Area is generally a 1.5-mile radius. We reserve the right to vary the size of the Protected Area based on the demographics and development of each market. For example, in densely populated urban areas, the Protected Area may be smaller than a 1.5-mile radius. We may not alter your Protected Area without your consent, even if the population in your Protected Area increases.

**3.5 Exclusive Territory.** Your Protected Area will be an exclusive territory in which we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks within the Protected Area of your Franchised Business.

**3.56 Not Exclusive for Marketing.** Because marketing efforts are difficult to limit to a specific area (for example, radio and internet do not follow geographic boundaries), your territory is not exclusive for marketing.

**3.67 Advertising Limits.** Your advertising must be primarily focused in your territory unless we agree otherwise in writing. All marketing and advertising, including through other channels of distribution such as the Internet, [social media](#), catalog sales, telemarketing, or other direct marketing must be approved by us, in writing, for each occurrence, in advance. You may accept customers in your studio who come for services without regard to where they reside.

**3.7 Required Sales Volume.** After two years from the Effective Date of your Franchise Agreement, or the date the Territory first opened, whichever is earlier, you are required to have minimum Gross Revenue of \$15,000 per month in a Territory or a minimum of 75 members in our membership program in a Territory, or we may terminate your Franchise Agreement.

**3.8 Non-Exclusive Designated Search Area.** Unless specified otherwise, we will provide you with a non-exclusive "Designated Search Area" as defined in Section 1 of Schedule 1 of your Franchise Agreement within which you must locate your Franchised Business.

**3.9 Exclusive Designated Search Area.** If your Designated Search Area contains exclusive rights, such as being part of an Area Development Agreement, while we will not license anyone the right to open or operate a Franchised Business that is physically located within that Exclusive Designated Search Area, this does not mean you can open or operate a Franchised Business anywhere within that Exclusive Designated Search Area. If a franchisee secures a location near your Exclusive Designated Search Area, and their associated protective radius (generally 1.5 miles) overlaps into your Exclusive Designated Search Area, you will not be able to locate a studio within the protected radius that overlaps your Exclusive Designated Search Area. We will let you know of any existing studios that have protective radius overlapping into your Exclusive Designated Search Area prior to execution of this ~~agreement~~ [Agreement](#), but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Exclusive Designated Search Area.

**3.10 Protected Area Temporary Protection.** We will not define a Franchise Location or Protected Area until you have an executed lease. However, upon the submission of a fully executed Letter of Intent ("LOI") to us for a proposed location for the Franchised Business that we have approved, we will create a temporary protected radius around said proposed location within which we will not locate any other Franchised Business. We will grant this protected radius for a period of up to 60 days to allow you to negotiate and finalize a lease for the proposed location. While you may have multiple fully executed LOI's, we will only grant a protected radius around one of the proposed locations you designate. This designation shall be made to us in writing, accompanied by the associated signed LOI, and we have up to 5 business days to accept such designation.

**3.11 Protective Area Defined.** Once the lease for the site is approved by us, fully executed, and submitted to us, we will then define the Franchise Location and associated Protected Area in Section 2 and Section 3 of the Schedule 1 to the Franchise Agreement, which will supersede the temporary protected radius noted above.

**3.12 Lease Length.** You must sign a lease for a minimum of five (5) years with optional extension terms.

**3.13 Options, Rights of First Refusal.** We do not grant rights of first refusal or similar rights to acquire additional franchises.

**3.14 Our Rights in Protected Areas.** We and our affiliates ~~also~~ reserve the right to:

- a. Sell approved products and services, using our principal trademarks or different trademarks, through all alternative channels of distribution as we deem appropriate, including, but not limited to, the internet, the right to run a website to advertise products and services, and sell products and services on that website under our Marks, without paying compensation to you for soliciting or accepting orders inside your territory.

- b. Acquire, or be acquired by, any competing system or other third party, including a competing system that has one or more units located within your Protected Area and that may or may not then operate under our Marks and brand.
- c. Develop and establish other business systems (including systems that distribute products or services similar to those offered at Deka Lash businesses) using other names or marks that are not the same or similar to the trademarks under which you will operate, and grant licenses to use those systems.
- d. Engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

**3.15 No Rights to Alternate Channels of Distribution.** You understand that the Franchise Agreement grants you no rights: (i) to distribute such products through alternative channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing); or (ii) to share in any of the proceeds received by any party selling through alternative channels of distribution.

**3.16 Acceptance & Reimbursement Policies.** We reserve the right to establish policies and guidelines regarding the acceptance and reimbursement associated with gift certificates, gift cards, memberships, discounts, coupons, or promotions as set forth in our Manuals or otherwise in writing by us. For example, we reserve the right to establish policies relating to allocation of funds when a person buys a gift certificate in one studio, but it is redeemed in another studio.

**3.17 All Other Rights Reserved.** Except as provided in this Section 3 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that we and our affiliates reserve all other rights not expressly granted to you herein.

#### **4. FEES AND PAYMENTS**

**4.1 Initial Franchise Fee.** The initial franchise fee is \$59,900. If you purchase additional Franchised Business rights after the signing of your first Franchise Agreement with us, the initial franchise fee is \$38,000 per Franchised Business provided the subsequent purchase occurs within five years of signing the first franchise agreement with us and you are current on your obligations to us. If you are acquiring an open and operating Franchised Business, the franchise fee is \$19,900. If you fail to open the Franchise within the time limits expressed in the Franchise Agreement, we may terminate the Franchise Agreement and retain the entire Initial Franchise Fee. The initial franchise fee is fully earned and nonrefundable upon your signing of the franchise agreement and receipt of the funds by us.

**4.2 Franchise Fee Considerations.** This Franchise Fee is payment, in part, for expenses incurred by Franchisor, including marketing for franchisee, referral fees and commissions, sales expenses, administrative overhead, return on investment, costs related to the execution of this Agreement, legal, accounting and other professional fees and our lost or deferred opportunity to sell Franchises in your market area to others.

**4.3 Operations Onboarding & First Studio Opening Support Fee.** You must pay to us at the same time as the Initial Franchise Fee, an Operations Onboarding & First Studio Opening Support Fee of \$5,450. This fee offsets our costs in supporting you and your operations staff through the onboarding process and supporting your efforts to find and develop your first site. The Operations Onboarding & First Studio Opening Support Fee is fully earned and non-refundable upon your signing of the Franchise Agreement and receipt of the funds by us. For your second and subsequent locations, you are not required to pay this fee.

**4.4 Non-Refundable Training Fee.** Additionally, you must pay to us at the same time as the Initial Franchise Fee, a Non-Refundable Training Fee of \$3,750. The Training Fee is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages. [This Training Fee will be applied to your Initial Lash Artist Training.](#)

**4.6 Royalty.**

- a) *Royalty Start Date.* For your first unit, royalties begin twelve (12) months after you execute this Agreement, regardless of when you actually open. If this agreement is signed as the second or subsequent unit in an Area Development Agreement, royalties begin the date you sell your first paid product, service, or membership (“Location Start Date”).
- b) *Royalty Amount.* From the time of your Royalty Start Date until the end of the term of this agreement, you will pay to us as a Royalty Fee equal to the greater of: (i) 6% of all Gross Revenue; or (ii) \$600 per month. After your second year of operations, the minimum Royalty Fee increases to the greater of: (i) 6% of all Gross Revenue; or (ii) \$1,000 per month.
- c) *Payment Dates.* As specified in the Operations Manual.
- d) *Lifetime of Franchise Agreement.* Royalties must be paid for the [entire ten year](#) term of the Agreement, unless otherwise agreed to in writing.

**4.7 Brand Development Fee.** You must pay to us the greater of 3% of Gross Studio Sales or, after being open for one year, \$500 per month for the Brand Development Fund. Payment frequency shall be as specified in the Operations Manual.

**4.8 Minimum Local Marketing Spend.** You must spend a minimum of \$2,000 per month on local marketing. If we establish a local advertising cooperative, any contributions to the cooperative will be applied to satisfy the local marketing requirements. If you fail to spend the minimum amount on Local Marketing, we have the right to require you to pay the unspent required balance to the Brand Development Fund.

**4.9 Employee Training Fees.**

**(a) On-site Eyelash Technician Training.** Except as to initial training at your first location, for which you pay us a flat Training Fee of \$3,750, on-site Eyelash Technician training is billed at \$400 per day per trainer for each full or partial day plus costs of training, including travel, lodging and food per diem. We reserve the right to change the cost of training as deemed necessary by us.

**(b) Additional Trainings.** At this time, we offer the following optional training programs:

Training	Fee
Eyelash Technician Training	\$400 per person
Manager Training	\$350 per person
Master Lash Artist Training	\$350 per person
Studio Lash Trainer Training	\$300 per person

At this time, we do not require any of these additional training programs. This list is subject to change. See the Operations Manual for the complete list, current pricing and terms and conditions of all available trainings. Training topics, frequency, prices, required attendance, medium, and location (including online or in person) are subject to change (as reflected in the Operations Manual) as deemed necessary by us. You are responsible for all costs you or

your employees incur to attend such training, including training fees, travel, lodging, meals, and wages.

**4.10 Opening Deadline Extension Fee.** You must pay us an Opening Deadline Extension Fee of \$500 for each month, or portion of month, that you are delayed in opening your studio beyond the 365 days allowed in this Agreement. We will allow you to pay an Opening Deadline Extension Fee for up to 12 months. If at any point you (a) do not pay your Opening Deadline Extension Fee, (b) stop or refute our ability to debit or ACH this transaction, (c) notify us, in writing, that you no longer want to be charged the delayed opening fee, or (d) after a period of 12 months of paying the Opening Deadline Extension Fee you fail to open the franchise unit, we may terminate the Franchise Agreement and will retain the entire Initial Franchise Fee. Additionally, we have no obligation to refund any portion of products & inventory purchased by you or other amounts paid to us, our affiliates, or third parties.

**4.11 Business Listing & Promotion Fee.** You agree to spend up to \$400 per month in such online directories, advertising agencies, advertising fees and/or other promotional efforts as specified by us from time to time in our manuals. We have the right place such listings, advertising, fees or promotions, on your behalf and collect the cost from you. If other franchises are served by the same directories, agencies, promotions or listings, we have the right to require group participation, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee. You must pay to us when billed the cost of listing or promotion of your Franchised Business on the internet or any other promotional sources as required by us. Any Business Listing & Promotion Fees will be applied against your Local Marketing Requirement. If deemed necessary by us, we can change the Business Listing & Promotion Fee maximum per month once each calendar year with 30 days' notice to you.

**4.12 Technology Fee.** You must pay to us when billed \$199 per month per executed franchise agreement from the effective date of this ~~franchise agreement~~[Franchise Agreement](#) through the date of opening of the studio. After the date of studio opening, this fee will increase to \$399 per month per ~~franchise location~~[open Franchised Business](#) thereafter. The technology fee is to cover our costs associated with various platforms and support, including personnel expenses, to provide support to the franchise system. Additionally, you will be required to purchase a license for the Point-of-Sale software and other software subscriptions we require. If deemed necessary by us, we can change the technology fee once each calendar year with 30 days' [advanced](#) notice to you.

**4.13 Conventions.** We may hold conventions for the franchisees that make up our franchise system. These conventions may be held at a different location each time. Your attendance at each convention is required. You will be charged a convention fee for you and your employees to attend conventions or conferences that we host, due as specified in our Operations Manual. You are responsible for all expenses incurred in attending the conventions including travel, wages and lodging expenses for yourself and your employees.

**4.14 Customer Service Center Fee.** We, an affiliate, or a third party we designate, may provide a customer service center to assist in inbound inquiries, appointment setting, memberships, customer service, follow up, outbound sales & campaigns, and other services. If required by us, you must participate in the Customer Service Center and you agree to pay all reasonable fees imposed by the provider for those services. Additionally, you may be required to use a specific telephone number, phone, or VOIP system that we may specify. Currently we offer a Customer Service Center and require that you use it. The fee is subject to change as the costs to deliver the services change. The fee is as specified in the Operations Manual and is currently \$600 per month.

**4.15 Audit Fee.** We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or period by more than 2% or if you fail to deliver any required report. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs ~~and for the required reconciliation for any understatement exceeding 2%.~~ These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Brand Development Fees, late payment charges and interest on funds that the audit determines are owed. Our right to audit will include the right to examine the books, tax returns and records of you and other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

**4.16 Quality Control Inspection Fee.** We may conduct a quality control inspection of your business annually, or more frequently if you fail to maintain franchise standards, receive repeated customer complaints, or fail to comply with any provisions of this Agreement. You agree to pay us the reasonable costs associated with such inspection of your business, including the transportation, meals, lodging and wages that we incur related to such inspection.

**4.17 Transfer Fee.** You must pay to us a Transfer Fee of \$10,000 for a complete transfer or transfer of a majority interest of your franchise.

We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages.

**4.18 Renewal Fee.** You must pay to us a renewal fee of \$3,500 to enter into a new franchise agreement to continue your rights as a franchisee for an additional term.

**4.19 Interest and Late Fee.** You must pay interest of 18% (compounded daily) per year, or the maximum permitted by law, if less, on any amounts owed to us that are more than 30 days past due, retroactive to day one. In addition, you agree to pay a Late Fee of \$100 per occurrence for payments that are 7 days or more past due.

**4.20 Legal Fees and Costs.** You must reimburse our legal fees for all expenses reasonably incurred (including attorney fees and costs): (i) to enforce the terms of this Agreement or any obligation owed to us and our affiliates, whether or not we initiate the legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding; (ii) in the defense of any claim Franchisee asserts against us on which we substantially prevail in court or other formal legal proceedings; or (iii) as to any disputes that originate between you and any client, vendor, or other third-party affiliate of yours.

**4.21 Client Refunds.** If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client's fees, we may pay the client directly and bill you. You agree to pay the charges.

**4.22 Sales, Excise or Gross Receipts Tax.** If required by the federal government, state or locality in which your Franchised Business is located, the initial franchise fee, royalty, training, development fee, Brand Development Fee, products and possibly other services, products or fees may be subject to sales, excise, gross receipts or similar type tax, which you must pay for or reimburse to us for taxes imposed at the same time and in the same manner as you pay other fees to us.

**4.23 Assistance Fee in the event of Death or Incapacity.** In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable expenses incurred during continued operation of your Franchised Business.

**4.24 Music and Media.** You must use the designated vendor we specify for your music and media systems and library, including a designated channel or clearinghouse for music and other media. You must pay your pro rata share of music licensing or other fees charged to provide music and media for use in your studios.

**4.25 Prospect Generation.** In the event you decide to sell your ~~franchise~~Franchised Business to a prospective franchisee that comes from a lead generated through us (including broker networks, consultants, and referral sources used by us), you will be required to pay us the actual amount charged to us by third parties. This fee is in addition to the Transfer Fee.

**4.26 Taxes and Indebtedness.** You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and equipment used in your ~~Franchise-~~Franchised Business. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you at the Franchise Premises, you will pay those taxes and otherwise agree to allow us to deduct any amounts we paid. We do not charge Royalties or Brand Development Fee on sales tax.

**4.27 Payment Period and Method.** You agree to pay to us Royalty and Brand Development Fees as specified in our Operations Manual. You agree to keep an Automatic Bank Draft Authorization (ACH) on file so that we may ACH from your account the monies that you owe to us or other means as we reasonably specify. Except as otherwise provided above, you agree to pay to us all other sums owed for a given month as specified in the Operations Manual. We reserve the right to modify the payment methods and schedule in our Operations Manual. You acknowledge and agree that it is a substantial and material breach and default of this Agreement if you: (i) fail to provide or revoke such authorization; (ii) close any bank account associated with your collection of Gross Revenue without our prior written consent.

**4.28 Reconciliation.** Currently our policy is that we will send you a monthly reconciliation of any amounts due to us ("Accounts Receivable" or "AR"), including Royalties, Brand Development Fund Contributions, products, gift cards, and refunds and give you 3 calendar days to respond with any corrections, errors or modifications to the Accounts Receivable. If you do not respond within 3 calendar days, you consent that this amount due is fair and accurate and due immediately in full. After the response period, we will then initiate an automatic account withdrawal for the amount due. This policy may be updated in our Operations Manual.

**4.29 Payment Convenience Fee.** If you make a payment to us or our affiliate with a credit card for any fee owed, we may charge up to 3.75% of the total charge as a payment service fee.

**4.30 Secret Shopper Fee.** You agree to pay us or our required vendor to secretly evaluate your location and staff. This involves us or our vendor purchasing services from you, which you also agree to reimburse us for. The Secret Shopper Fee is specified in the Operations Manual. We reserve the right to change this Secret Shopper Fee as the costs to evaluate your location changes.

**4.31 No Refunds if Terminated.** If your Franchise Agreement is terminated for any reason, we or our affiliates have no obligation to refund any portion of the purchase price for products, inventory, or other amounts paid by you.

**4.32 Failure to Comply Fee.** You agree that it is in the best ~~interests~~interest of the System that all franchisees comply with the standards and specifications outlined in [this Agreement and the Operations Manual](#). Accordingly, if you breach any provision of this Agreement (whether it be curable or incurable), breach any of the terms, conditions, or policies outlined in the Operations Manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, suppliers, or vendors, in addition to all other rights or remedies we may have under this Agreement and applicable law, we shall have the right to charge to you a Failure to Comply Fee. In addition to your cost to come into compliance, you shall pay us a Failure to Comply Fee of \$500 for your first breach, \$1,000 for your second breach, and \$2,500 for your third breach and any other breach thereafter. Payment of any Failure to Comply Fee shall be due immediately upon your receipt of notice from us that we are charging you the respective Failure to Comply Fee. This fee helps to defray our administrative and corporate costs related to the breach and remedy. Your payment of a Failure to Comply Fee does not affect our right to terminate this Agreement if termination is permissible based on the terms of this Agreement.

**4.33 Computer & Software Fees.** You, at your expense, will subscribe to and use the Point-of-Sale, client management, scheduling, and other software systems that we specify. We may specify software, subscriptions, licenses, tablets, computer systems and equipment to assist in the operation of your Franchised Business. We may update, modify, or otherwise make changes to our software, subscriptions, licenses, tablets, computer systems and equipment specifications and, in the event of any updates, modification or other changes in or additions to our specifications, you will promptly modify, replace or add to your existing software, subscriptions, licenses, tablets, computer systems and equipment at your sole expense. You must lease, [license](#), purchase, or otherwise acquire, from sources as we require and at your expense, software and hardware which strictly conform to our specifications. You will be responsible for the costs associated with and required to purchase systems for your Franchise Locations, including the Point-of-Sale system, electronic signing and other software subscriptions or licenses as we require. You will communicate with us, our franchisees and customers using our established communication guidelines, systems and forms. You will not use or attempt to use the procedures or software for any purpose or party other than those associated with us, the System and your Franchise, or in any manner inconsistent with this Agreement. You will execute and be bound by all software licenses we require. We may change the computer hardware or software (including the point-of-sale software and facilities software) at any time and you are required to convert to the new system at your expense. We, in our sole discretion, may charge a license fee for some or all of the licenses we grant. We may be a reseller of the licenses and receive compensation for such. We keep and update the list of all licenses and any license fees in connection therewith in the Operations Manual. Our computer system requirements include access to the Internet. You must also have anti-virus, firewall, and spyware programs and Microsoft Office software.

**4.34 Unauthorized or Unreported Payment Fine.** If you fail to report cash or other payments through your Point-of-Sale account, we may fine you \$750 per occurrence and declare you in default of this Agreement.

**4.35 Amounts Due Us May be Deducted.** Any amount due us may, at our discretion, be offset or deducted from any amounts otherwise due to you. If you are party to more than one franchise agreement or separate entity with us, you agree that we may offset or deduct from any

amounts otherwise due to you under this Agreement across all franchise agreements and entities proportionate to your ownership share in that entity or franchise agreement.

**4.36 Sums to be Paid Promptly.** You will not offset any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us. Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise.

**4.37 Gross Studio Sales or Gross Revenue.** "Gross Studio Sales," or "Gross Revenue," includes all revenue generated from the operation of the Franchise from whatever source derived and means the total Revenue for any calendar week or other accounting period specified in the Operations Manual. "Gross Revenue" includes, but is not limited to, sales, memberships, prepaid programs, rentals, products, apparel, gear, vending, exchanges, services, labor, service charges, gross sales on deal sites (including Groupon and Living Social) attributed to your franchise, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received. Gross Revenue does not include sales tax, returned merchandise, and isolated sales of furniture or fixtures. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Gross Revenue.

**4.38 Computation of Fees on Existing Outlets.** Royalties, Brand Development Fees, Technology Fees, and the Customer Service Center Fees shall be paid based upon the age of the outlet from its original opening date, not the Effective Date of a successor or transferred franchise agreement.

## 5. OBLIGATIONS OF FRANCHISOR

**5.1. Initial Training.** We provide you with an initial training, currently a four (4) day initial training course in person or virtually.

### 5.2 Site Selection and Build Out.

**(a) Site Selection.** We provide criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site. In the unlikely event that you and we cannot agree on a site within the opening timeframe allowed, you can extend the timeline by getting approval and paying the opening deadline extension fee, we can allow you more time to search for a site that we can agree upon or we can terminate the franchise agreement.

**(b) Plans and Layout.** We or our designee will furnish to you a sample site layout plan.

**(c) Lease.** Before you sign a lease, sublet a space, purchase a space or make any binding commitment to do so, we must approve, in writing your proposed location.

**(d) Relocation Review.** We will evaluate locations you propose to us to relocate your studio. We will typically approve or disapprove a relocation site within 14 days of your submission to us of the information required by us on the proposed site. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

**5.3 Supply Source.** We offer guidance or a supply source to you to obtain furniture, fixtures, equipment, and supplies to conduct the Franchised Business.

**5.4 Operations Manual.** We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business ("Manual"). We may disseminate the Manual through an intranet site. You must operate the Franchised Business in strict compliance with the Manual. We may provide updates to this Operations Manual from time-to-time as appropriate and provide you with electronic access. You agree to comply with any revised standards and procedures in the updates. The Manual shall remain confidential and our exclusive property. You shall not disclose, duplicate, or make any unauthorized use of any portion of the Manual.

**5.5 Operational Support.** We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

**5.6 Software and Computer Systems.** We may specify software and computer systems to assist in the operation of your Franchised Business.

**5.7 Additional Training or Seminars.** We may elect to offer, and you may elect to attend, either live or electronically, additional training or seminars.

**5.8 Advertising and Marketing.** We advise you in the advertising, marketing, and promotion of your Franchised Business, to the extent we deem necessary. We may provide templates or samples of advertising material for your use. We may use billboards, coupons, direct mail, online, print, radio, television, or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies.

## **6. OBLIGATIONS OF FRANCHISEE**

**6.1 Training.** You must successfully complete our initial training before you may operate the Franchised Business.

### **6.2 Site Selection and Build Out.**

**(a) Site Selection.** You must select a site for operation of your Franchised Business pursuant to our guidelines. You agree to obtain our written approval for your proposed site. You may operate the Franchised Business only at the accepted site. You are responsible for finding the location of the Franchise Premises. We recommend that you contact a knowledgeable commercial real estate agent or other knowledgeable advisor to help you determine potential locations for your Franchise Premises. We provide to you criteria to help you select a site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site. We will not be liable for any consequences of your choice of any site for your Franchise. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a site for your Franchise. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site. You must ensure that the site you select complies

with these requirements. You are responsible for all expenses related to site selection and lease or purchase agreement negotiation. In the unlikely event that you and we cannot agree on a site within the opening timeframe allowed, you can extend the timeline by getting approved and paying the opening deadline extension fee, we can allow you more time to search for a site that we can agree upon or we can terminate the franchise agreement.

**(b) Buildout.** It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements (including that required for a studio that offers our services) and obtain any required permits.

**(c) Plans and Layout.** You are required to have the site laid out by our approved furniture supplier. You are required to submit the layout and have it approved by us. We will typically approve or disapprove a proposed layout within 14 days of your submission to us. Once approved by us, it is your responsibility to remodel the premises and install the furniture, fixtures and equipment accordingly.

**(d) Lease.** Before you sign a lease, sublet a space, purchase space or make any binding commitment to do so, we must approve, in writing, your proposed location. You will deliver to us a true copy of the lease and any additions or amendments to it promptly after they are executed. Any lease or sublease of the Franchise Premises ~~will~~**must** contain the Franchisor Addendum, Conditional Assignment of Lease attached in Exhibit F-1 or will otherwise include an assignment of the lease in a form we approve.

**(e) Relocation Review.** You must obtain our approval if you wish to relocate. We will evaluate locations you propose to us to relocate your studio. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

**6.3 Starting Date.** You agree to be open and operational within 365 days of the Effective Date of this Agreement.

**6.4 Operations Manual.** You agree to operate the Franchised Business according to the then current Operations Manual as well as information bulletins and guidance that we disseminate electronically.

**6.5 Authorized Products and Services Only.** You may offer for sale in your studio only the products and services we have approved in writing. We may designate products or services as optional or mandatory. You must maintain an inventory supply sufficient to meet the inventory standards of our Manual. You may not sell any goods or services that we have not authorized or approved. You are required to sell all goods or services that we authorize unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services in response to legal, technological, or competitive changes, or attempts to improve in the marketplace. There are no limits on our right to make changes to the authorized goods and services sold by franchisees. We may, at our sole discretion, revoke approval of a previously approved good or service, in which case you must immediately stop performing or selling the revoked services or products. We have complete and exclusive control over all Deka Lash logos, designs, and products. You may not approach any manufacturers, vendors, or third parties regarding the design or production of any Deka Lash memorabilia or products.

**6.6 Client Service.** You shall interact with prospective and actual clients in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they engage your services.

**6.7 Employee Training.** You shall train your employees to competently and professionally carry out their duties and offer excellent customer service. You shall ensure that your employees have any training, licenses, or certifications required by applicable law. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

**6.8 Insurance.** You are required to have insurance as may be required by your state laws and as we may specify in the Operations Manual. You must name DL Franchising, LLC and our respective affiliates, officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon the annual expiration date. If you suffer a loss to your franchise, such as fire or theft, you are required to use the insurance proceeds to replace or repair the premises or property damaged or lost.

**6.9 Participation.**

(a) **Health and Participation.** You acknowledge that this Franchised Business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You must actively participate in the daily affairs of the business. You are expected to participate actively in franchisee meetings, seminars, conferences, and supplemental training we sponsor. You represent that you are in good health and able to devote your efforts in the day-to-day operations of your franchise or that you have the business management skills necessary to successfully hire and supervise a manager to run the day-to-day operations of your Franchise.

(b) **Supervision.** You agree that the services of the Franchised Business will be provided under your direct supervision and control or under the direct supervision and control of a full-time general manager who has successfully completed our initial training. Your studio manager (if applicable) and all employees that have access to client accounts or as required by local law, must be able to pass a criminal background check based on our minimum requirements as specified in the Operations Manual. You must ensure that your business managers comply fully with all applicable terms of this Agreement including maintaining all confidential information, not competing with us and safeguarding all relevant documents, manuals, etc.

(c) **Principal Owner.** You must designate one (1) owner with at least 10% ownership as the "Principal Owner." The Principal Owner is the primary owner responsible for your business and communication with us. The Principal Owner must have authority over all transactions and dealings related to your studio and must have power to create binding agreements with us.

(d) **Ethics.** You must remain in compliance with our Ethics Program, including our Code of Conduct, at all times. This is as outlined in our Operations Manual.

**6.10 Furniture, Fixtures, Equipment and Supplies.** You agree to use furniture, fixtures, equipment, and supplies as we specify to operate the franchise.

**6.11 Software, Licenses and Computer Systems.** You are required to purchase or use such software, subscriptions, licenses, tablets, computer systems and equipment to operate your Franchised Business as we may specify. All such software, subscriptions, licenses, tablets, computer systems and equipment will conform to our specifications as adopted from time to time.

You acknowledge and agree that we may update, modify, or otherwise make changes to our software, subscriptions, licenses, tablets, computer systems and equipment specifications and that, in the event of any updates, modification, or other changes in, or additions to, our specifications, you will promptly modify, replace or add to your existing software, subscriptions, licenses, tablets, computer systems and equipment at your sole expense.

**6.12 Telephone Number.** You agree to maintain a dedicated telephone number for your Franchised Business. You must reimburse us for the actual cost of any phone number we assign to your Franchised Business and pay for ourselves.

**6.13 Brand Image and Remodeling.** You agree to keep your Franchised Business clean, attractive and well maintained in order to uphold the image and goodwill of our franchise system and in compliance with the Operations Manual. You agree that your studio layout must be approved by us and that all studio stations, flooring, furniture, cabinets, chairs, stools, mirrors, decorations, signage, other items, and colors must be as specified by us. You agree to remodel your Franchised Business if and when we request, at your cost, pursuant to our guidelines at the time. However, we will not require you to do a full remodel of your Franchised Business more than once every ten years. You acknowledge and agree that we may update, modify, or otherwise make changes to our artwork, furniture, fixtures, and equipment specifications and that, in the event of any updates, modification or other changes in or additions to our artwork, equipment, or other specifications, you will promptly modify, replace or add to your existing furniture, fixtures, and equipment at your sole expense.

**6.14 Minimum Days and Hours.** You agree to be open in each of your Franchised Businesses, at a minimum, the days and hours that we specify in the Operations Manual.

**6.15 Laws and Regulations.**

- A. **Compliance with Laws.** You agree to comply with all federal, state, and local ordinances, regulations, bylaws, laws, and statutes. It is your responsibility to identify and comply with any and all ordinances, regulations, bylaws, laws and statutes applicable to your franchised operation, including but not limited to health, safety, discrimination, employment, OSHA, Americans with Disabilities Act, employment, chemical handling, fire code, waste disposal, health & sanitation, hazardous materials, copyright laws protecting owners of artistic works, consumer protection, trade regulations, Federal Trade Commission, workers compensation, unemployment insurance & withholding, payment of federal, state & local income taxes, social security taxes, sales taxes, use taxes, property taxes and all licensing regulations as applicable to your services, studio and this industry.
- B. **Regulations and/or Licensing Requirements.** You agree to secure all necessary permits, certificates, licenses, and consents to operate your business. It is your responsibility to thoroughly ascertain, comply and investigate which permits, certificates, consents, regulations and/or licensing requirements the federal, state, city or locality imposes. We urge you to investigate these laws and regulations before becoming our franchisee. We do not assume any responsibility for advising you on these regulatory matters. You should consult with your attorney about laws and regulations that may affect your Franchised Business.
- C. **Data Protections.** You will: (i) comply with all applicable data protection laws; (ii) comply with all of our requirements regarding the data protection laws contained in the Operations Manual or otherwise; (iii) refrain from any action or inaction that could cause us or our

affiliates to breach any applicable data protection law; (iv) do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep us and our affiliates in compliance with any applicable data protection law; (v) reimburse us and our affiliates for any and all costs incurred in connection with your breach of any data protection laws; and (vi) permit us and our affiliates to use any data or other information each of them gathers concerning you in connection with the establishment and operation of franchised and company owned locations by us or our affiliates.

**6.16 Employees.** You are exclusively responsible to train and make sure your employees and independent contractors meet the standards, specifications and procedures outlined in the Operations Manual. You will hire only efficient, competent, sober, and courteous employees for the conduct of the franchised business and will pay their wages, commissions, piece work and any other compensation justly due with no liability on our part.

- A. You will control your own employees and independent contractors. We will not have the power to hire, fire, direct, supervise, or discipline them. You will maintain employee records to show clearly that you and your employees are not our employees.
- B. You must comply with all state and federal laws in respect to your employees. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement. You must indemnify and hold us legally harmless from any of your violations of such laws.
- C. You must pay special attention to federal and state wage and hour laws with respect to your employees. You must comply with all such laws and pay your employees properly. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits.
- D. You are exclusively responsible to monitor the scheduling, performance, efficiency, and efficacy of your employees and independent contractors and to make adjustments to improve the results of their efforts.
- E. If you decide to share employees or independent contractors with other franchisees, then you will indemnify and hold legally harmless us (and our affiliates, officers, directors, employees and agents) from any claims, losses, attorney fees and damages resulting from such activities. You acknowledge that this provision does not constitute an endorsement to share employees with other franchisees.
- F. You are responsible to train and to make sure your employees and independent contractors meet the standards, specifications and recommendations outlined in the Operations Manual, including those related to appearance, customer service, background checks, and drug testing (as applicable). You are required to hire and maintain sufficient staff in order to handle customer volume at all times. You will ensure that your employees present a neat and clean appearance and render friendly, efficient, sober and courteous service to your customers.
- G. All employees and independent contractors whose duties include customer service must have sufficient literacy and fluency in the English language to serve the public.
- H. You may not hire any employee or independent contractor who has been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character.
- I. All revenues generated under this Agreement from all business activities of the Franchise must be paid directly to you and not directly to your employee or independent contractor.

**6.17 Project and Construction Management.** Unless approved otherwise by us in writing, you agree to use the construction management company we specify to assist in the build out of your franchise location.

## **7. ADVERTISING**

**7.1 Use of our Marks.** We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Operations Manual.

You and we will use reasonable efforts to continuously improve the products, processes and services used in our system and to develop new products, processes and services for use as part of the system. All the improvements, inventions and developments you make, develop or create for use in the system or arising from or related to the system or any of our Confidential Information will be our property and we, our parent, and our affiliates alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

You will not contest, directly or indirectly, our or our parent's or affiliates' ownership, title, right, or interest in the Marks, the Operations Manual, or the System; or our or our parent's or our affiliates' exclusive right to register, use, or license others to use the Marks, Operations Manual, and the System.

**7.2 Local Advertising and Promotions.** Your advertising and promotions shall conform to the following requirements:

- a) You shall advertise and promote only in a manner that will reflect favorably on us.
- b) You shall use our advertising templates or, if you wish to use your own material, you shall submit to us for written approval all advertising, advertising copy, broadcasting arrangement, public relations program, press release or other promotional material, including proposed signage [and social media](#), prior to its use.
- c) You agree to participate in all promotional programs that we create, offer or advertise. You agree to accept gift certificates, coupons, vouchers, corporate discounts, memberships and other promotional programs as we create and develop from time to time. You agree you will not be entitled to receive payment or be reimbursed for any expenses, lost revenue or costs associated with such.
- d) You specifically acknowledge and agree that any Web Site or social media that uses the Marks will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval.
- e) Your advertising must comply with federal, state, and local laws.
- f) If our written approval is not received on any advertising, advertising copy, broadcasting arrangement, public relations program, press release or other promotional material, including proposed signage submitted to us within 14 days from the date of request of approval, the advertising, promotions or material is deemed disapproved.

**7.3 Minimum Local Marketing.** You must spend a minimum of \$2,000 per month on local marketing and promotion in accordance with our standards and specifications (the “Local Marketing Requirement”). Your local marketing is in addition to your Brand Development Fee paid to us. You must spend the Local Marketing Requirement funds as we prescribe in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements or engaging certain public figures to assist you in promoting the Franchised Business. Unless we otherwise approve in writing, you must spend the Local Marketing Requirement within your Protected Territory. You must participate in promotional, advertising, charity or other programs we may specify at your own expense. Any mass media, internet, mailers, or other type advertising must be primarily focused in your territory unless we agree otherwise. You may spend any additional sums as you wish on local marketing. You must ensure that all advertising, promotions or public statements are done with the highest ethical standards, are not misleading in any way, and adhere to federal, state and local rules and law. You must use only such advertising, press releases, public statements and promotional materials provided by, or approved in writing by us. We reserve the right to require you to discontinue any advertising, promotions, or promotional materials, as we deem necessary. Upon our request, you must submit proof of your expenditures on the Local Marketing Requirement.

**7.4 Business Listing & Promotion.** You agree to advertise, at your expense, in such online directories, advertising agencies, advertising fees and/or other promotional efforts as specified by us from time to time in our manuals. We have the right to place such listings, advertising, fees or promotions, on your behalf and collect the cost from you. If other franchisees are served by the same directories, agencies, promotions or listings, we have the right to require group participation, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee. You must pay to us when billed the cost of listing or promotion of your Franchised Business on the internet or any other promotional sources as required by us. Any Business Listing & Promotion Fees will be applied against your Local Marketing Requirement.

**7.5 Local Advertising Cooperative.** We may designate any geographic area as a region for establishing a local advertising cooperative (“Local Advertising Cooperative”), though we typically designate areas based on Designated Market Areas as determined by the A.C. Nielsen Company. The members of the Local Advertising Cooperative for any area will consist of all Franchised Businesses, as well as outlets operated by us or our affiliates. We will determine in advance how each Local Advertising Cooperative will be organized and governed and when it must start operation. Each Local Advertising Cooperative will be organized for the sole purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. If a Local Advertising Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Local Advertising Cooperative is established during the term of the Franchise Agreement, you must become a member of the Local Advertising Cooperative and abide by the rules of the Local Advertising Cooperative.

If we establish a Local Advertising Cooperative for your area, you and franchisor-owned outlets in the Cooperative must contribute to the Local Advertising Cooperative the amounts required by its members, and all outlets must contribute on the same basis (which may be a uniform percent of revenue, a fixed amount, etc.). The amount of contribution will be determined by the members of the Local Advertising Cooperative, subject to our approval. Each member will have one vote for each Franchised Business operated by the member within the geographic area subject to the Local Advertising Cooperative.

Any contributions you make towards the Cooperative will be credited against your Local Marketing Requirement.

Advertising Cooperatives must operate from written governing documents and they are available for your review upon reasonable written request.

We reserve the right to form, change, dissolve, or merge any Local Advertising Cooperative.

**7.6 Private Websites.** You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business.

**7.7 Digital Marketing.**

**(a) Digital Marketing.** We may create, operate, and promote websites, social media accounts (including but not limited to Facebook, [twitterX](#), and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, studios, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your studio. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your studio, including through an independent website, or social media account. We may withdraw approval at any time and you must immediately modify or delete any digital marketing as required.

**(b) Digital Deals and Promotions.** We have the right, but not the obligation to offer deals, discounted services, gift certificates, memberships, coupons, or vouchers on third party websites or apps such as Living Social, Facebook or Groupon and their associated reach (be it digital or otherwise). If we offer any deals, coupons, gift certificates, vouchers or such, we have the right to collect and retain any revenue from such deals, including payments to third parties and you will not be entitled to receive any payment or reimbursement from us, our affiliates, third parties, or the customers that purchase the services, deals, vouchers, gift certificates or coupons if the related services have not been provided by your Franchised Business. Any net cash gain to the company however, (revenue minus associated expenses, such as the costs and fees charged by the third-party websites and apps), not directly paid to a studio, will be contributed to the Brand Development Fund and spent accordingly. You must provide the services and products associated with the deals. Funds contributed to the Brand Development Fund from these digital deals and promotions do not count towards your Brand Development Fees. Unless we consent in writing, you and your employees must not conduct or be involved in any digital marketing related to our brand, marks or your studio. If we do permit you to conduct any digital marketing, you must comply with our policies and we may withdraw approval at any time.

**7.8 Entity Name Requirements.** You may not use the words “Deka” or “Deka Lash” or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, “Deka Lash” followed by your entity number, or such other designation as we shall specify, shall be your “doing business as” name for an entity which owns this franchise, sometimes also called your “assumed name,” “trading as” name, or “fictitious name.”

**7.9 No Confusingly Similar Marks.** You agree not to use any marks that could be confused with our Marks.

**7.10 Update to our Marks.** We may replace, modify, or add to our Marks. If we replace, modify, or add additional marks, you agree to update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

**7.11 Publicity.** Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent, [in each instance](#), as to the form of such press release or public announcement, [nor may you hold yourself out as a representative speaking behalf of the brand without our prior written approval in each instance](#).

**7.12 Name and Likeness.** You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

**7.13 Brand Development Fund Administration.** We may use the Brand Development Fund to pay for any costs incurred through third parties or our employment of personnel primarily dedicated to consumer marketing and promotion activities associated with advertising, promotional events, graphic design, photography, video production, branding, public relations, marketing, promotional materials, media, production, and any other activity we believe will benefit Dekalash, including the creation, maintenance, optimization, and advertising of the company website or other websites, pay per click advertising, and administration of such, creating, conducting, and managing social media, creating, maintenance and promotion of appointment setting software, contests, direct mailers, promotions, and providing promotional materials to our franchisees. We may also use these fees for the support of creation and execution of all materials. We have the right to develop all media and marketing programs (internally or through outside vendors), and have the final decision on all promotions, creative concepts, and media. We may add information about franchise opportunities to advertising and activities supported by the Brand Development Fee. We do not guarantee that you will benefit from the Brand Development Fund in proportion to your contributions. We will not use the Brand Development Fund to defray the cost of our general operating expenses except for reasonable allocation of overhead, including pro-rata amount of salaries and facilities, used to develop, research and administer the promotions, products and activities covered by the Brand Development Fees. By making a written request to us, you may obtain an annual unaudited financial statement of the Brand Development Fund, at the expense of the Brand Development Fund, available 120 days after our fiscal year end. If we do not spend all Brand Development Fees received in a given year, we roll them over and apply them to the Brand Development Fund in the following year. We may use Brand Development Fees to pay for an independent audit of the Brand Development Fund, if we choose to have it audited.

**7.14 Brand Development Fund Overhead Allocation.** We will not use the Brand Development Fund to defray the cost of our general operating expenses except for reasonable allocation of overhead, including pro-rata amount of salaries and facilities, used to develop, research and administer the promotions, products and activities covered by the Brand Development Fund.

**7.15 Brand Development Fund Accounting.** By making a written request to us, you may obtain an annual unaudited financial statement of Brand Development Fund, at the expense of the Brand Development Fund, available 120 days after our fiscal year end. We may use Brand Development Fund to pay for an independent audit of the Brand Development Fund, if we choose to have it audited. If we do not spend all Brand Development Funds received in a given year, we roll them over and apply them to the Brand Development Fund in the following year.

**7.16 Membership Programs.** You agree to participate in any and all membership programs that we create, offer or advertise. Additionally, through the membership program, customers may also be entitled to a discount on products and services. You agree you will not be entitled to receive payment or be reimbursed for any discounts on products or services offered through the membership program.

## 8. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

**8.1 Definition.** “Confidential Information” means information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, of or about us that is valuable and not generally known or readily available to third parties, obtained by you from us during the Term of this Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated by the parties in the course of the performance of this Agreement.

**8.2 Confidentiality.** You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information ~~and are bound to confidentiality obligations similar to those set forth herein.~~

You may only use our Confidential Information and Operations Manual in the course of your performance under this Agreement, subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information.

You will require, as a condition of the employment of your employees and anyone else providing services to you, that they maintain and protect our Confidential Information. You will ensure that all of your employees execute an approved confidentiality, non-disclosure, and non-competition agreement. You must follow our security procedures, which may include the execution of approved Intranet and Internet usage agreements. You will be responsible to enforce compliance with this Agreement by your employees. We may also enforce the nondisclosure agreement against your managers or employees, at our option. If you become aware of any actual or threatened violations by any of your employees or anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any violation. This may include instituting or permitting to be instituted in your name any demand, suit or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by you and us at your expense. You will also require any third party to whom you disclose any of our Confidential Information, including but not limited to consultants, distributors, and agents, to execute an approved confidentiality, nondisclosure and non-competition agreement.

Non-Employed Participants. All participants that (a) operate in the business, (b) are not listed owners on the franchise agreement, and (c) not formally recognized as employees, including, but not limited to, family members, close friends, significant others, spouses, and children (hereinafter “Non-Employed Participants”), must execute an approved confidentiality, non-disclosure, and non-competition agreement. Additionally, Non-Employed Participants must comply with any and all system policies, and Franchisor shall retain the right to terminate and/or limit any access or privileges.

Access to Franchisee Only Information. Your Employees and Non-Employed Participants are not allowed access to privileged franchisee-only information such as franchisee-only meetings, and franchisee-only information, including the confidential information as contained in the Operations Manual, unless authorized by express written consent by us. This written consent can be terminated at any time, for any reason, by us.

**8.3 Return of Information.** Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

**8.4 Customer Data.** We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights therein and thereto. However, you may use the Customer Data during the Term of this Agreement as permitted by this Agreement or our Manual. "Customer Data" means any and all information about Customers that may be collected in connection with their use of your franchise services, including, but not limited to, name, telephone number, address and email address. Customer Data shall be considered Confidential Information for purposes of this Agreement. [You must comply with all applicable data protection laws.](#)

**8.5 Intellectual Property Ownership.** We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

If you develop any new concept, product, process or improvement in the System, you agree to promptly notify us and provide us with all necessary related information, without compensation. You assign to us all such concepts, processes or improvements and acknowledge that all such concepts, processes or improvements will become our property, and we may use or disclose such concepts, processes or improvements to franchisees, customers, and employees as we may determine to be appropriate.

**8.6 Suggestions.** You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

**8.7 Performance Data.** You agree that we may share performance data from your Franchised Business and studios between our employees, franchisees and their employees. You agree to keep such performance data confidential. Additionally, you agree that we may share performance data of your Franchised Businesses in the Item 19 (Financial Performance Representations) of our future Franchise Disclosure Documents.

**8.8 Studio Design, Furniture, Fixtures, and Equipment.** Your studio design, layout, color patterns, signage, supplies, furniture, fixtures, and equipment are considered intellectual property and proprietary to us and as such, we retain all rights and control associated therewith.

## 9. REPORTS AND REVIEW

**9.1 Gross Receipt Report.** You must send us a Gross Receipt Report (“GRR”) in the manner, form, and at the times we specify in the Operations Manual. We can require that you use a specific accounting software, as selected by us (currently Intuit Quickbooks Online), and we have visibility into that software. Additionally, all books, records, bank accounts, etc., must be segregated from your personal use and the use of any other business.

**9.2 Daily Receipt Report.** You must balance and close out your Franchised Business at the end of every day you are open. You must also submit to us a Daily Receipt Report (“DRR”) in the manner, form, and at the times we specify.

**9.3 Profit and Loss.** By February 28 of each year, you must send us an unaudited profit and loss statement of the Franchised Business, in the manner and form we specify, for the 12-month period ending the prior December 31.

**9.4 Reviews.** We reserve the right to review your business operations at reasonable times, including any time you are open to the public, either in person, by mail, or electronically. We reserve the right to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business, including review of your accounting data (we require you use Intuit Quickbooks Online). This includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business; observe your operation of the Franchise for any consecutive or intermittent periods we deem necessary; interview your personnel, employees and customers; and inspect and copy any books, records and documents related to the operation of the Franchise and any other Franchise information we may require. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct. We reserve the right to require you to provide automated electronic access of your accounting data to a business intelligence software application we designate.

**9.5 Time Frame to Furnish Documents.** If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us at your expense these records within three business days of receiving our request.

**9.6 Independent Access to Information.** You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but is not limited to, customer, transaction, and operational information. You agree to, at all times give us unrestricted and independent electronic access to your studio information including, but not limited to your studio software, appointment software and point of sales system, for the purposes of obtaining information about the studio.

## 10. TERMINATION

**10.1 Termination by You.** You may terminate this Agreement by not renewing, under any grounds permitted by law or if we are in material breach of this agreement after having received written notice by you and giving us 30 days to cure such breach. You must comply with all provisions of this Agreement related to termination.

**10.2 Termination by Us - Without Opportunity to Cure.** We may immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if any of the following occur:

- a) *Insolvency*. You become insolvent, meaning unable to pay your bills in the ordinary course of business as they become due.
- b) *Abandonment*. You fail to operate the Franchise continuously and actively for 14 consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise premises.
- c) *Repeated Breaches*. You commit three or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether or not you had corrected your earlier failures to comply after we delivered notice to you. This includes complaints for material ethics violations we find or have found to have merit.
- d) *Material Misrepresentation*. You make or have made any material misrepresentation or misstatement on the Franchise application or with respect to ownership of the Franchise.
- e) *Fail to Open / Open without Approval*. If you fail to obtain our approval of a site or fail to commence operation of your franchise facilities on time.
- f) *Judgement or Levy of Execution*. You allow the Franchise or Franchise Premises to be seized, taken over, or foreclosed by a creditor, lien-holder, or lessor; let a final judgment against you remain unsatisfied for thirty days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise that is not discharged by means other than levy within five days of the levy.
- g) *Felony / Material Violation*. You are convicted of a felony; or you are convicted of any criminal misconduct relevant to the operation of the Franchise. You understand and agree that if you or any of your partners, officers, or directors pleads no contest to a felony or has an adverse final judgement entered in a civil action for fraud, dishonesty, conversion, misrepresentation or any other matter involving moral turpitude, in our sole judgement, this will substantially impair the goodwill associated with us, the Marks and the System.
- h) *Imminent Danger to Public Health or Safety*. You operate the Franchise in a manner that creates an imminent danger to public health or safety.
- i) *Material and Unfavorable Conduct*. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or system, [and this would include the posting or dissemination of unauthorized internet advertising, public statements, or social media posting\(s\) that you refuse to take down within 24 hours of notice to do so.](#)
- j) *Attempt to Repudiate Agreement*. You attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.
- k) *Mutual Agreement*. You and we agree in writing to terminate the franchise.
- l) *Unreported / Misreported Revenue*. You fail to report cash or other payments through your approved point-of-sale account or you fraudulently post or omit transactions.
- m) *Failure to Pay Suppliers*. You fail to pay suppliers an amount exceeding \$5,000 for more than 60 days.
- n) *Inspection*. You fail to permit us to inspect or audit your franchise. ~~Or,~~
- o) *Violate Key Covenants*. You engage or attempt to engage in any act in violation of the Confidential Information requirements and Covenants Against Competition and Solicitation expressed in this Agreement.

**10.3 Termination by Us with Opportunity to Cure.** We may terminate this Agreement, and any other related agreements between the parties, after sending you a written "Notice to Cure" and giving you the opportunity to cure for thirty (30) days. Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame. If you or your owners, officers or key employees:

- a) Breach any term or provision of this Agreement, the Operations Manual, or any other franchise and related agreements.
- b) Owe us any amount that is more than 30 days past due.

**10.4 No Refunds.** In the event of termination of this agreement, we have no obligation to return or refund any fees paid by you, or refund or repurchase any inventory or supplies purchased by you from us or our affiliates.

**10.5 Remedies.** These provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense. If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

**10.6 Non-Action is not a Waiver.** Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

**10.7 Damages.** You agree that if you do not comply with any of these requirements upon expiration or termination of this Agreement, substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us. If this Agreement is terminated because of your material breach, you agree to pay us all actual and consequential damages and any costs and expenses (including reasonable attorney fees) we incur.

## 11. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a) Stop identifying yourself as a franchisee of ours and discontinue using any of our Marks or any marks which are likely to be confused with our Marks;
- b) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);
- c) Pay to us all amounts owing to us;
- d) At our request, cancel or assign to us all telephone numbers used in the Franchised Business;
- e) Reimburse customers for any fees paid for services not yet rendered or reimburse other Franchised Businesses or us for performing such services you received payment for in advance;

- f) At our option, and upon our request, use your best efforts to assist in our taking over the lease of the location of your Franchised Business, whether it be through a new lease or assignment;
- g) We consider all of the studio design, layout, color patterns, furniture, fixtures and equipment as intellectual proprietary and proprietary to our system. As such, at our option, you will offer to us the right to purchase from you any or part of the furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration. If we elect not to purchase any or part of the furniture, equipment, signage, fixtures, and supplies, you agree to either sell such furniture, equipment, signage, fixtures, and supplies to a current franchisee of ours, or destroy the furniture, equipment, signage, fixtures, and supplies such that they cannot be re-used;
- h) Deliver to us any paper and electronic copies of the Operations Manual and any Confidential Information;
- i) Cancel all fictitious name or other listings which you have filed for use of any of the Marks;
- j) Adhere to the provisions of the post-term covenants not to compete and not to solicit;
- k) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and
- l) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 11.

## 12. NON-COMPETE AND NO SOLICITATION.

### 12.1 Non-Compete.

- a) **In-Term.** You will not, during the Term of this Agreement, in the United States, its Territories, and internationally, directly or indirectly offer or engage in eyelash extension services except in the provision of such services through the Franchised Business.
- b) **Post-Term.** You will not, for a period of two years after expiration or termination of this Agreement, in the Protected Area or within thirty (30) miles of the boundaries of the Protected Area or another Protected Area franchised by us and in operation at that time, directly or indirectly, for a fee or charge, offer or engage in eyelash extension services.

**12.2 No Solicitation of Customers.** You will not, for a period of two years after expiration or termination of this Agreement, in the Protected Area or within thirty (30) miles of the boundaries of the Protected Area, directly or indirectly solicit the patronage of any client served by your prior Franchised Business during the last 24 months that you were a franchisee, or such shorter time as you were a franchisee, for the purpose of offering such person or entity, for a fee or charge, eyelash extension services.

**12.3 Non-Disparagement.** You shall not, at any time during the Term and thereafter, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally,

or otherwise, or take any action which may, directly or indirectly, disparage us, our franchisees, or any of its subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations.

**12.4 Waiver of Bond.** You agree that if we bring suit to enforce Sections 11, 12.1, or 12.2 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

**12.5 Severability.** If any covenant or provision of Section 12.1 or 12.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

### **13. ADDITIONAL IN-TERM AND POST-TERM COVENANTS**

**13.1 Maintenance of Goodwill.** You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us. You will refrain from any behavior, communications, advertising, or promotions, which may reasonably determine to reflect negatively or be injurious to you or to us or to the goodwill associated with the Marks and the System. If you violate these important requirements we may terminate your Franchise pursuant to the provisions of this Agreement. You agree to maintain your, and our, business reputation by prompt payment of all bills, debts, expenses and charges arising from your operations under this Agreement and prompt payment of all taxes, licenses and permits required by any governmental unit.

**13.2 Independent Contractor.** You and we are independent contractors to each other. Neither you nor we are an agent, fiduciary, partner, employee, or a participant in a joint venture, and neither you nor we have the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

**13.3 Indemnity.** You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

### **14. TRANSFER**

**14.1 Assignment by Us.** We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

**14.2 Transfer by You.** You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 14. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

**14.3 Transfer to a Controlled Entity.** A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled Entity shall not trigger the Right of First Refusal, described in Section 14.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

**14.4 Transfer within an Entity.** A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 14.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or Franchise Agreement as required by us.

**14.5 Conditions for Approval of Transfer.** We may condition our approval of any proposed sale or transfer of the franchised business or of your interest in this Agreement upon satisfaction of the following occurrences:

- a) You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;
- b) You are in full compliance with this Agreement;
- c) You execute any transfer, amendment, or release forms that we may require;
- d) You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

**For a transfer under Section 14.2 above, the following conditions also apply:**

- e) The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement;
- f) The transferee must execute our then-current Franchise Agreement;
- g) You or the transferee must pay to us the Transfer Fee specified in Section 4 above;
- h) The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;
- i) You must comply with the post-termination provisions of this Agreement;
- j) The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

- k) To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;
- l) The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;
- m) The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;
- n) You must request that we provide the prospective transferee with our current franchise disclosure document;
- o) Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;
- p) We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder;
- q) In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise; and
- r) You and your owners, members, partners, officers, and directors execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release us from any claims you may have against us.

**14.6 Right of First Refusal.** If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

- a) Within fourteen (14) days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). We shall have the right to purchase the Franchised Business or interest in the Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within thirty (30) days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.
- b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions in Section 14.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

## 15. DEATH OR INCAPACITY

The following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50 percent or more of you if you are a limited liability company or corporation or other legal entity. We are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing services from the date of your death or incapacity until transfer or termination. The term "incapacity" means a condition that prevents you from reasonably carrying out your duties under this Agreement. Within ninety days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will complete one of the following:

- a) *Assume and Continue Operations.* Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in this section (except that no Transfer Fee will be required). If a proper and timely application for the right to continue to operate has been made and rejected, the ninety days within which to Transfer will be computed from the date of rejection.
- b) *Transfer Your Interest.* Transfer your interest according to the provisions of this [agreement](#) [Agreement](#).
- c) *Sell to Us.* If a suitable transferee or purchaser is not found within ninety days from the date of death or permanent incapacity, we may, at our sole option, enter into a contract to purchase the Franchise. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty business days after notice from us. If not, a fair value and fair terms will be determined in Bountiful, Utah by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers may not include in their decision a factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any time within thirty days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your related assets at the price and upon the terms determined by the appraisers. Terms of payment will be ten percent of the purchase price payable upon contract signing, the balance payable in sixty equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment. Or,
- d) *Cease Operations.* If the provisions of this Subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately, [upon notice](#), terminate and revert to us.

## 16. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as discussed in Section 5.

## 17. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

## 18. FULL UNDERSTANDING

This Agreement, including the schedules, is the entire agreement between the parties. This Agreement supersedes all other prior oral and written agreements and understandings between you and us with respect to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document we furnished to you.

## 19. GOVERNING LAW

**19.1 Choice of Law.** This Agreement is effective upon its acceptance in Pennsylvania by our authorized officer. Except as to claims governed by federal law, Pennsylvania law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

**19.2 Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Pittsburgh, Pennsylvania.

**19.3 Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge, [to the extent permitted by applicable law](#).

**19.4 Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

**19.5 Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

**19.6 Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

**19.7 Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

**19.8 Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 19.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

**19.9 Mediation and Arbitration.** Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA") and split any AAA and mediator fees equally.

~~If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is~~

~~located, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.~~

**19.10 Waiver of bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

**19.11 Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

**19.12 Third Party Beneficiaries.** Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Governing Law provisions contained herein.

**19.13 Survival.** All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

**19.14 Severability Clause.** If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

**19.15 Area Representatives.** If you are or become in a territory under an Area Representative, you agree not to bring any Claims against the Area Representative. If you breach this clause, you agree to reimburse us or the Area Representative for any legal fees and costs incurred in defending such Claims.

## 20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, area developers, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

## 21. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our Legal Department, at our corporate office, presently ~~20 South Main Street, #248, Bountiful, UT 84010-3527~~ [Washington Road, McMurray, PA 15317](#). Telephone: (724) 271-8121-; Email: [legal@dekalash.com](mailto:legal@dekalash.com). We may also give any such notice to you in the same manner at the address indicated in Schedule 2 of this Agreement, such other more current address as we may have for you, or by e-mail.

## 22. ACKNOWLEDGMENTS

**22.1 Investigation.** You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document (“FDD”) by your lawyer, accountant or other business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of our franchise. You further acknowledge and agree that you are not a third-party beneficiary to any agreement between us and any other franchisee.

**22.2 Varying Forms of Agreement.** You acknowledge that our present and future franchisees may operate under a variety of different forms of franchise agreements, and that, consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. You further acknowledge and agree that our use of different forms or versions of franchise agreements does not entitle you to benefit from any differences, nor does it operate to alter or amend this Agreement.

## 23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity’s agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, including spouses, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Paragraphs 11-13 above**, the obligation to make specified payments, and pay any other debts due to us. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

The Franchise Model selected is as follows:

**APPROVED AND AGREED TO BY:**

<u>FRANCHISEE</u> <u>Select the Model Chosen</u>	<u>Models Available</u>	<u>FRANCHISOR</u>
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)	Deka Lash d/b/a-Deka Lash with Medspa	DL Franchising, LLC

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**APPROVED AND AGREED TO BY:**

Signature: FRANCHISEE

Name: (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISOR

DL Franchising, LLC  
d/b/a Deka Lash

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

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

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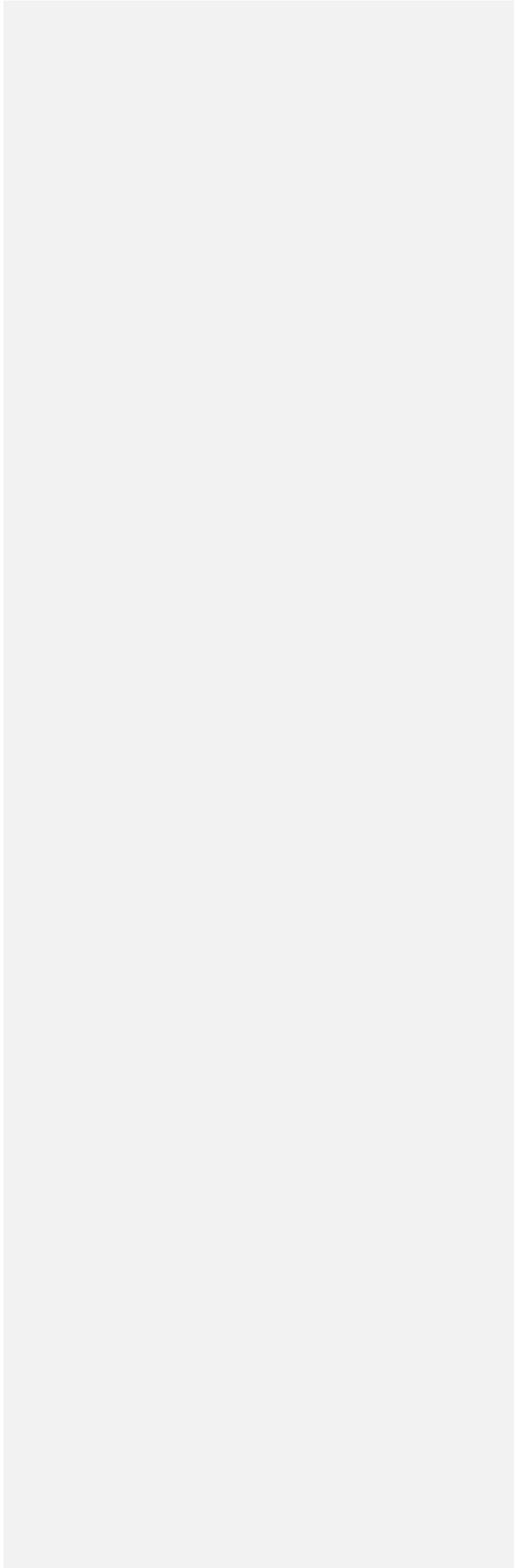
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**SPOUSES:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



Franchise Agreement Executed Date  
\_\_\_\_\_

**SCHEDULE 1 – PROTECTED AREA  
TO THE FRANCHISE AGREEMENT**

SECTION 1: DESIGNATED SEARCH AREA\*: The designated area within which you must locate your studio is within the following geographic area:

[Zip Codes of:](#)

SECTION 2: FRANCHISE LOCATION: Your studio shall be located at the following address (filled in once you have an executed lease, approved by us, pursuant to Section 3 of the franchise agreement):

SECTION 3: PROTECTED AREA: Your protected area shall be:

1.5 mile radius around the location in section 2 above (to be filled in at time of approved lease signing).

**Initial Franchise Fee.** Immediately upon execution of the Franchise Agreement, you must pay to us an Initial Franchise Fee equal to \$ \_\_\_\_\_ which will be deemed fully earned and non-refundable upon execution of the Franchise Agreement.

**Operations Onboarding & First Studio Opening Support Fee.** Immediately upon execution of the Franchise Agreement, you must pay to us an Operations Onboarding & First Studio Opening Support Fee equal to equal to \$ \_\_\_\_\_ which will be deemed fully earned and non-refundable upon execution of the Franchise Agreement.

**Non-Refundable Training Fee.** Immediately upon execution of the Franchise Agreement, you must pay to us a Non-Refundable Training Deposit to equal to \$ \_\_\_\_\_. The Training Fee is non-refundable and non-transferable except to an entity owned by the same owners with the same ownership percentages.

\* If there are any changes to the zip codes or the boundaries of the areas within the zip codes that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes in effect as of the Effective Date.

**APPROVED AND AGREED TO BY:**

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE 2 - OWNERSHIP ADDENDUM  
TO THE FRANCHISE AGREEMENT**

**2.1. Principal Owner.** Your one (1) designated Principal Owner (pursuant to Section 6.9(b) of the Franchise Agreement) shall be:

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

**3.2. Owners.** ALL persons who hold any ownership interest in the franchisee:

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

Ownership %            % \_\_\_\_\_

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

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

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

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

Ownership %            % \_\_\_\_\_

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

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

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

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

Ownership %            % \_\_\_\_\_

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

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

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

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

Ownership %            % \_\_\_\_\_

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

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

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

Please note per Section 14.2 of your Franchise Agreement, you may transfer your interest in the franchisee or any entity holding the franchise only if we approve.

**4.3. Entity Type of Franchisee.** If Franchisee is a Corporation, Limited Liability Company or a Partnership:

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

Entity Type: \_\_\_\_\_

Organized on the date of: \_\_\_\_\_

Under the laws of the state of: \_\_\_\_\_

It's Federal Identification Number is: \_\_\_\_\_

It's Principal Address is: \_\_\_\_\_

**5.4. Change.** You agree to immediately notify us in writing of any change in the information contained in this Schedule and, at our request, prepare and sign a new addendum containing the correct information.

**APPROVED AND AGREED TO BY:**

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE 3 - STATE ADDENDA  
TO THE FRANCHISE AGREEMENT**

**To the extent applicable, the following State Addenda supersede any inconsistent provision in your Franchise Agreement.**

**The State Addenda to the Franchise Agreement apply to you if you are a resident of the state as to which an Addendum follows, or your franchise territory is in that state, with the exception of Virginia. In the case of Virginia, any Virginia Addendum to the Franchise Agreement only applies if the franchise territory is in Virginia.**

## CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 10.2 and 10.3 are deleted and in their place are substituted the following:

**10.2 Termination by Us Without Right to Cure.** We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the Franchised Business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 10.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

**10.3 Termination by Us with Opportunity to Cure.** We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

Sections 11(f) concerning lease assignment is deleted

Section 22.1 concerning Investigation is deleted.

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. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS. <https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf>.

The Closing Acknowledgment, as found at Exhibit F-5 to the Franchise Disclosure Document, shall not be completed by a franchisee who is a California resident or is purchasing franchise territory located in the State of California ("California franchisee"). Such Closing Acknowledgment shall not be a part of or appended to any Franchise Agreement entered into by a California franchisee.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

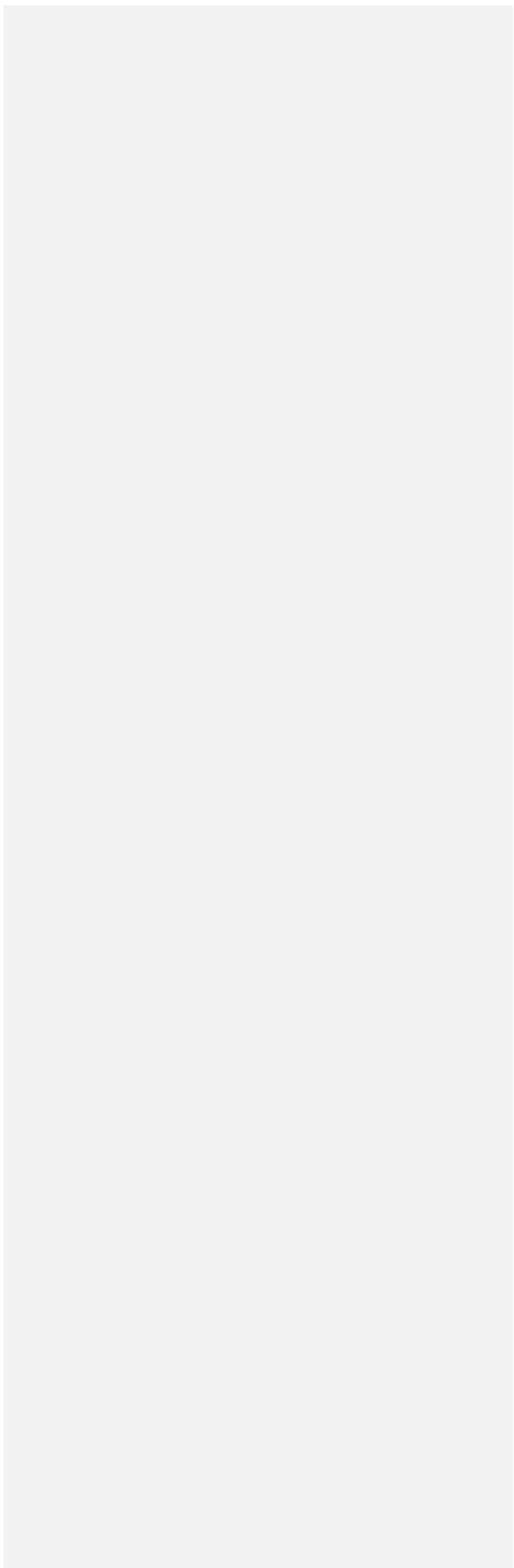
Signature: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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



**HAWAII ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. 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.

2. Initial Fee Deferral. The Franchise Agreement is modified to also provide that we defer the payment of all initial fees paid by you to us until we have performed all pre-opening obligations and you are open for business.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

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.

6. Surety Bond. The Franchise Agreement is modified to also provide the following: "Based on our current financial condition, the Illinois Attorney General's Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General's Office."

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
3. The acknowledgment or representations of the franchisee made in the Franchise Agreement which disclaim the occurrence or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. This franchise 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. 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.
6. Section 22 of the Franchise Agreement, titled Acknowledgments, is deleted.
7. Initial Fee Deferral. The Franchise Agreement is amended to also provide: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens."

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

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

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

### Surety Bond:

The Franchise Agreement is amended to also provide the following: "Based on our current financial condition, the Minnesota Commerce Department has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Department."

**FRANCHISEE**

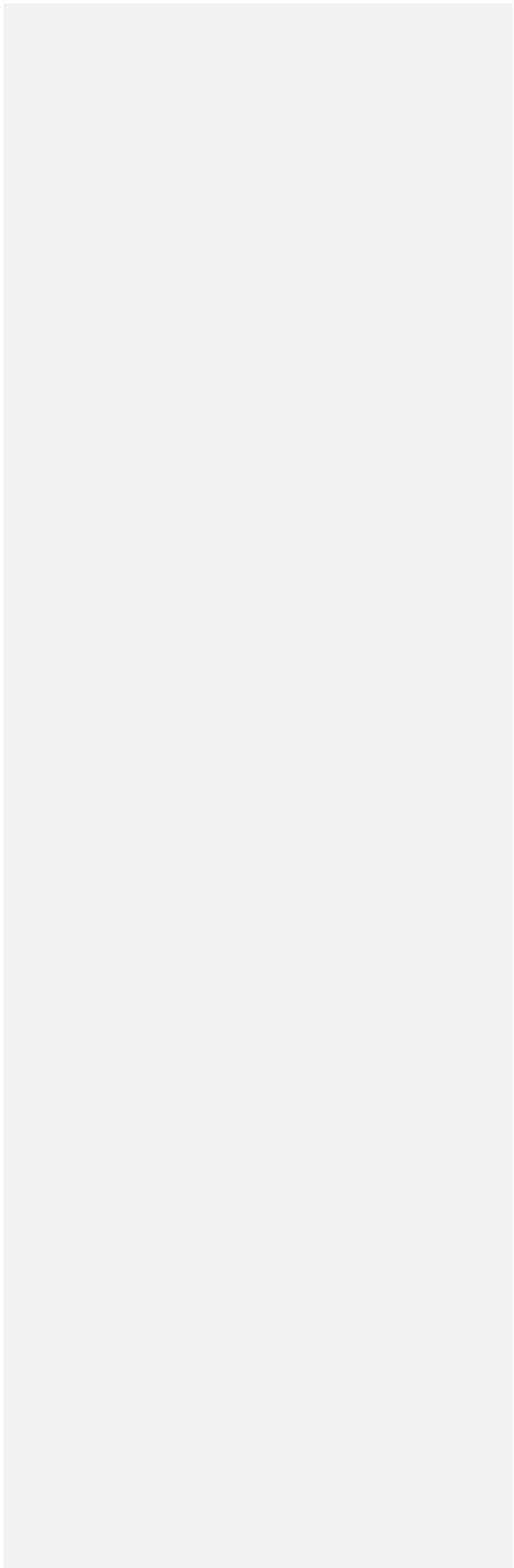
\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## **NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.
2. The franchise agreement is amended to also provide as follows:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

3. The provisions concerning choice of law, jurisdiction and venue, limitation of action, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

“You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

4. North Dakota law governs any cause of action arising out of the franchise agreement.
5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

### Initial Fee Deferral:

The Franchise Agreement is modified to also state that the franchisor defers the receipt of the initial franchise fee until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee is open for business.

**FRANCHISEE**

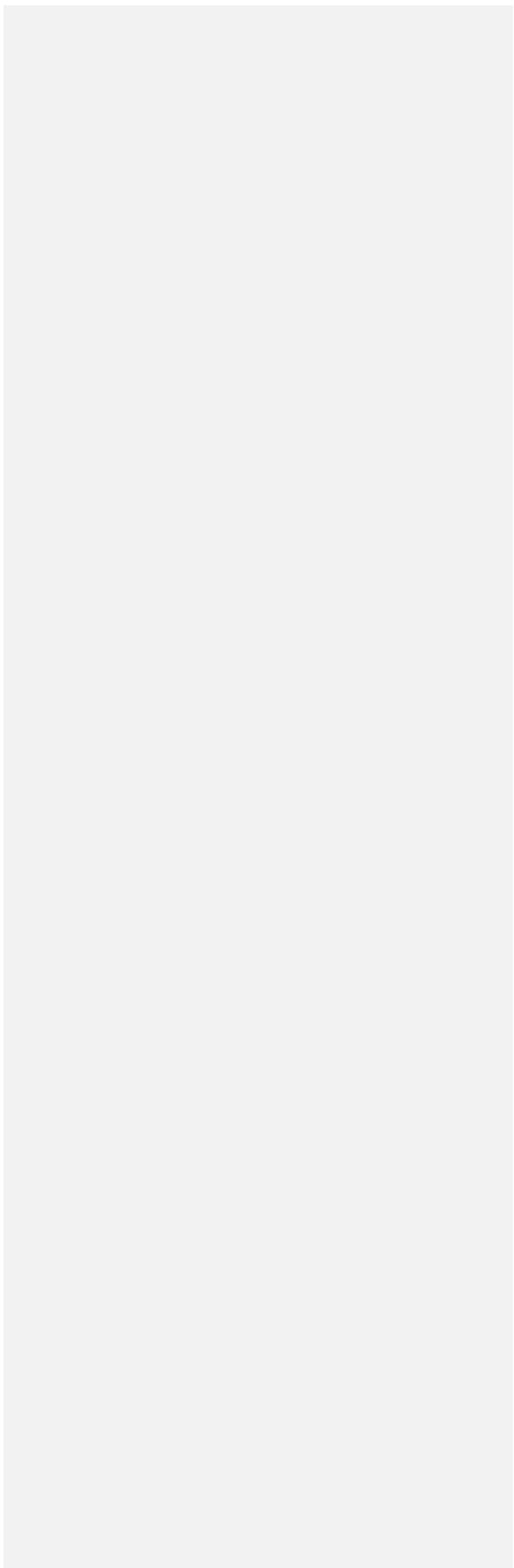
\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RHODE ISLAND ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

**FRANCHISEE**

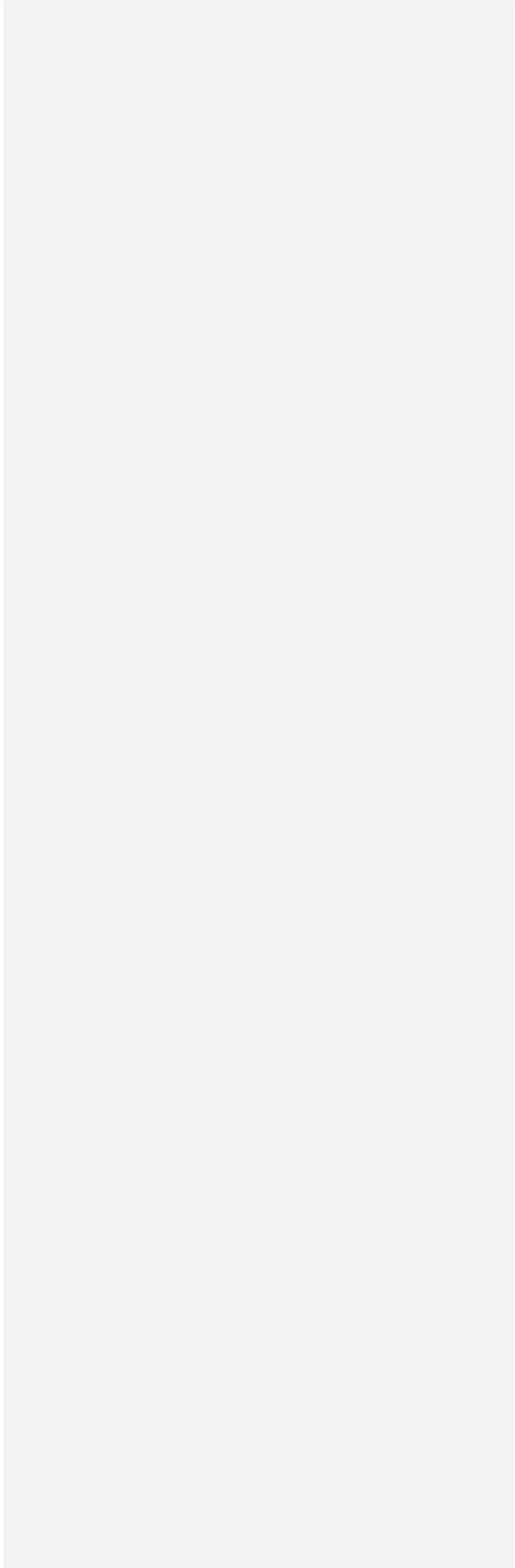
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(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**SOUTH DAKOTA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
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Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

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

**SOUTH DAKOTA FEE DEFERAL AGREEMENT**

The undersigned Franchisee hereby acknowledges and agrees that DL Franchising, LLC d/b/a Deka Lash has fulfilled its pre-opening obligations to the Franchisee as stated in Item 11 of the Deka Lash Franchise Disclosure Document, the Franchisee is now open for business, and the Franchisee hereby tenders to Deka Lash the initial franchise fee due and owing under its Franchise Agreement.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**VIRGINIA ADDENDUM  
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The Franchise Agreement is modified to also provide:

Escrow Account:

Due to our financial condition, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to establish an escrow account for all initial franchise fees that we charge. You shall make your check for franchise fees or other payments to the depository (Truist Bank) and send the check to us. Within two business days of our receipt of the check, we will deposit the check into an escrow account that we have established with Truist.Bank.

When we complete all of our pre-opening obligations to you (listed in Item 11 of this Disclosure Document), we will request that you affirm, in writing, that we have completed those obligations and that you assent to release of the funds held in escrow. After receipt of authorization from the Commission, the depository shall release the funds held in escrow by the depository to us to be applied to your account with us.

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.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
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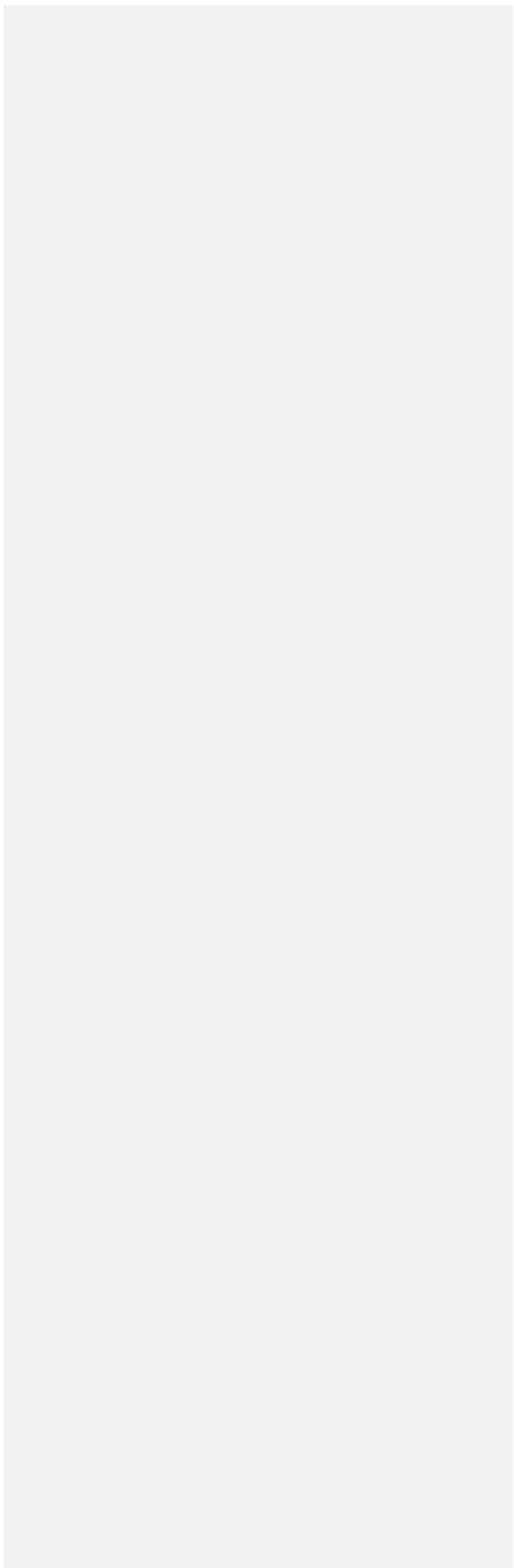
**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

~~The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.~~

~~1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~chapter 19.100 RCW will prevail.~~

~~2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may~~that supersede the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the areas of terminationFranchise Disclosure Document, are subject to state law.~~

~~3. **Site of Arbitration, Mediation, and** renewal of your franchise.~~

~~or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~4. **General Release.** A release or waiver of rights executed by a~~in the franchise agreement or related agreements purporting to bind the~~ franchisee ~~may not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any ~~rule~~rules or ~~order~~orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).~~

~~5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

~~6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~

~~7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under~~

any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, 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.~~ in accordance with RCW 19.100.220(2).

~~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.~~  
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, ~~including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation).~~ In addition, ~~a noncompetition covenant~~ attorneys' fees, such provision applies only if the franchisor is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement,

~~when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation), seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation).~~ As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

**15. Nonsolicitation Agreements.** 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.

**16. Questionnaires and Acknowledgments.** ~~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.~~

**17. Prohibitions on Communicating with Regulators.** ~~Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).~~

**18. Advisory Regarding Franchise Brokers.** ~~Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.~~

Section 12.1(b) of the Franchise Agreement is amended to strike out these words: “or another Protected Area franchises by us and in operation at that time.”

The Franchise Agreement is modified to also provide:

A surety bond in the amount of \$100,000 has been obtained by the Franchisor. The Washington Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

Section 22.1 of the Franchise Agreement, titled “Investigation,” is hereby deleted.

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

The undersigned does hereby acknowledge receipt of this addendum.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**WISCONSIN ADDENDUM  
TO THE FRANCHISE AGREEMENT**

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
2. The Franchise Agreement is amended to also include the following language:

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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**EXHIBIT C**  
**AREA DEVELOPMENT AGREEMENT**

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**AREA DEVELOPMENT AGREEMENT**

**DL Franchising, LLC d/b/a Deka Lash**  
**A Utah Limited Liability Company**  
[20 South Main Street, #248](#)  
[Bountiful, UT 84010](#)  
[3527 Washington Road](#)  
[McMurray, PA 15317](#)  
412-977-0220

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WHEREAS, DL Franchising, LLC d/b/a Deka Lash (“Deka Lash,” “we,” “us,” or “our”) offer a franchise program to operate a studio offering eyelash extensions, eyebrow services, skincare, product sales, and other beauty related services (“Franchised Business”).

WHEREAS, Developer and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively “Franchisee,” “Developer,” “you” or “your”) desire to enter into an agreement with us to obtain the rights to operate multiple Franchised Businesses using the system developed by us or our affiliates, which includes specified standards, systems, concepts, identifications, methods, and procedures for the sales and marketing of these services and products (the “System”).

WHEREAS, we and our franchisees use various trade names, trademarks and service marks including, without limitation, the trademark “Deka Lash,” in connection with the System (the “Marks”).

WHEREAS, we grant qualified third parties the right to develop a certain number of Franchised Businesses within a defined geographical area (the “Development Area”) in accordance with a mandatory development schedule that must be strictly adhered to, with each Franchised Business within the Development Area being opened and operated utilizing the Marks and System pursuant to the terms and conditions set forth in our then-current form of franchise agreement (each, a “Franchise Agreement”).

WHEREAS, you recognize the benefits from receiving the right to operate a Franchised Business and desire to: (i) become a multi-unit Franchised Business operator subject to the terms of this Agreement; and (ii) receive the benefits provided by us under this Agreement.

WHEREAS, you have applied for the right to open and operate a certain number of Franchised Businesses within the Development Area as set forth in this Agreement, and we have approved such application in reliance on your representations made therein.

WHEREAS, you acknowledge that adherence to the terms of this Agreement, including our Operations Manual and other System standards and specifications, are essential to the operation of all Franchised Businesses and our System as a whole.

**NOW, THEREFORE**, the parties agree as follows:

## AGREEMENT

### 1. DEVELOPMENT AREA

**1.1 Development Area.** Subject to the terms and conditions set forth herein, we grant you the right, and you undertake the obligation, to develop and establish multiple Franchised Businesses within the Development Area described in the data sheet attached hereto as Appendix 1 (the "Data Sheet"), provided you open and commence operations of such Franchised Businesses in strict accordance with the mandatory Development Schedule set forth in the Data Sheet (the "Development Schedule"). During the term of this Agreement, and except as provided herein, we grant to you an exclusive territory in which we will not open or operate or license any third party the right to open or operate, any Franchised Business offering the same or similar goods or services under the same or similar Marks as we license you to use, that is physically located within the Development Area.

**1.2 Non-Contiguous Development Areas.** We generally require that development areas be contiguous. If you are awarded a Development Area with non-contiguous sections, each non-contiguous section will be assigned a number of franchise locations to be opened and operating in the associated non-contiguous area. Once you have executed the last lease for the required number of franchise locations required to be opened and operating in the specified non-contiguous area, your territorial protections associated with this non-contiguous Development Area will be terminated, and you will not have any rights or protections within the associated non-contiguous section of your Development Area other than the territorial rights granted in connection with any Franchised Businesses that you have opened and commenced operating within this non-contiguous Development Area.

**1.3 Development Area Restrictions.** While we will not license [to](#) anyone the right to open or operate any Franchised Business that is physically located within the Development Area, this does not mean you can open or operate a Franchised Business anywhere within that Development Area. If a franchisee secures a location near your development area, and their associated protective radius (generally 1.5 miles) overlaps into your Development Area, you will not be able to locate a studio within the protected radius that overlaps your Development Area. We will let you know of any existing studios that have a protective radius overlapping into your Development Area prior to execution of this ~~agreement~~[Agreement](#), but we make no warranties that a franchisee will not subsequently choose a location that creates a protective radius that overlaps into the Development Area. Speed is of the essence. In a case where multiple franchisees have a similar search area, or search areas near each other, the first franchisee to secure a location and create a protective radius, as defined herein, gets the protective rights of that radius area and the other franchisees must adapt their location search accordingly.

**1.4 Loss of Territorial Exclusivity in Development Territories.** If you fail to meet the mandatory Development Schedule and the Area Development Agreement is terminated, you will retain your rights to any open Studios, including the territorial rights described in the Franchise Agreement for such studio, provided that the Area Development Agreement was not terminated as a result of your failure to comply with the terms of your existing Franchise Agreement(s). However, your rights to any Franchised Studios for which there is no Franchise Agreement and your exclusivity in the Development Area will terminate immediately. Thereafter, we will have the right to develop the Development Area on our own or through third parties.

## 2. DEVELOPMENT FEE

You must pay to us a development fee in the amount set forth in the Data Sheet attached hereto as Appendix 1 (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement (subject to the restrictions in ~~section~~[Section 1](#) above), which will be due immediately upon execution of this Agreement. The Development Fee is deemed fully earned upon payment and is not refundable under any circumstances. The parties agree and acknowledge that, upon payment of the Development Fee required by this [Section 2](#), you will not be required to pay us an additional "Initial Franchise Fee" pursuant to any Franchise Agreement that you enter into to fulfill your development obligations under this Agreement.

## 3. INITIAL FRANCHISE AGREEMENT

Contemporaneous with the execution of this Agreement, you must enter into our current form of Franchise Agreement for the first Franchised Business that you are required to open within the Development Area.

## 4. ADDITIONAL FRANCHISE AGREEMENTS

You agree that you must: (i) enter into our then-current form of Franchise Agreement for each additional Franchised Business that you are required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times as are required for you to timely meet your development obligations under the Development Schedule. [You acknowledge that varying versions of our Franchise Agreement may have differing terms than the Franchise Agreement entered into under Section 3 herein.](#)

## 5. DEVELOPMENT OBLIGATIONS

**5.1 Minimum Obligations.** Developer must ensure that, at a minimum, Developer will:

- a) Open and commence operations of a minimum of (i) 20% of the number of Franchised Businesses allowed under this Area Development Agreement each year or (ii) one Franchised Business per year, whichever is greater;
- b) Open and commence operations of the required number of new Franchised Businesses during each specified development period set forth in the Development Schedule described in the attached Developer Data Sheet, the terms of which are herein incorporated into this Agreement (each, a "Development Period"); and
- c) Have the minimum cumulative number of Franchised Businesses open and operating at the expiration of each Development Period set forth in the Development Schedule described in the attached Developer Data Sheet.

**5.2 Development Schedule Extension & Fees.** In the event that you fail to meet your development obligations, and you are (a) current on your obligations owed to us, (b) in compliance with your franchise agreement(s) and (c) showing a good faith effort in trying secure and open your next scheduled studio, then the following will occur:

- ~~a)~~[b\)](#) *Extension with Release (6 months).* Per written notice to us and execution of a general release in our favor, we will grant you a one-time, six-month extension to your development schedule with no Delayed Opening Fee. This six-month extension can only

be used once during your development agreement and delays all subsequent development dates by 6 months.

b)c) Delayed Opening Fee Assessed (for up to 12 months). For each month you are behind on your Development Schedule (*Extension with Release* excluded), you will be charged a monthly Delayed Opening Fee of \$500 for each studio when that studio becomes due. For example, if you have 3 undeveloped units behind schedule, your Delayed Opening Fee will be \$1,500 per month. This Development Schedule Extension Fee must be paid to us with our then-current royalty collections process. For each month this is paid, your development schedule for each of those unit rights will be extended by one month. We will allow you to pay a Delayed Opening Fee for up to 12 months.

e)d) Loss of Protected Territory. If at any point you (a) do not pay your delayed opening fee, (b) stop or refute our ability to ACH this transaction, (c) notify us, in writing, that you no longer want to be charged the delayed opening fees, or (d) after a period of 12 months of paying the delayed opening fee, you will immediately lose your protected territory rights.

If at any point, you are (e)d) not current on your obligations owed to us, (b)e) not in compliance with your Franchise Agreement(s) or Development Agreement, or (e)f) not showing a good faith effort in trying secure and open your next scheduled studio, your territory and remaining development rights will be immediately terminated.

Deka Lash reserves the right to revise the above options at any time.

## 6. TERM AND TERMINATION

**6.1 Term.** This Agreement will commence as of the date it is fully executed and, unless earlier terminated by us, will end on the earlier of a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or b) the date you execute a lease for the final Franchised Business required to be opened and operating under the Development Schedule. Upon expiration or termination of this Agreement for any reason, you will not have any rights within the Development Area other than the territorial rights granted in the franchise agreement executed in connection with any Franchised Businesses that you have opened and commenced operating as of the date this Agreement is terminated or expires.

**6.2 Termination.** Any material violation or breach of any Franchise Agreement or this Agreement will be deemed a material violation of this Agreement and any and all Franchise Agreements between the parties. The non-breaching party will be entitled to enforce the penalties of or to terminate this Agreement or the relevant Franchise Agreement(s) as provided in the relevant Franchise Agreement(s) for enforcement or termination. In addition, Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events:

- a) *Cease to Actively Engage*. If Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Businesses within the Development Area;
- b) *Insolvency*. If Developer becomes insolvent, meaning unable to pay bills in the ordinary course of business as they become due;

- c) *Failure to Meet Development Schedule.* If Developer fails to meet its development obligations under the Development Schedule for any Development Period, and fails to cure such default within 30 days of receiving notice thereof; and
- d) *Termination of Associated Franchise Agreement(s).* If any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

Upon termination of this Agreement, Franchisor may establish or license others to establish Deka Lash units and operations within the previously reserved Development Area without limitation or restriction. In addition, Developer's right to open and operate any of the remaining Franchises that have not yet opened for business in the Development Area is revoked and terminated. This means that Developer will have no further right to construct, equip, own, open or operate additional Deka Lash units which are not, at the time of termination or expiration, the subject of a then-existing Franchise Agreement between Franchisor and Developer which is in full force and effect.

## **7. RESERVATION OF RIGHTS**

Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that we and our affiliates reserve all other rights not expressly granted to you herein.

## **8. SALE OR ASSIGNMENT**

Your rights under this Agreement are personal and you may not sell, transfer, or assign any right granted herein, including but not limited to a transfer, sale, or assignment of any shares, stock, membership, or other ownership interest in this Agreement. Notwithstanding, if you are an individual, you may assign your rights under this Agreement to a corporation or limited liability company that is wholly owned by you according to the same terms and conditions as provided in your initial Franchise Agreement. We, at our discretion, have the right to assign this Agreement to a person or entity who remains bound by its terms.

## **9. GOVERNING LAW**

The Governing Law provisions of your Franchise Agreement apply with equal force to this Agreement.

## **10. MISCELLANEOUS**

**10.1 Notices.** All notices under this Agreement are to be in writing, and delivered by either hand, a commercial delivery service, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice). Notices may additionally be sent to [legal@dekalash.com](mailto:legal@dekalash.com).

**10.2 Waiver.** Our failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of our right to do so as to any other provision of this Agreement. Delay or omission by us respecting any breach will not affect our rights respecting any subsequent breach.

**10.3 Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires.

**10.4 Additional Documentation.** You must, from time to time, at our request and without further consideration, execute and deliver such other documentation or agreements and take such other action as we may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that you fail to comply with the provisions of this Section, you hereby appoint us as your attorney-in-fact to execute any and all documents on your behalf, as reasonably necessary to effectuate the transactions contemplated herein.

**10.5 No Right to Offset.** You may not withhold all or any part of any payment to us or any of our affiliates on the grounds of the alleged nonperformance of us or any of our affiliates or as an offset against any amount we or any of our affiliates may owe or allegedly owe you under this Agreement or any related agreements.

**10.6 Entire Agreement.** This Agreement contains the entire agreement between the parties concerning the subject matter hereof and supersedes all prior negotiations, understandings, and representations. Modifications of this Agreement must be in writing and signed by both parties. Nothing in this Agreement or in any related agreement, however, is intended to disclaim any of the representations that we made in the Franchise Disclosure Document furnished to you.

**10.7 All Other Aspects Governed by the Initial Franchise Agreement.** All other aspects of the parties' relationship not specifically addressed in this Agreement, are outlined, subject to, and governed by the Initial Franchise Agreement signed in conjunction with this agreement.

## 11. GUARANTY

The Developer named on the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated above, the obligation to make specified payments, and pay any other debts due to us. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

**APPROVED AND AGREED TO BY:**

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Area Development Agreement  
Executed Date  
\_\_\_\_\_

**APPENDIX 1 - DATA SHEET  
TO THE DEVELOPMENT AGREEMENT**

**1. Development Area\***. The Development Area, as referred to in Section 1 of the Development Agreement, is the following geographic area:

Zip Codes:

2. **Number of Franchised Businesses.** Developer will be required to open \_\_ Franchised Businesses.
3. **Development Fee.** Immediately upon execution of this Agreement, Developer must pay Franchisor a Development Fee equal to \$\_\_, which will be deemed fully earned and non-refundable upon execution of the Development Agreement.
4. **Development Schedule.** The Development Schedule referred to in Section 1 of the Development Agreement is as follows:

Development Period	Expiration Date	Number of New Franchised Businesses Developer Must Open in Development Area	Cumulative Number of Franchised Businesses Developer Must Have Open Within Development Area
First	12 Months from Effective Date		
Second	24 Months from Effective Date		
Third	36 Months from Effective Date		
Fourth	48 Months from Effective Date		
Fifth	60 Months from Effective Date		

**APPROVED AND AGREED TO BY:**

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**APPENDIX 2 – STATE ADDENDA  
TO THE DEVELOPMENT AGREEMENT**

To the extent applicable, the following State Addenda supersede any inconsistent provision in your Area Development Agreement.

The State Addenda to the Franchise Agreement apply to you if you are a resident of the state as to which an Addendum follows, or your franchise territory is in that state, with the exception of Virginia. In the case of Virginia, any Virginia Addendum to the Area Development Agreement only applies if the franchise territory is in Virginia.

**CALIFORNIA ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

Section 6.2 is deleted and in its place is substituted the following:

**6.2 Termination.** (a) We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

- a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;
- b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;
- c) The franchisor and franchisee agree in writing to terminate the franchise;
- d) The franchisee makes any material misrepresentations relating to the acquisition of the Franchised Business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or system;
- e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;
- f) The franchisee, after curing any failure in accordance with Section 6.2(b) engages in the same noncompliance whether or not such noncompliance is corrected after notice;
- g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;
- h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;
- i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

- j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or
- k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

**6.2(b)** We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

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. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS. <https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf>.

**DEVELOPER**

\_\_\_\_\_  
 (Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
 d/b/a Dekalash

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**HAWAII ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. 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.

2. Initial Fee Deferral. The Area Development Agreement is modified to also provide that we will collect the development fee on a pro-rated basis as each outlet is opened under the development agreement.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ILLINOIS ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Any condition, stipulation, or provision of the Area Development Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. 815 ILCS 705/41.
2. The Area Development Agreement is modified to also provide the following: "Based on our current financial condition, the Illinois Attorney General's Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General's Office."
3. Illinois law governs the agreements between the parties to this franchise.
4. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
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.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

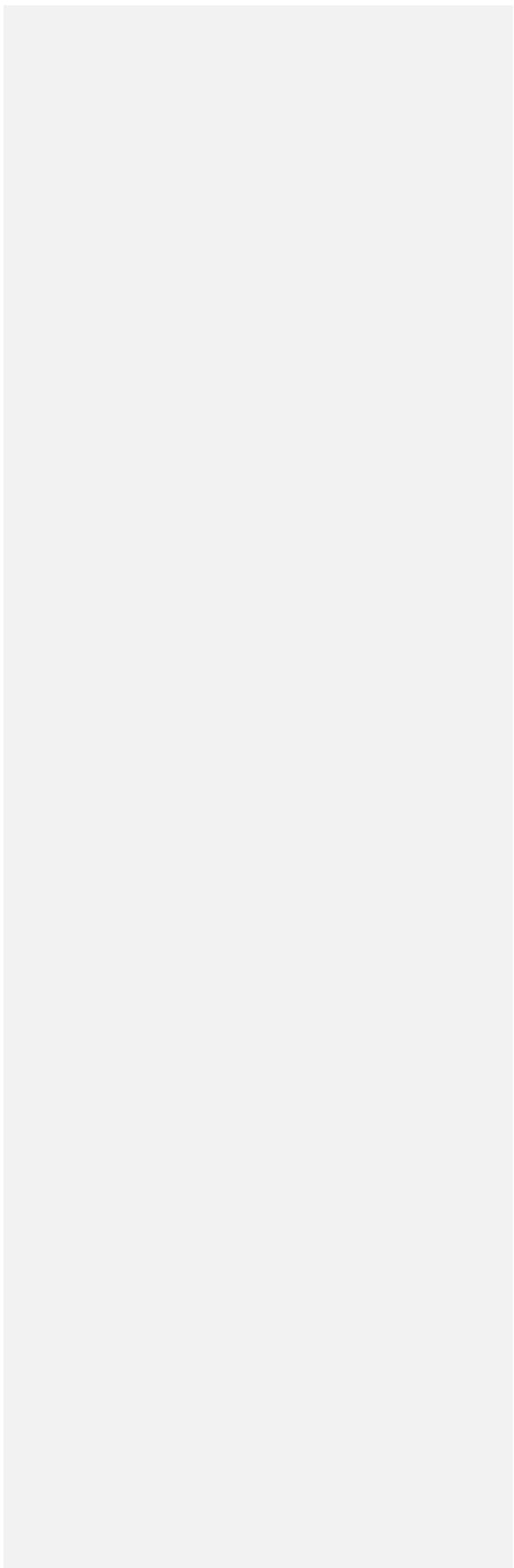
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**MARYLAND ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Any limitation on the period of time to bring arbitration or litigation of claims shall not act to reduce the 3 year statute of limitation afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. The acknowledgment or representations of the developer made in the Area Developer Agreement which disclaim the occurrence or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. This franchise 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. 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.
6. Initial Fee Deferral. The Area Development Agreement is amended to also provide: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens."

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**MINNESOTA ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the area developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the area developer's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) area developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that an area developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the area development agreement and that consent to the transfer of the area development agreement will not be unreasonably withheld.
- The franchisor will protect the area developer's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the area developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the area developer's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring an area developer to assent to a general release.
- The area developer cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

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

Surety Bond:

The Area Development Agreement is amended to also provide the following: "Based on our current financial condition, the Minnesota Commerce Department has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Department."

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**NORTH DAKOTA ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

“You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

2. North Dakota law governs any cause of action arising out of the Area Development Agreement.

3. Any requirement in the Area Development Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Initial Fee Deferral:

The Area Development Agreement is modified to also state that the franchisor defers the receipt of the initial franchise fee until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee is open for business.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

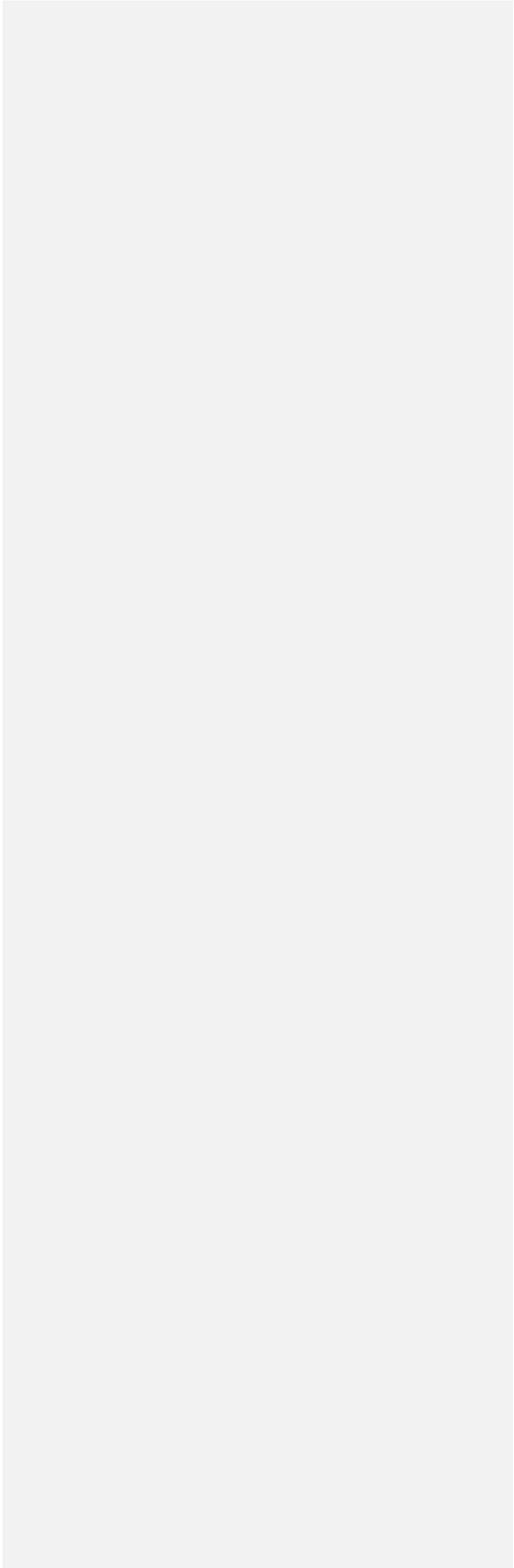
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RHODE ISLAND ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

- ~~4.6.~~ If the Area Development Agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.
- ~~2.7.~~ Any provision in the Area Development Agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- ~~3.8.~~ Any provision in the Area Development Agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- ~~4.9.~~ The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of the Area Development Agreement, which constitutes a waiver of rights granted under the Act, is superseded.
- ~~5.10.~~ You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SOUTH DAKOTA ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. The Area Development Agreement is clarified to also indicate that 50% of the Development Fee is deemed paid for the use of our Marks and 50% is deemed paid for our training, support, and franchise system.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT

~~If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.~~

~~The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.~~

~~1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~chapter 19.100 RCW will prevail.~~

~~2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the areas of termination Franchise Disclosure Document, are subject to state law.~~

~~3. **Site of Arbitration, Mediation, and** renewal of your franchise.~~

~~/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~4. **General Release.** A release or waiver of rights ~~executed by a in the franchise agreement or related agreements purporting to bind the~~ franchisee ~~may not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any ~~rules~~rules or ~~order orders~~ thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).~~

~~5. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which contained in the franchise agreement or related agreements that~~ unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

~~6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any 7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.~~

**8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere that conflict requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

**14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations ~~are~~ is void and unenforceable in Washington.

**15. Nonsolicitation Agreements.** 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 Area Development Agreement is amended to also state:~~

~~A surety bond in the amount of \$100,000 has been obtained by the Franchisor. The Washington~~

~~Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.~~

**16. Questionnaires and Acknowledgments.** 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.

~~Except to the extent modified above, all other terms and provisions of the Area Development Agreement shall remain in full force and effect.~~

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**WISCONSIN ADDENDUM  
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. If the Area Development Agreement contains any provision that conflicts with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
  
2. With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, area development agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of an area development agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

**DEVELOPER**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT D**  
**STATE FRANCHISE ADMINISTRATORS**

<p><b>CALIFORNIA</b></p> <p>Department of Financial Protection and Innovation  <a href="#">2101 Arena Boulevard</a><a href="#">651 Bannon Street, Suite 300</a>          Sacramento, CA <a href="#">9583495811</a>          (866) 275-2677  <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a>  <a href="mailto:Ask.DFPI@dfpi.ca.gov">Ask.DFPI@dfpi.ca.gov</a> (e-mail)</p>	<p><b>NEW YORK</b></p> <p>NYS Department of Law          Investor Protection Bureau          28 Liberty St. 21st Floor          New York, NY 10005          212-416-8285</p>
<p><b>HAWAII</b></p> <p>Commissioner of Securities of the State of Hawaii          Department of Commerce and Consumer Affairs          Business Registration Division          335 Merchant Street, Room 203          Honolulu, HI 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b></p> <p>North Dakota Securities Department          600 East Boulevard Avenue          State Capital, Fifth Floor, Dept. 414          Bismarck, ND 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b></p> <p>Office of Attorney General          The Franchise Bureau          500 South Second Street          Springfield, IL 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b></p> <p>State of Rhode Island          Department of Business Regulation          Securities Division          John O. Pastore Complex          1511 Pontiac Avenue, Bldg. 69-1          Cranston, RI 02920          (401) 462- 9587</p>
<p><b>INDIANA</b></p> <p>Indiana Securities Division          302 West Washington Street, Room E-111          Indianapolis, IN 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b></p> <p>Division of Insurance          Securities Regulation          124 South Euclid, Suite 104          Pierre, SD 57501          (605) 773-3563</p>
<p><b>MARYLAND</b></p> <p>Office of the Attorney General          Securities Division          200 St. Paul Place</p>	<p><b>VIRGINIA</b></p> <p>State Corporation Commission          Division of Securities and Retail Franchising          1300 E. Main Street, 9<sup>th</sup> Floor</p>

Baltimore, MD 21202 (410) 576-6360	Richmond, VA 23219 (804) 371-9051
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<b>MICHIGAN</b>  Department of Attorney General Consumer Protection Division – Franchise Section PO Box 30213 Lansing, MI 48909 (517) 373-7117	<b>WASHINGTON</b>  State of Washington Department of Financial Institutions Securities Divisions PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760
<b>MINNESOTA</b>  Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	<b>WISCONSIN</b>  Wisconsin Department of Financial Institutions Franchise Registration, Division of Securities PO Box 1768 Madison, WI 53701-1768 (608) 267-9140

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**EXHIBIT E**  
**AGENTS FOR SERVICE OF PROCESS**

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<b>California</b>	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation <a href="#">2101 Arena Blvd.</a> <a href="#">651 Bannon Street, Suite 30</a> Sacramento, CA <a href="#">9583495811</a>
<b>Hawaii</b>	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
<b>Illinois</b>	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
<b>Indiana</b>	Secretary of State Indiana Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204
<b>Maryland</b>	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
<b>Michigan</b>	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
<b>Minnesota</b>	Minnesota Commissioner of Commerce Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
<b>New York</b>	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001 (518) 473-2492 Phone
<b>North Dakota</b>	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue

State Capital, Fifth Floor, Dept. 414  
Bismarck, ND 58505-0510

**Rhode Island**

Director of the Rhode Island  
Department of Business Regulation  
1511 Pontiac Avenue  
Cranston, RI 02920

**South Dakota**

Division of Insurance  
Securities Regulation  
124 South Euclid, Suite 104  
Pierre, SD 57501

**Virginia**

Clerk of the State Corporation Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**Washington**

Administrator of Securities  
Department of Financial Institutions  
150 Israel Rd., SW  
Tumwater, WA 98501

**Wisconsin**

Division of Securities  
Department of Financial Institutions  
201 West Washington Avenue, 3<sup>rd</sup> Floor  
Madison, WI 53703

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**EXHIBIT F-1**  
**FRANCHISOR ADDENDUM; CONDITIONAL ASSIGNMENT OF LEASE**

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**THIS FRANCHISOR ADDENDUM AND CONDITIONAL ASSIGNMENT OF LEASE** (“**Agreement**”) is made a part of that certain Lease to which it is attached and is dated of even date therewith. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

**WHEREAS**, as a condition to the grant of rights under the Franchise Agreement to Tenant, Franchisor requires that Tenant and Landlord enter into this Agreement by their attachment to the Lease to which it is attached.

**NOW, THEREFORE**, for and in consideration of the execution of the Lease by Landlord and Tenant and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

- I. Tenant assigns all of its right, title and interest in and to the Lease and the Premises to Franchisor, effective automatically without further action of Tenant upon notice from Franchisor to Landlord. Although it is the intention of the parties that this Agreement may be effective as a present assignment, it is expressly understood and agreed that until an event described below has occurred and Franchisor has exercised its remedies, Landlord shall look to Tenant for full performance of Tenant's obligations under the Lease. In no event shall Franchisor have any liability, duty, or obligation to Landlord under the Lease or otherwise without Franchisor's written consent in its sole discretion.
- II. With the exception of Sections III, IV, VIII, IX below which are effective as of the date this Agreement is fully executed by the parties, the assignment of Lease contemplated hereunder is conditional and shall not be effective until the “Effective Date,” as defined in Section 5V of this Agreement. Franchisor shall have no right to assume the Lease unless and until:
  - a. Default by Tenant under the terms of the Lease, which default is not cured by Tenant within the time limits provided therein; or
  - b. Default by Tenant under the terms of the Franchise Agreement which default is not cured by Tenant within the time limits provided therein; or
  - c. Voluntary institution of any insolvency or bankruptcy proceedings as a debtor or insolvent on the part of Tenant or involuntary insolvency or bankruptcy proceedings brought against Tenant which are not dismissed within 60 days of the filing thereof; [or](#)
  - d. Discontinuation by the Tenant of operation of a Deka Lash operation in the Premises, whether voluntarily or involuntarily; or
  - e. Nonrenewal by Tenant of the Franchise Agreement
- III. During the term of the Lease, Landlord agrees to give Franchisor written notice of all defaults of Tenant concurrently with the giving of such notice to Tenant. Landlord

further agrees to give Franchisor a 10 day period to cure such default, or the period provided to the Tenant in the Lease, whichever period shall be longer.

- IV. Nothing in this Agreement shall obligate Franchisor to cure any such default, unless Franchisor agrees in writing in its sole discretion.
- V. The date upon which the assignment shall be effective (the “**Effective Date**”), is the date upon which Landlord and Tenant receive written notice from Franchisor that:
  - a. Franchisor will cure the default of Tenant in the Lease in which Landlord has given notice to Franchisor pursuant to the provisions of Section [311](#) above, and that Franchisor will assume the Lease; or
  - b. The events described in either subsections [211\(b\)](#), [211\(c\)](#), [211\(d\)](#) or [211\(e\)](#) above have occurred and that Franchisor will assume the Lease.
- VI. As of the Effective Date, Franchisor will assume all rights, duties, responsibilities and obligations of Tenant arising on or after the Effective Date pursuant to the terms and provisions of the Lease.
- VII. Landlord hereby consents to the terms and provisions of this Agreement, and to the assignment of the Lease to Franchisor. Landlord agrees that after the Effective Date, Franchisor may (i) enter into a sublease with any other franchisee of Franchisor without Landlord’s further consent, or (ii) further assign the Lease to a franchisee of Franchisor who shall agree to assume Tenant’s obligations under the Lease. Landlord further agrees that upon the occurrence of any such assignment, Franchisor shall have no further liability or obligation under the Lease.
- VIII. Tenant and Landlord agree not to allow any surrender or other assignment of the Lease without the prior written consent of Franchisor.
- IX. All notices or demands required hereunder shall be made in writing and shall be deemed to be fully given two days after deposit in the U.S. certified mail, postage prepaid, return receipt requested or one day after sent Federal Express or similar overnight courier for overnight delivery. Franchisor’s address for notices is [20 South Main Street, #248, Bountiful, UT 84010-3527 Washington Road, McMurray, PA 15317](#). [Notices must also be sent to legal@dekalash.com](#).

The terms and conditions of this Addendum shall amend, supersede, replace, and control over any conflicting or inconsistent terms and conditions in the Lease; except as modified in this Addendum, all other terms and conditions of the Lease shall remain unmodified and in full force and effect.

**FRANCHISEE:**

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

**LANDLORD:**

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

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**EXHIBIT F-2**  
**TELEPHONE NUMBER & INTERNET ASSIGNMENT AGREEMENT**

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**THIS ASSIGNMENT AGREEMENT** is made between DL Franchising, LLC d/b/a Deka Lash, (“Franchisor,” “we,” “us,” or “our”) and the franchisee named below (“Franchisee,” “you” or “your”). Jointly, DL Franchising, LLC and the franchisee named below shall be referred to as the “Parties.”

The partiesParties are entering into one or more Franchise Agreements. For value received, Franchisee hereby irrevocably assigns to Franchisor all listings associated with the Deka Lash franchise, including all telephone numbers, telephone listings, email addresses, domain names, social media accounts, Internet listings, websites, and comparable electronic identities used in connection with the Marks or the operation of the Franchised Business covered by the Agreement, whether now-existing or adopted by Franchisee in the future, (collectively “Listings”).

As a condition to signing the Franchise Agreement(s), we have required that you assign all of your Listings relating to the Deka Lash Franchise(s) to us upon the expiration or termination of any of the Franchise Agreements.

Franchisee agrees to update us, as soon as possible, of any listings adopted by Franchisee. Franchisee agrees to pay all amounts pertaining to the use of the Listings incurred by it when due. Upon expiration or termination of the Franchise Agreement(s) for any reason, Franchisee’s right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, including all sums owed under existing contracts for telephone directory advertising and to immediately at Franchisor’s request, (i) take any other action as may be necessary to transfer the Listings and numbers to Franchisor or Franchisor’s designated agent, (ii) install and maintain, at Franchisee’s sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone directory or directory assistance listing, Internet directory, website or advertising, whether published or online.

Franchisee agrees that Franchisor may require that all telephone numbers and telephone and internet equipment and service must be owned or provided by Franchisor or a supplier approved by Franchisor and that Franchisor has the right to require Franchisee to “port” or transfer to Franchisor or an approved call routing and tracking vendor all phone numbers associated with the Franchised Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks.

Franchisee appoints Franchisor as Franchisee’s attorney-in-fact, to act in Franchisee’s place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor’s designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such numbers, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee’s rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint

another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

The validity, construction and performance of this Assignment is governed by the laws of the ~~State in which we are located (currently Utah)~~ Commonwealth of Pennsylvania. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All our rights inure to our benefit and to the benefit of our successors and assigns.

**APPROVED AND AGREED TO BY:**

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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**EXHIBIT F-3**  
**CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

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THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT ("Agreement") is made on the date [entered of the last signature](#) below between DL Franchising, LLC d/b/a Deka Lash ("Company") and the below named recipient ("Recipient").

WHEREAS, Company has or is about to undertake discussions with Recipient regarding a franchise business opportunity (the "Opportunity"); and

WHEREAS, in connection with the Opportunity, Company may grant to Recipient access to Confidential Information, which such Confidential Information, including its existence and terms, the Company does not want made public, except as may be required by law;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definition.** Confidential Information shall include all oral, written, and electronic information, [regardless of whether marked as "confidential" or "proprietary,"](#) which is furnished by Company to Recipient in connection with the Opportunity and which is not available to the public, including but not limited to all business information, agreements, technical information, marketing, manuals, operating materials, and data.
2. **Restricted Use.** Recipient agrees that the Confidential Information will not be used or disclosed to any third party except business advisors such as CPA's or attorneys with a need to know, or in response to a lawful summons, subpoena, or discovery request, without the express prior written consent of Company. [All recipients must either be bound by a professional responsibility of confidentiality or must enter into confidentiality obligations no less restrictive than those set forth herein.](#)
3. **Injunctive Relief.** Recipient acknowledges that the remedy at law for any breach by it of the terms of this Agreement shall be inadequate and that the damages resulting from such breach are not readily susceptible to being measured in monetary terms. Accordingly, in the event of a breach or threatened breach by Recipient of the terms of this Agreement, Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to Company for such breach or threatened breach, including the recovery of damages from Recipient. Recipient further represents that it understands and agrees that the provisions of this Agreement shall be strictly enforced and construed against it.
4. **Non-Waiver.** No failure or delay by Company in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
5. **Pennsylvania Law.** This Agreement is effective upon its acceptance in Pennsylvania by Company's authorized personnel. Pennsylvania governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties ("Claims").

6. Jurisdiction and Venue. In any suit over any Claims, the parties agree to the sole and exclusive venue and personal jurisdiction in the state and federal court of the city or county of Company's National Office, presently the Pittsburgh, Pennsylvania state and federal courts.

7. Jury Waiver. In any trial between any of the parties, as to any Claims, the parties agree, [to the extent permitted by applicable law](#), to waive their rights to a jury trial and instead have such action tried by a judge.

8. Class Action Waiver. Recipient agrees that any Claim Recipient may have shall be brought individually and Recipient shall not join with claims of any other person or entity or bring, join or participate in a class action against Company.

9. Punitive Damages Waiver. In any Claim, the parties agree to waive their rights, if any, to seek or recover punitive damages.

10. Attorney Fees. In any Claim, in the event that Company is the prevailing party, Company shall be entitled to recover its costs and attorney fees.

IN WITNESS WHEREOF, the parties have executed this Confidentiality Agreement on the date below.

**APPROVED AND AGREED TO BY:**

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISOR**

DL Franchising, LLC  
d/b/a Dekalash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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**EXHIBIT F-4  
AUTOMATIC BANK DRAFT AUTHORIZATION**

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**ACH Origination Authorization**

Please complete the following with your banking information and attach a voided check:

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

Name of Financial Institution: \_\_\_\_\_

Address of Financial Institution: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

I hereby authorize DL Franchising, LLC and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either DL Franchising, LLC or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

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

Printed Name of Person Signing: \_\_\_\_\_

Title (if any): \_\_\_\_\_

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

Telephone Number: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

\_\_\_\_\_

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**EXHIBIT F-5  
CLOSING ACKNOWLEDGMENTS**

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Not to be used as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI]

Do not sign the Closing Acknowledgments if you are a resident of Maryland or the franchise is to be operated in Maryland.

DL FRANCHISING, LLC (“Deka Lash”) (“we/us”), through the use of this Franchisee Closing Acknowledgement, desires to clarify and confirm your understanding and acceptance of the terms of the agreements, to verify certain information about the sales process, and to confirm that we and our employees have complied with applicable franchise disclosure laws and have not authorized anything that may be untrue, inaccurate or misleading. We further desire to confirm that you fully understand that the purchase of a Deka Lash franchise is a business decision involving the evaluation of many risks. Our policy is to verify and confirm that in making your decision you are not relying upon any oral statement, representation, promise or assurance made during the negotiations for the purchase of a Deka Lash franchise by any of our directors, officers, employees, agents, or representatives (each, a “Representative”) that is not specifically reported in our then-current Franchise Disclosure Document, including all of the exhibits attached to it (the “Franchise Disclosure Document”). Please review each of the following questions and statements and INITIAL ONLY IF YOU AGREE WITH SUCH. IF YOU DO NOT AGREE WITH THE FOLLOWING, DO NOT SIGN YOUR FRANCHISE AGREEMENT.

1. I have personally and carefully reviewed the Franchise Disclosure Document and Deka Lash Franchise Agreement and understand the terms, conditions, and obligations of these agreements.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

2. I have had the opportunity to consult with independent legal, accounting and franchise advisory experts before signing the Deka Lash Franchise Agreement and addenda.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

3. I acknowledge that I received the Franchise Disclosure Document for at least 15 calendar days (14 complete days) prior to the signing a binding agreement or made a payment in connection with this Franchise Sale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

4. I acknowledge that I received the Franchise Agreement where there has been material changes made to the ~~franchise agreement~~ [Franchise Agreement](#) in favor of the franchisor (if applicable) at least 8 calendar days (7 complete days) prior to the signing a binding agreement or made a payment in connection with this Franchise Sale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

5. I acknowledge that I am exclusively responsible to locate and secure a franchise site and that it is my duty to investigate and adhere to the laws, rules and regulations (including the federal, state, city or locality laws or rules) applicable to owning and operating a Deka Lash facility.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

6. I have investigated the designated search area in which I am to establish and operate my Franchised Business and the laws, rules and regulations applicable thereto and represent that the market in the area is reasonable, suitable locations are and shall be available for the operation of a Deka Lash franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate such franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

7. I acknowledge that if there is any applicable laws, rules and regulations (including the federal, state, city or locality laws or rules) such that it makes it illegal, fiscally impractical, or otherwise impractical to offer services provided in association with operating a Deka Lash facility, that I will not be refunded any of the initial franchise fee, the Development Fee associated with Area Development Agreement (where appropriate), the Non-Refundable Training Fee and/or the Operations Onboarding & First Studio Opening Support Fees paid for any opened or unopened territories.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

8. I acknowledge that my investment involves substantial business risk and that there is no guarantee I will find a suitable location or that it will be profitable, and I am willing to take these business risks.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

9. Except as explicitly set forth in the Franchise Agreement or a written Addendum to it, no promises, oral or written agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter. This includes, but is not limited to, any representations or promises regarding advertising, marketing, training, site location, operational assistance or other services that is contrary to, or different from, the information contained in the Franchise Disclosure Document.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

10. Except as contained in your Franchise Disclosure Document, including Item 19, no oral, written, visual or other claim or representation has been made to me by any person or entity, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is not contained in the Franchise Disclosure Document.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

11. Prior to the execution of this Agreement, I have not been given any advice or reviewed any of business plans, pro formas, or third-party loan applications related to my purchase and proposed operation of the Franchise with the franchisor.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

12. I acknowledge that even if an oral, written, visual claim, representation, promise, agreement, contract, commitment, representation, understanding or otherwise which contradicts or is inconsistent with the Franchise Disclosure Document was made to me, I have not relied in any way on any such matter when making the decision in reference to the Franchise Agreement.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

13. I acknowledge that I will not be provided financial assistance by the franchisor and the franchisor has made no representation that they will buy back any products, supplies, territories or equipment purchased in connection with my Franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

14. I acknowledge that I have made my own independent determination as to whether I have the capital necessary to fund a Deka Lash franchise.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

15. I acknowledge that it is my responsibility to participate in the day-to-day management of my Deka Lash franchise and the success or failure of my Deka Lash franchise depends primarily upon my efforts and not those of Deka Lash-, [including attendance of all conventions, meetings, and trainings.](#)

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

16. I warrant that my purchase of the franchise is for my own account and is not made with a view to or for resale.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

17. I acknowledge that one or more franchise brokers, consultants, area representatives, and/or other referral sources may be paid in relation to selling me this franchise and I acknowledge that such franchise brokers, consultants, area representatives and/or other referral source represents the franchisor and not me.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

18. I acknowledge that the ~~initial franchise fee~~[Initial Franchise Fee](#) and/or the Development Fee associated with Area Development Agreement (where appropriate), the Operations Onboarding & First Studio Opening Support Fee (where appropriate) and the Non-Refundable Training Fee (where appropriate) is fully earned at the time of execution and that is NOT REFUNDABLE UNDER ANY CIRCUMSTANCES.

Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement	Initial Indicating Agreement

*[remainder of page intentionally left blank]*



All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law or Washington Franchise Investment Protection Act.

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.

By signing below, you are representing that you have responded truthfully to the above questions.

**California Notice:** Residents of California or persons purchasing a franchise territory located in California may not execute this Questionnaire. If any such person does accidentally execute this Questionnaire, the franchisor agrees not to use the Questionnaire in any manner.

**Hawaii Notice:** Residents of Hawaii or persons purchasing a franchise territory located in Hawaii may not execute this Questionnaire. If any such person does accidentally execute this Questionnaire, the franchisor agrees not to use the Questionnaire in any manner.

[Not to be signed as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI]

**APPROVED AND AGREED TO BY:**

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

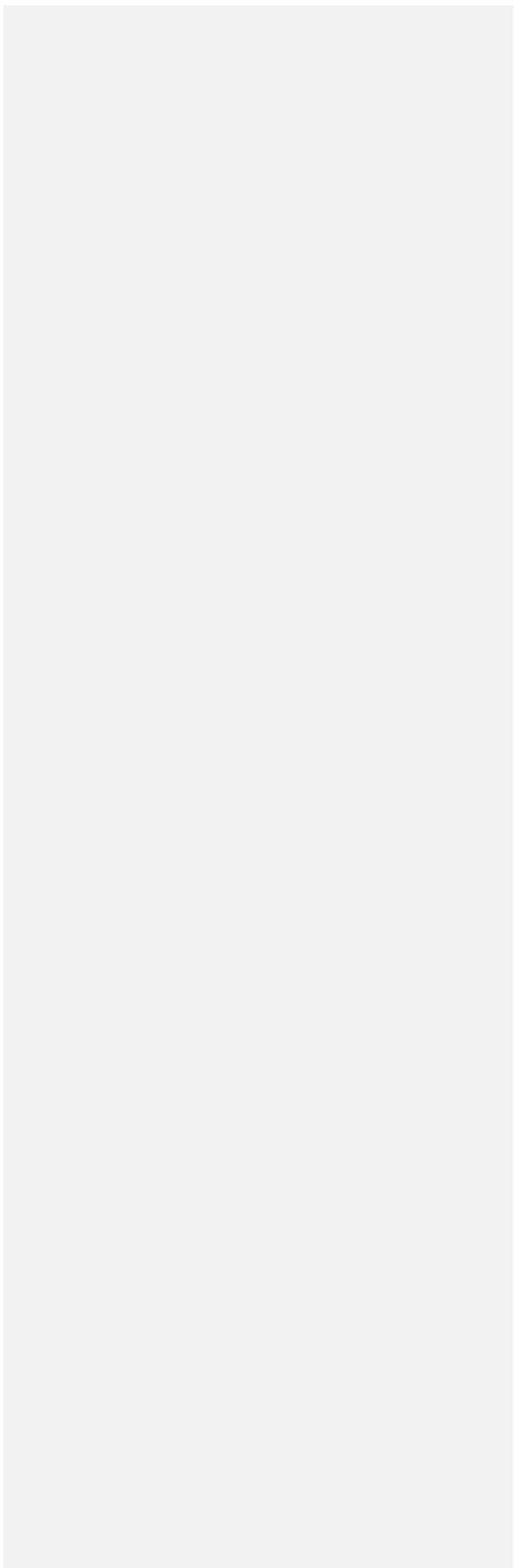
**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



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**EXHIBIT F-6  
SBA ADDENDUM**

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## ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Franchisor"), located at \_\_\_\_\_, and \_\_\_\_\_ ("Franchisee"), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

### CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

### FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

### COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

**FRANCHISOR:**

**FRANCHISEE:**

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

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

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

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

**Note to Parties: This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.**

**EXHIBIT G  
CURRENT FRANCHISEES**

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

**Operational Outlets (as of 12/31/~~2023~~2024):**

Franchisee	Studio Address	Studio City	Studio State	Studio Zip	Studio Phone Number
Danny and Bernadette Baker	16459 N Scottsdale Rd., Suite C105	Scottsdale	Arizona	85254	<del>(623) 469-0329</del> (480) 530-2510
<a href="#">Lorra Smith and Bryan Higgins*</a> <del>Geetha Jayaram*</del>	745 East Joyce Blvd., Suite 108	Fayetteville	Arkansas	72703	(479) 318-1610
<del>Geetha Jayaram*</del> <a href="#">Lorra Smith and Bryan Higgins*</a>	3939 S. Grand Ave., Suite D108	Rogers	Arkansas	72758	(479) 268-2672
Jeff Kenney*	2545 Eastbluff Drive	Newport Beach	California	92660	(949) 417-6687
Jeff Kenney*	409 N. Pacific Coast Highway, Suite 102	Redondo Beach	California	90277	(424) 254-1176
<a href="#">Nikunj Sharma and Neetu Jaiswal</a>	<a href="#">715 W. Hamilton Ave, Suite 1100</a>	<a href="#">Campbell</a>	<a href="#">California</a>	<a href="#">95008</a>	<a href="#">(408) 837-5661</a>
<a href="#">Nikunj Sharma and NeetusNeetu Jaiswal</a>	874 Blossom Hill Road, Suite A	San Jose	California	95123	(408) 883-3496
Qibo (Peter) Tan	4509 Livermore Outlets Dr	Livermore	California	94551	(925) 495-1978
<del>Daniel Will*</del>	<del>23628 El Toro Road, Unit #4D</del>	<del>Lake Forest</del>	<del>California</del>	<del>92630</del>	<del>(949) 610-0903</del>
Waqas and Nauena Khan*	3658K Capitol Avenue, <del>Suite K</del>	Fremont	California	94538	(510) 216-3966
Joseph and Sue Mundi*	5773 E. Santa Ana Canyon Road, Suite D	Anaheim	California	92807	(714) 248-0168
Joseph and Sue Mundi*	4201 McGowen Street, Unit 250	Long Beach	California	90808	(562) 321-9213
Pamela Richards and Karl Carlson	8680 Sierra College Blvd., Suite <del>120</del> 130	Roseville	California	95661	(916) 562-1656
David Schiff	5825 Kanan Road, <a href="#">Unit A</a>	Agoura Hills	California	91301	(818) 237-4337
<a href="#">Nikunj Sharma and Neetu</a>	3949 East Castro Valley Blvd.	Castro Valley	California	94552	(510) 295-0323

<a href="#">Jaiswal*Caroline &amp; Andrew Jensen</a>					
<a href="#">Nikunj Sharma and Neetu Jaiswal*</a>	<del>715 W. Hamilton Ave., Unit #1100</del>	<del>Campbell</del>	<a href="#">California</a>	<del>95008</del>	<del>(408) 837-5661</del>
Alex and Caroline Patterson	680 Mitchell Way, Unit 130	Erie	Colorado	80516	(720) 673-9559
<a href="#">Alisha &amp; Bhuwan Gautam</a>	5746 <a href="#">South S. Wadsworth Boulevard, Blvd.</a> , Suite 102	Littleton	Colorado	80123	(720) 773-2958
<del>Kearin Schulte, Lexi Tehven, &amp; Sam Tehven*</del>	1931 Sheridan Blvd., Suite G-4	Edgewater	Colorado	80214	(303) 823-4478
<del>Kearin Schulte, Lexi Tehven, &amp; Sam Tehven*</del>	17051 Lincoln Ave., Unit D	Parker	Colorado	80134	(303) 532-5823
Lexi Tehven and Sam Tehven	275 Clayton Street	Denver	Colorado	80206	(303) 823-4480
Fabiola Baptiste	201 Evergreen Way, Suite 261	<a href="#">NewSouth Windsor</a>	Connecticut	06074	(860) 292-0810
Ariel Guimaraens * <a href="#">Aaran Fazzolari</a>	10059 Cleary Blvd	Plantation	Florida	33324	(954) 906-0649
<a href="#">Kelly &amp; Rance Brown</a>	14410 Shoreside Way, Suite 110	Winter Garden	Florida	34787	(321) 376-5362
<a href="#">Ravi &amp; Manisha Mohan*</a>	<a href="#">316 E. Lake Road S.</a>	<a href="#">Palm Harbor</a>	<a href="#">Florida</a>	<a href="#">34685</a>	<a href="#">(727) 228-8130</a>
Ravi and Manisha Mohan*	3138 Little Rd	Trinity	Florida	34655	(727) 234-8611
Jeff and Sara Cronin*	1935 West Lumsden Road	Brandon	Florida	33511	(813) 344-0725
Jeff and Sara Cronin*	1550 S Dale Mabry Hwy	Tampa	Florida	33629	(813) 296-2618
Paula Carrerio	14851 Lyons Rd., Suite H-104	Delray Beach	Florida	33446	(561) <del>500-5274</del> <a href="#">536-4919</a>
Danielle Jones	15006 N Dale Mabry Hwy.	Tampa	Florida	33618	(813) 605-7319
Beth Tate*	4765 Hodges Blvd., Suite 9	Jacksonville	Florida	32224	(904) 289-1087
<del><a href="#">Ravi and Manisha Mohan*</a> <a href="#">Beth Tate*</a></del>	<del><a href="#">316 E Lake Rd. 125 Rainier Lane, Suite 5</a></del>	<del><a href="#">St. Johns Palm Harbor</a></del>	Florida	<del><a href="#">32259</a> <a href="#">34685</a></del>	<del><a href="#">(904) 201-2384</a> <del>(727) 228-8430</del></del>
Bryanna and Bob Rawe*	5320 Donald Ross Rd., Suite 120	Palm Beach Gardens	Florida	33418	(561) 600-5144
David Spire*	11559 East State Road 70	Lakewood Ranch	Florida	34202	(941) 219-3470
Hector & Claudia Morales	8246 Mills Drive	Miami	Florida	33183	(305) 407-2073
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">5001 Peachtree Blvd., Suite 620</a>	<a href="#">Chamblee</a>	<a href="#">Georgia</a>	<a href="#">30341</a>	<a href="#">(470) 443-3363</a>

Brad Collier, Alisha Collier, Jerel Tomasello*	1810 Cumming Highway, Suite #1110	Canton	Georgia	<del>30444</del> 30115	(770) 430-7283
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">11585 Jones Bridge Rd, Suite 460</a>	<a href="#">Johns Creek</a>	<a href="#">Georgia</a>	<a href="#">30022</a>	<a href="#">(470) 231-3013</a>
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">1133 Woodstock Road</a>	<a href="#">Roswell</a>	<a href="#">Georgia</a>	<a href="#">30075</a>	<a href="#">(678) 853-5713</a>
Summer Bell*	2500 Dallas Hwy, Unit 500	Marietta	Georgia	30064	(770) 209-2097
<a href="#">Deyanda Jones</a>	<a href="#">440 Ernest Barrett Parkway, #13</a>	<a href="#">Kennesaw</a>	<a href="#">Georgia</a>	<del>30144</del>	<del>(770) 450-4022</del>
Summer Bell*	2960 Shallowford Rd., Unit #301	Marietta	Georgia	30066	(770) 854-0527
Summer Bell*	2980 Cobb Parkway, Suite 204	Atlanta	Georgia	30339	(404) 720-9145
<a href="#">Deyanda &amp; Theron Jones</a>	<a href="#">440 Ernest W Barrett Pkwy NW</a>	<a href="#">Kennesaw</a>	<a href="#">Georgia</a>	<a href="#">30144</a>	<a href="#">(770) 450-4022</a>
Brenda Clay	3930 Charleston Market St., NW, Suite B-03	Suwanee	Georgia	30024	(678) 552-2811
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">5001 Peachtree Blvd., Suite 620</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<del>30341</del>	<del>(470) 443-3363</del>
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">11585 Jones Bridge Road, Suite 460</a>	<del>Johns Creek</del>	<del>Georgia</del>	<del>30022</del>	<a href="#">(470) 231-3013</a>
<a href="#">Brad Collier, Alisha Collier, Jerel Tomasello*</a>	<a href="#">1133 Woodstock Road</a>	<a href="#">Roswell</a>	<a href="#">Georgia</a>	<a href="#">30075</a>	<a href="#">(678) 517-2417</a>
Corey and Heather Hubbard*	1 N Godley Station Blvd., Unit A-106	Pooler	Georgia	31322	(912) 257-4245
Gloria Porter*	2707 GA-54, Suite 13	Peachtree City	Georgia	30269	(770) 415-4286
<a href="#">Dale &amp; Rebecca Wilson</a>	<a href="#">1492 N. Webb Ave. Way</a>	Meridian	Idaho	83642	(208) 586-3687
Tim and Bette Anne Duffy*	840 S. Waukegan Rd., Suite 111	Lake Forest	Illinois	60045	(224) 212-9738
Tim and Bette Anne Duffy*	1444 Waukegan Road	Glenview	Illinois	60025	(224) 661-0259
Tim and Bette Anne Duffy*	20330 N. Deer Park Blvd., Unit #128	Deer Park	Illinois	60010	(847) 777-0039
Jacqueline Fowler*	8 West Gartner Rd., Suite 116	Naperville	Illinois	60540	<del>(630) 297-4590</del> <a href="#">(331) 444-5274</a>

Jacqueline Fowler*	4700 Gilbert Avenue, Suite #24	Western Springs	Illinois	60558	(708) 487-6358 998-3352
Jerry Meister*	4597 West Higgins Road	Hoffman Estates	Illinois	60192	(847) 388-0490
Deborah Brown	2685 E. Main St., Suite 108	Plainfield	<del>Indiana</del>	46168	(317) 667-0681
Jodi Weber*	2444 E. 146 <sup>th</sup> Street	Carmel	Indiana	46033	(317) 268-2269
Jodi Weber*	12919 Campus Parkway, Suite B	Noblesville	<del>Indiana</del>	46060	(317) 300-5568
Lisa Smyth	11503 Springmill Road, Suite 200	Carmel	Indiana	46032	(317) 680-2943
Austin and Nicole Bakri*	10310 E. 13 <sup>th</sup> St., Suite 200	Wichita	Kansas	67206	(316) 448-6899
Doug and Cara Neill*	11780 W. 135 <sup>th</sup> Street	<del>Overland Park</del>	<del>Kansas</del>	66221	(913) 439-4288
Robert Armstrong*	113 Marion St., Suite 150 171 W. Lowry Lane #140	Lexington	Kentucky	40517 40503	(859) 549-8199
Robert Armstrong*	1321 Herr Lane, Suite 155	Louisville	Kentucky	40222	(502) 287-1986
Andy White	118 Shawan Road, Suite CC	Cockeysville	Maryland	21030	(410) 561-6161
Ulrika Hult	55 Needham St.	Newton	Massachusetts	02461	(617) 209-4554
Vivian Lin*	1030 Main Street	Waltham	Massachusetts	02451	(781) 205-2498
Vivian Lin*	101 Middlesex Turnpike	Burlington	Massachusetts	01803	(781) 205-2575
Marina Marchese	7092 Orchard Lake Road	West Bloomfield	Michigan	48322	(248) 686-2326
Tami Gill*	9864 E Grand River Ave., Unit 140	Brighton	Michigan	48116	(810) 201-4093
Tami Gill*	15424 Sheldon Road	Northville Township	Michigan	48168	(248) 430-4603
Chris Veighey & Noreen Rapiz	28543 Schoolcraft Road	Livonia	Michigan	48150	(734) 666-3066
Mathew & Carlyn Rudberg	574 Prairie Center Drive, Suite 110	Eden Prairie	Minnesota	55344	(612) 428-1511
Ayantù Gebremareme & Gadisa Berkessa	8520 Highway MN-7	Saint Louis Park	Minnesota	55426	(612) 213-0896
Yubo & Juvy Huang	9140 Hudson Rd., #510	Woodbury	Minnesota	55125	(651) 359-2125
Rob and Moriah Brookshier*	16950 Wright Plaza, Suite 155	Omaha	Nebraska	68130	(402) 800-1180
Karla Torres-Lopez	7775 Olson Dr., Suite 109	Papillion	Nebraska	68046	(402) 509-5772
Jeff Kenney*	8430 W. Farm Rd., Suite 130	Las Vegas	Nevada	89131	(702) 805-6401

<a href="#">Asgar &amp; Natasha Ali</a>	<a href="#">558 E Crescent Ave, Suite 103</a>	<a href="#">Upper Saddle River</a>	<a href="#">New Jersey</a>	<a href="#">07458</a>	<a href="#">(551) 284-3181</a>
Jenna Class*	101 NJ-73, Unit 165A	Marlton	New Jersey	08053	(856) 270-6517
<a href="#">Jenna Class*</a>	<a href="#">10 Centerton Road, Unit 10-C</a>	<a href="#">Mt Laurel Township</a>	<a href="#">New Jersey</a>	<a href="#">08054</a>	<a href="#">(856) 403-7396</a>
Evelyn Cuciti	794 Franklin Avenue	Franklin Lakes	New Jersey	07417	(201) 735-8451
Manish and Alpana Gupta*	1121 <a href="#">State Route NJ- 34</a> , Suite K	Aberdeen	New Jersey	07747	(732) 333-6864
Christi Modin and Bryan Garvin	446 <a href="#">Route US- 202/206</a> , Suite 56	Bedminster	New Jersey	07921	(908) 395-0327
<a href="#">Mahendar Musuku and Vamshi Reddy</a>	<a href="#">2431 US Hwy 1 South</a>	<a href="#">North Brunswick</a>	<del>New Jersey</del>	<del>08902</del>	<del>(732) 314-4794</del>
Nirmittee Shah and Arun Vadlamani*	15 Bloomfield Avenue	Montclair	New Jersey	07042	(862) 213-0494
<a href="#">Jenna Class*</a>	<a href="#">10 Centerton Rd., Unit 5</a>	<a href="#">Mount Laurel</a>	<a href="#">New Jersey</a>	<a href="#">08054</a>	<a href="#">(856) 403-7396</a>
Ome Oluikpe	3349 Monroe Ave., Suite 27-A	Rochester	New York	14618	(585) 267-5954
Christina and Charles Cox*	1247 Creekshire Way, Suite 12	Winston-Salem	North Carolina	27103	(336) 422-0626
Christina and Charles Cox*	2513 Eastchester Drive, Unit 115	High Point	North Carolina	27265	(336) 967-0500
<a href="#">Christina and Charles Cox*</a> <del>Katherine Fisher*</del>	624 Jetton St., Suite 130	Davidson	North Carolina	28036	(704) 761-4372
Gary Jones*	8363 Creedmoor Rd., Unit #145	Raleigh	North Carolina	27613	(919) 585-5708
Melony Tessnear*	14825 Ballantyne Village Way, Suite 110	Charlotte	North Carolina	28277	(704) 228-6497
Tori Alston*	6950 E. Broad Street	Columbus	Ohio	43213	(614) 454-4453
<a href="#">Tori Alston*</a>	<a href="#">25277 Cedar Road, Unit J-102</a>	<a href="#">Lyndhurst</a>	<a href="#">Ohio</a>	<a href="#">44124</a>	<a href="#">(216) 220-8294</a>
Carmelo Gioffre	7589 Sawmill Road	Dublin	Ohio	43016	(614) 741-5144
<a href="#">Lad and Crystal Chapman</a>	<a href="#">25277 Cedar Road, Unit J-102</a>	<a href="#">Lyndhurst</a>	<a href="#">Ohio</a>	<a href="#">44124</a>	<a href="#">(216) 220-8294</a>
Dana and Georgine DeMarino*	3869 Medina Road	Akron	Ohio	44333	(330) 238-8087
Dana and Georgine DeMarino*	4346 Belden Village St. <a href="#">NW</a>	Canton	Ohio	44718	(330) 236-0683
Krista Guagenti*	1017 W. 5 <sup>th</sup> Avenue	Columbus	Ohio	43212	(614) 454-3109

Tracey Hollenbaugh*	7616 Cox Lane	West Chester	Ohio	45069	(513) 999-5743
Tracey Hollenbaugh*	5816 Wilmington Pike	Centerville	Ohio	45459	(937) 683-4851
<a href="#">Nicolette Ventura and Amanda Berry</a>	<a href="#">400 Boardman-Poland Rd.</a>	<a href="#">Youngstown</a>	<del>Ohio</del>	<a href="#">44512</a>	<del>(330) 967-9655</del>
Eleen and Brent Amaya*	9705 N May Ave., Suite <del>100120</del>	Oklahoma City	Oklahoma	73120	(405) 378-9833
Eleen and Brent Amaya*	3522 24 <sup>th</sup> Avenue NW, Suite <del>110120</del>	Norman	Oklahoma	73069	(405) 638-3896
Eleen and Brent Amaya*	2428 E. 2 <sup>nd</sup> Street	Edmond	Oklahoma	73034	(405) 246-0607
Shanell Hulley, <a href="#">Eleen Amaya, Brent Amaya</a>	825 E Main St., Suite 115	Yukon	Oklahoma	73099	(405) 805-3184
<a href="#">Christi Grissinger*</a>	<a href="#">12325 SW Horizon Blvd., Suite 31</a>	<a href="#">Beaverton</a>	<del>Oregon</del>	<a href="#">97007</a>	<del>(503) 476-3262</del>
<a href="#">Denise Ahner</a>	<a href="#">1042 Mill Creek Road, Suite 34</a>	<del>Allentown</del>	<del>Pennsylvania</del>	<a href="#">18106</a>	<del>(610) 215-7892</del>
Brian Homerosky	206 McHolme Drive	Pittsburgh	Pennsylvania	15275	(724) 220-6846
Brian Homerosky and Jason Brunozzi*	183 Old Mill Blvd.	Washington	Pennsylvania	15301	(724) <del>705-0665</del> <a href="#">383-3134</a>
Brian Homerosky and Jason Brunozzi*	4603 Library Rd., Suite 150	Bethel Park	Pennsylvania	15102	(412) 347-6828
Gillian Flick and Catherine Meehan*	8876 Covenant Ave., Unit B-3	Pittsburgh	Pennsylvania	15237	(412) 275-2140
<a href="#">Gillian Flick and Catherine Meehan* Ganesh Sakshi*</a>	4655 William Flynn Hwy., Suite 122	Allison Park	Pennsylvania	15101	<del>(814) 282-5264</del> <a href="#">(412) 204-6597</a>
<a href="#">Ed Astley</a>	<a href="#">1155 Washington Pike, Unit 59</a>	<a href="#">Bridgeville</a>	<a href="#">Pennsylvania</a>	<a href="#">15017</a>	<a href="#">(412) 838-2250</a>
Michael Blair*	3527 Washington Road**	McMurray	Pennsylvania	15317	(724) <del>949-0833</del> <a href="#">318-4083</a>
Michael Blair*	5932 Centre Ave., Suite B202	Pittsburgh	Pennsylvania	15206	(412) 626-6650
Nicolette Ventura	2101 Greentree Rd, #B112	Pittsburgh	Pennsylvania	15220	(412) 506-6333
Nicolette Ventura and Brian Homerosky	3747 William Penn Hwy, Suite P	Monroeville	Pennsylvania	15146	(412) 275-2542
<a href="#">Ganesh Sakshi*</a>	11269 Perry Highway	Wexford	Pennsylvania	15090	(724) 759-2222
<a href="#">Tobias Griebel &amp; Pia-Jasmin Stehle</a>	<a href="#">188 Civic Center Blvd.</a>	<a href="#">Anderson</a>	<a href="#">South Carolina</a>	<a href="#">29625</a>	<a href="#">(864) 200-2895</a>

<a href="#">Tobias Griebel &amp; Pia-Jasmin Stehle</a>	<a href="#">1143-J Woodruff Road</a>	<a href="#">Greenville</a>	<a href="#">South Carolina</a>	<a href="#">29607</a>	<a href="#">(864) 349-5988</a>
<a href="#">Melony Tessnear* Susan Percival</a>	1328 Broadcloth St., Suite 101	Fort Mill	South Carolina	29715	(803) 310-6658
<a href="#">Mandy Mills</a>	<a href="#">1556 W. McEwen Drive</a>	<del>Franklin</del>	<a href="#">Tennessee</a>	<del>37067</del>	<a href="#">(615) 997-1974</a>
Jolee Shelby	1925 Gunbarrel Rd., Suite 115	Chattanooga	Tennessee	37421	(423) 443-3678
Mamadou Ba	201 E Central Expressway, Suite 1350	Harker Heights	Texas	76548	(254) 781-0776
<a href="#">Jennifer Dealy* Cynthia Jackson &amp; William Jackson</a>	<a href="#">11403 Barker Cypress Road 140 W. Sandy Lake Rd., Suite 130</a>	<del>Cypress</del> <a href="#">Coppell</a>	Texas	<del>77433</del> <a href="#">75019</a>	<del>(469) 251-1084</del> <a href="#">(832) 410-1603</a>
<a href="#">Cynthia Jackson Christopher &amp; Shawnte Miller*</a>	<del>23110 W I-10, Suite 204 14403 Barker Cypress Road</del>	<del>San Antonio</del> <a href="#">Cypress</a>	Texas	<del>78257</del> <del>77433</del>	<del>(210) 319-4112</del> <a href="#">(832) 410-1603</a>
Christopher & Shawnte Miller*	18238 <del>HH-1</del> 35 N, Suite 135	Schertz	Texas	78154	(210) 998-6354
Jennifer Dealy*	2250 FM 407 (Justin Road), Suite 108	Highland Village	Texas	75077	(940) 213-1581
Holly Dillard	1050 Flower Mound Rd., Suite 145	Flower Mound	Texas	75028	(972) 347-4458
Jeff and Paula Fitzpatrick*	837 Foch Street	Fort Worth	Texas	76107	(817) 381-9271
Moe and Dee Goodman*	8930 TX-121, Unit #504	McKinney	Texas	75070	(972) 427-4087
Moe and Dee Goodman*	226 E. FM 544, Suite 104	Murphy	Texas	75094	(972) 810-7120
<a href="#">Michael and Tegan Mead</a>	<a href="#">12230 West Lake Houston Pkwy, Suite 180</a>	<a href="#">Houston</a>	<a href="#">Texas</a>	<del>77044</del>	<del>(281) 595-0382</del>
<a href="#">Farooq Kalim &amp; Saima Kamal</a>	4709 W. Parker Road, #470	Plano	Texas	75093	(972) 797-9583
<a href="#">Christopher and Shawnte Miller* Antoinette &amp; Keith Williams</a>	<del>23110 HH10 West, 1800 N Stonebridge Dr., Suite 204</del> <a href="#">120</a>	<del>McKinney</del> <a href="#">San Antonio</a>	Texas	<del>75071</del> <del>78257</del>	<del>(972) 704-1837</del> <del>(210) 319-4112</del>
Steve and Elizabeth Gordon*	1056 East 2100 South	Salt Lake City	Utah	84106	(385) 419-2727
<a href="#">Karen and Michael Arnold* Janine Badic</a>	6458 Old Beulah St.	Alexandria	Virginia	22315	(703) 828-9213
Christina and Charles Cox*	1041 N. Highland Street	Arlington	Virginia	22201	(703) 914-3985

Christina and Charles Cox*	2985 District Ave., Suite 165	Fairfax	Virginia	22031	(703) 775-2860
Misook Issa	21435 Epicerie Plaza, Suite 135	Sterling	Virginia	20165	(703) 634-4943
Kathleen Koehler and Michael Verner	150 Jim Street	Morgantown	West Virginia	26501	(304) 314-3294

**\*\* This location is operating as a FACE by Deku**

**Franchise Agreement Signed but Outlet Not Yet Open (as of December 31, 20232024):**

Franchisee	Address	City	State	Zip	Phone Number
Irina Zadorozny	19225 Briarfield Way	Tarzana	CA	91356	(818) 618-5366
<a href="#">Tracey and Dave Hollenbaugh</a> <del>David Mills</del>	11589 Stonecreek Circle	Ft. Myers	FL	33913	(217) 369-4013
<a href="#">Elizabeth Tate</a>	<a href="#">441 E Kesley Lane</a>	<a href="#">St. Johns</a>	<a href="#">FL</a>	<del>32259</del>	<a href="#">(301) 524-1041</a>
Ravi Mohan	317 E Lake Rd S	Palm Harbor	FL		(650) 270-4581
<del>Steven Wilson</del>	<del>233 Saint Andrews Ct</del>	<del>McDonough</del>	<del>GA</del>	<del>30353</del>	<del>(678) 699-1513</del>
<del>Robert Andy White</del>	<del>10300 York Rd</del>	<del>Cockeysville</del>	<del>MD</del>	<del>21030</del>	<del>(410) 913-6620</del>
<del>Yubo Huang</del>	<del>8230 Lori Lane</del>	<del>Woodbury</del>	<del>MN</del>	<del>55125</del>	<del>(651) 239-5564</del>
<del>Chris Veighey</del>	<del>8914 Hanlon Ave</del>	<del>Livonia</del>	<del>MI</del>	<del>48150</del>	<del>(219) 680-9361</del>
<del>Asgar Ali</del>	<del>13505 SW 63 Ct</del>	<del>Fair Lawn</del>	<del>NJ</del>	<del>07410</del>	<del>(305) 720-7168</del>
<del>James Billingsy</del>	<del>337 Lennox Rd</del>	<del>Brooklyn</del>	<del>NY</del>	<del>11226</del>	<del>(917) 892-3247</del>
<del>Ed Astley</del>	<del>203 Marshall Ave</del>	<del>Carnegie</del>	<del>PA</del>	<del>15106</del>	<del>(412) 841-2393</del>
<del>Antoinette Williams</del>	<del>2113 Common Way</del>	<del>Prosper</del>	<del>TX</del>	<del>75078</del>	<del>(209) 981-0989</del>

**Note 1: All Franchisees noted with (\*) are also Area Developers.**

**EXHIBIT H  
FORMER FRANCHISEES**

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**Transfers**

Franchisee	Address	City	State	Zip Code	Phone Number
<u>Geetha Jayaram</u> <u>Enas-Khalil</u>	<u>23628 El Toro Rd</u> <u>#4D5203 SW</u> <u>Ridgemont Road</u>	<u>Lake Forest</u> <u>Bentonville</u>	<u>CA</u> <u>Arkansas</u>	<u>92630</u> <u>72712</u>	<u>(626) 818-</u> <u>8124(479) 268-</u> <u>0833</u>
<u>Katherine Fisher</u> <u>Rick Dorfman</u>	<u>14851 Lyons Rd Suite</u> <u>H 10413234 Caite</u> <u>Ridge Road</u>	<u>Delray Beach</u> <u>Davidson</u>	<u>FL</u> <u>North Carolina</u>	<u>33446</u> <u>28036</u>	<u>(704) 649-</u> <u>3475(248) 982-</u> <u>4700</u>
<u>Holly Lean</u>	<u>4765 Hodges Blvd</u> <u>Suite 9</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32224</u>	<u>(803) 683-2654</u>
<u>Tatiana Zanolini</u>	<u>8246 Mills Drive Suite</u> <u>46</u>	<u>Miami</u>	<u>FL</u>	<u>33183</u>	<u>(786) 830-7741</u>
<u>Joe Gordon</u>	<u>15006 N Dale Mabry</u> <u>Hwy</u>	<u>Tampa</u>	<u>FL</u>	<u>33618</u>	<u>(813) 244-7774</u>
<u>Tara Lad</u> and <u>Thomas Ballard</u> <u>Crystal Chapman</u>	<u>2960 Shallowford Rd</u> <u>#3019662 Johnnycake</u> <u>Ridge Road</u>	<u>Marietta</u> <u>Mentor</u>	<u>GA</u> <u>Ohio</u>	<u>30066</u> <u>44060</u>	<u>(770) 547-</u> <u>9786(440) 221-</u> <u>3183</u>
<u>Rick Dorfman</u>	<u>7092 Orchard Lake Rd</u>	<u>West Bloomfield Township</u>	<u>MI</u>	<u>48322</u>	<u>(248) 982-4700</u>
<u>Michelle Russo</u>	<u>1247 Creekshire Way</u> <u>Suite 12</u>	<u>Winston-Salem</u>	<u>NC</u>	<u>27103</u>	<u>(336) 967-0500</u>
<u>Michelle Russo</u>	<u>2513 Eastchester Dr</u>	<u>High Point</u>	<u>NC</u>	<u>27265</u>	<u>(336) 967-0500</u>
<u>Dwayne Michael</u> and <u>Angela Knudson</u> <u>Karen Arnold</u>	<u>1556 W McEwen Dr</u> <u>#1087000 Springville</u> <u>Ct.</u>	<u>Franklin</u> <u>Springfield</u>	<u>Virginia</u> <u>TN</u>	<u>37067</u> <u>22150</u>	<u>(970) 456-</u> <u>3335(617) 893-</u> <u>9998</u>
<u>David Mills</u> <u>Gauri Rana</u>	<u>21435 Epicerie Plaza</u> <u>Suite 13511589</u> <u>Stonecreek Circle</u>	<u>Sterling</u> <u>Fort Myers</u>	<u>VA</u> <u>Florida</u>	<u>20165</u> <u>33913</u>	<u>(703) 283-</u> <u>2512(217) 369-</u> <u>4013</u>

**Terminations (except as to outlet shown as "Re-acquired by Franchisor")**

Franchisee	Address	City	State	Zip Code	Phone Number
<a href="#">Kathi AdamsDenise Ahner</a>	<a href="#">4800 Baseline Rd., Unit #C104249 Red Clover Lane</a>	<a href="#">AllentownBoulder</a>	<a href="#">ColoradoPennsylvania</a>	<a href="#">8030318104</a>	<a href="#">(303) 775-5889(610) 390-9667</a>
<a href="#">Amanda Barry</a>	<a href="#">224 Republic Street</a>	<a href="#">Pittsburgh</a>	<a href="#">Pennsylvania</a>	<a href="#">15211</a>	<a href="#">(412) 327-3074</a>
<a href="#">Sheila &amp; James Billiny</a>	<a href="#">337 Lenox Road #2C</a>	<a href="#">Brooklyn</a>	<a href="#">New York</a>	<a href="#">11226</a>	<a href="#">(917) 579-0200</a>
<a href="#">Deborah Brown</a>	<a href="#">4184 Parliament Way</a>	<a href="#">Avon</a>	<a href="#">Indiana</a>	<a href="#">46123</a>	<a href="#">(317) 500-1490</a>
<a href="#">Christi Grissinger</a>	<a href="#">628 Lake Bay Court</a>	<a href="#">Lake Oswego</a>	<a href="#">Oregon</a>	<a href="#">97034</a>	<a href="#">(503) 349-6698</a>
<a href="#">Kearin SehulteMandy Mills</a>	<a href="#">1485 Park Central421 Grantpark Drive, Suite 200</a>	<a href="#">FranklinHighlands Ranch</a>	<a href="#">TennesseeColorado</a>	<a href="#">3706780129</a>	<a href="#">(720) 413-0064(615) 293-4732</a>
<a href="#">Michael &amp; Tegan Mead</a>	<a href="#">13606 Lake Michigan Avenue</a>	<a href="#">Houston</a>	<a href="#">Texas</a>	<a href="#">77044</a>	<a href="#">(313) 384-3788</a>
<a href="#">Mahendar Musuku &amp; Vamshi Reddy</a>	<a href="#">22 Bauer Lane</a>	<a href="#">Cranbury</a>	<a href="#">New Jersey</a>	<a href="#">08512</a>	<a href="#">(803) 524-6274</a>
<a href="#">Doug &amp; Cara Neill</a>	<a href="#">12334 Walmer Street</a>	<a href="#">Overland Park</a>	<a href="#">Kansas</a>	<a href="#">66209</a>	<a href="#">(816) 309-6694</a>
<a href="#">Kearin Schulte</a>	<a href="#">200 Quebee Blvd., Quebee Bldg- 600, Unit 40312060 E Lake Circle</a>	<a href="#">DenverGreenwood Village</a>	<a href="#">Colorado</a>	<a href="#">8023080111</a>	<a href="#">(720) 413-0064</a>
<a href="#">Lisa &amp; Tim Smyth</a>	<a href="#">570 Lynton Way</a>	<a href="#">Westfield</a>	<a href="#">Indiana</a>	<a href="#">46074</a>	<a href="#">(773) 426-0454</a>
<a href="#">Daniel Will</a>	<a href="#">12728 La Cuarta St.</a>	<a href="#">Whittier</a>	<a href="#">California</a>	<a href="#">90602</a>	<a href="#">(949) 701-7099</a>
<a href="#">Summer BellSteven Wilson, Issac Cox, Tori Lockett</a>	<a href="#">2260 Marietta Blvd., Unit 2122233 Saint Andrews Court</a>	<a href="#">AtlantaMcDonough</a>	<a href="#">Georgia</a>	<a href="#">3031830353</a>	<a href="#">(770) 547-9786(678) 699-1513</a>
<a href="#">Jerry Meister</a>	<a href="#">27 Danada Square East</a>	<a href="#">Wheaton</a>	<a href="#">Illinois</a>	<a href="#">60189</a>	<a href="#">(630) 327-6572</a>
<a href="#">Moriah Brookshier</a>	<a href="#">14505 West Maple Rd., Suite 102</a>	<a href="#">Omaha</a>	<a href="#">Nebraska</a>	<a href="#">68116</a>	<a href="#">(402) 658-6993</a>
<a href="#">Nirmitee Shah and Arun Vadlamani</a>	<a href="#">778 Bloomfield Ave.</a>	<a href="#">West Caldwell</a>	<a href="#">New Jersey</a>	<a href="#">07006</a>	<a href="#">(201) 214-5607</a>
<a href="#">Theresa Yu</a>	<a href="#">612 Washington Street</a>	<a href="#">Hoboken</a>	<a href="#">New Jersey</a>	<a href="#">07030</a>	<a href="#">(646) 575-3575</a>

Jennifer Schulte	114 S. Central Avenue	Hartsdale	New York	10530	(917) 583-6670
Kathie Fisher***	4920 Old Sardis Road, Suite D2	Charlotte	NC	28211	<del>(704) 649-3475</del>
Tim and Elizabeth Bott	14005 US-183, Suite #580	Austin	Texas	78717	(214) 504-4600
David Bouthot	3742 Far West Blvd., Suite 106	Austin	Texas	78731	(512) 740-5257
Stephen O'Connell	5609 N. Tarrant Pkwy.	Fort Worth	Texas	76244	(940) 367-5101
Ralph Nerette	10752 Sudley Manor Drive	Manassas	Virginia	20109	(703) 209-9326
Joy Trajano	11901 NE Village Plaza, Suite 183	Kirkland	Washington	98034	(206) 235-6893

\*\*\*Re-acquired by franchisor

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**EXHIBIT I**  
**FINANCIAL STATEMENTS**

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The following statement applies to the unaudited portion of the financial statements which follows:

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

**DL Brands**  
**Unaudited Profit and Loss**  
January - June, 2024

	TOTAL
<b>Income</b>	
40000 Initial Franchise Revenue	790,266.91
41100 Royalty Revenue	1,288,135.51
41200 Brand Development Income	333,920.34
41300 Other Recurring Revenue	56,959.91
42000 Product Income	1,143,586.70
43000 Other Income	19,481.55
44000 CSC Income	445,020.04
45000 DekaDigital Income	0.00
<b>Total Income</b>	<b>\$4,077,370.96</b>
<b>Cost of Goods Sold</b>	
51000 COGS - Products	620,274.10
52000 COGS - Franchise Sales	393,472.78
53000 COGS - Area Rep Royalties	104,668.10
<b>Total Cost of Goods Sold</b>	<b>\$1,118,414.98</b>
<b>GROSS PROFIT</b>	<b>\$2,958,955.98</b>
<b>Expenses</b>	
60000 Personnel	1,880,601.81
61000 Marketing	171,597.38
63000 Franchise Support	34,616.76
64000 General	330,726.15
65000 Facilities	106,107.16
66000 Technology & Software	224,646.52
67000 Insurance	30,527.83
68000 Research & Development	22,908.30
69000 Taxes	1,484.30
70000 Financing	9,431.62
<b>Total Expenses</b>	<b>\$2,812,647.83</b>
<b>NET OPERATING INCOME</b>	<b>\$146,308.15</b>
<b>Other Income</b>	
90000 Other Mis. Income	10,483.66
<b>Total Other Income</b>	<b>\$10,483.66</b>
<b>Other Expenses</b>	
Unrealized Gain or Loss	0.00
71000 Depreciation & Amortization	17,786.38
73000 Other Gain / Loss	2,465.64
Exchange Gain or Loss	-0.20
<b>Total Other Expenses</b>	<b>\$20,251.82</b>
<b>NET OTHER INCOME</b>	<b>\$-9,768.16</b>
<b>NET INCOME</b>	<b>\$136,539.99</b>

Accrual Basis Tuesday, August 27, 2024 08:48 AM GMT-06:00

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**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
11000 Cash	2,392.71
11170 Chase Bank	215,382.75
11190 RBC - CAD (0593)	797.91
11191 RBC - USD (6342)	32.78
11300 PayPal Bank	286.62
<b>Total Bank Accounts</b>	<b>\$218,892.77</b>
Accounts Receivable	
<del>12000 Receivables</del>	227,197.45
12300 Accounts Receivable (A/R) - CAD	7,817.62
<b>Total Accounts Receivable</b>	<b>\$235,015.07</b>
Other Current Assets	
11400 Undeposited Funds	873.00
13000 Inventories	517,728.68
14000 Prepaid Expenses	141,618.71
15000 Notes Receivable	21,250.00
16000 Intercompany Receivables	211,917.79
<b>Total Other Current Assets</b>	<b>\$893,388.18</b>
<b>Total Current Assets</b>	<b>\$1,347,296.02</b>
Fixed Assets	
17000 Property & Equipment	193,368.61
18000 Accumulated Depreciation & Amortization	-166,253.34
<b>Total Fixed Assets</b>	<b>\$27,115.27</b>
Other Assets	
19000 Other Assets	12,447.00
19450 Deferred Franchising Costs	2,861,678.50
19500 InterStudio Membership Due to/from	0.00
<b>Total Other Assets</b>	<b>\$2,874,125.50</b>
<b>TOTAL ASSETS</b>	<b>\$4,248,536.79</b>

**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2024

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	289,631.55
20010 Accounts Payable - CAD	0.00
<b>Total Accounts Payable</b>	<b>\$289,631.55</b>
Credit Cards	
21000 Credit Cards	0.00
22000 Intercompany Payables	0.00
<b>Total Credit Cards</b>	<b>\$0.00</b>
Other Current Liabilities	
23000 Accrued Compensation	111,521.81
24000 Accrued Other Expenses	64,512.88
25000 Accrued Taxes	7,389.11
26000 Current LOC / Notes	0.00
27000 Current Other Liabilities	89,137.16
Accrued Sales Tax	0.00
<b>Total Other Current Liabilities</b>	<b>\$272,560.96</b>
<b>Total Current Liabilities</b>	<b>\$562,192.51</b>
Long-Term Liabilities	
28000 Long Term LOC / Notes	0.00
29000 Long-Term Other Liabilities	295,619.09
29500 Deferred Franchise Fee Revenue	5,762,403.02
<b>Total Long-Term Liabilities</b>	<b>\$6,058,022.11</b>
<b>Total Liabilities</b>	<b>\$6,620,214.62</b>
Equity	
30000 Retained Earnings	-2,508,217.82
32000 Other Equity	0.00
Opening Balance Equity	0.00
Net Income	136,539.99
<b>Total Equity</b>	<b>\$ -2,371,677.83</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,248,536.79</b>

**DL Franchising, LLC**

**Consolidated Financial Statements**

**For the Years Ended December 31, 2023, 2022, and 2021**

**MUMFORDGROUP**  
CERTIFIED PUBLIC ACCOUNTANTS

**DL Franchising, LLC**  
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### INDEPENDENT AUDITOR'S REPORT

To the Member of  
DL Franchising, LLC  
Salt Lake City, Utah

#### *Opinion*

We have audited the accompanying financial statements of DL Franchising, LLC (A Utah LLC) which comprise the consolidated balance sheets as of December 31, 2023, 2022, and 2021, and the related consolidated statements of operations, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of DL Franchising, LLC as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DL Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about DL Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DL Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about DL Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

*The Mumford Group*

Bountiful, Utah  
February 24, 2024

**DL Franchising, LLC**

**Consolidated Balance Sheets**

**December 31, 2023**

**With Comparative Totals as of December 31, 2022 and 2021**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 402,347	\$ 415,665	\$ 507,842
Accounts receivable, net of allowance for doubtful accounts of \$28,000, \$6,718 and \$6,718, respectively	250,199	716,829	420,834
Prepaid expenses	139,044	186,830	293,204
Inventory	662,468	751,095	884,592
Accrued interest - notes receivable	-	1,618	-
Notes receivable - related parties	514,485	99,990	14,470
Current portion of notes receivable	13,414	29,950	-
Current maturities of deferred direct franchising costs	569,298	564,211	510,978
<b>TOTAL CURRENT ASSETS</b>	<b>2,551,255</b>	<b>2,766,188</b>	<b>2,631,920</b>
<b>PROPERTY AND EQUIPMENT, at cost</b>			
Less: accumulated depreciation	(140,284)	(200,047)	(103,776)
	(119,092)	(101,144)	(87,705)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>21,192</b>	<b>98,903</b>	<b>16,071</b>
<b>OTHER ASSETS</b>			
Intangible assets, net	34,891	50,141	51,672
Notes receivable, net of current portion	17,500	74,100	-
Deferred direct franchising costs, net of current	2,593,893	3,072,873	3,048,017
Deposits	-	11,010	3,719
<b>TOTAL OTHER ASSETS</b>	<b>2,646,284</b>	<b>3,208,124</b>	<b>3,103,408</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,218,731</b>	<b>\$ 6,073,215</b>	<b>\$ 5,751,399</b>
<b>LIABILITIES AND MEMBER'S CAPITAL</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 372,771	\$ 143,996	\$ 118,334
Accrued liabilities	425,702	491,506	405,831
Current maturities of deferred franchise fees	1,159,901	1,183,930	1,086,885
Notes payable	-	28,281	-
Notes payable - related party	246,840	314,888	546,725
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,205,214</b>	<b>2,162,601</b>	<b>2,157,775</b>
<b>OTHER LIABILITIES</b>			
Deferred franchise fees, net of current	5,240,215	6,295,983	6,270,634
Deferred revenue	281,520	343,104	277,012
<b>TOTAL LIABILITIES</b>	<b>7,726,949</b>	<b>8,801,688</b>	<b>8,705,421</b>
<b>MEMBER'S CAPITAL</b>			
Member's capital	(2,508,218)	(2,728,473)	(2,954,022)
<b>TOTAL MEMBER'S CAPITAL</b>	<b>(2,508,218)</b>	<b>(2,728,473)</b>	<b>(2,954,022)</b>
<b>TOTAL LIABILITIES AND MEMBER'S CAPITAL</b>	<b>\$ 5,218,731</b>	<b>\$ 6,073,215</b>	<b>\$ 5,751,399</b>

See accompanying notes to financial statements

**DL Franchising, LLC**  
**Consolidated Statements of Operations**  
**For the Year Ended December 31, 2023**  
**With Comparative Totals for the Years Ended December 31, 2022 and 2021**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>REVENUE</b>			
Initial franchise fees	\$ 1,752,895	\$ 1,572,028	\$ 1,298,894
Product sales	3,162,933	3,707,581	2,955,206
Royalty income	2,062,890	2,024,750	1,551,172
Brand development income	508,196	349,762	301,725
Other operating revenue	<u>1,852,111</u>	<u>1,989,528</u>	<u>1,903,123</u>
<b>TOTAL REVENUES</b>	<u>9,339,025</u>	<u>9,643,649</u>	<u>8,010,120</u>
<b>OPERATING EXPENSES</b>			
Selling and administrative expense	1,875,002	1,807,255	983,611
Product costs	1,812,842	2,008,962	1,989,404
Development costs	<u>1,083,541</u>	<u>944,467</u>	<u>1,221,014</u>
Salaries, wages, and benefits	4,327,982	3,904,703	2,743,730
Other operating expenses	846,406	810,881	419,793
Amortization expense	18,000	13,556	-
Depreciation expense	<u>17,948</u>	<u>13,439</u>	<u>19,608</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>9,981,721</u>	<u>9,503,263</u>	<u>7,377,160</u>
<b>OPERATING (LOSS) / INCOME</b>	<u>(642,696)</u>	<u>140,386</u>	<u>632,960</u>
<b>OTHER INCOME (EXPENSE)</b>			
Other income	(581)	83,545	86,868
Interest income	66,704	1,618	-
Employee retention credit income	811,828	-	-
Loss on disposal of fixed assets	(15,000)	-	-
Interest expense	<u>-</u>	<u>-</u>	<u>(2,374)</u>
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<u>862,951</u>	<u>85,163</u>	<u>84,494</u>
<b>NET INCOME</b>	<u>\$ 220,255</u>	<u>\$ 225,549</u>	<u>\$ 717,454</u>

See accompanying notes to financial statements

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**DL Franchising, LLC**  
**Consolidated Statements of Changes in Member's Capital**  
**Years ended December 31, 2023, 2022, and 2021**

Balance at December 31, 2020	\$ (3,671,476)
Net income	<u>717,454</u>
Balance at December 31, 2021	(2,954,022)
Net income	<u>225,549</u>
Balance at December 31, 2022	(2,728,473)
Net income	<u>220,255</u>
Balance at December 31, 2023	<u>\$ (2,508,218)</u>

See accompanying notes to financial statements  
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**DL Franchising, LLC**

**Consolidated Statements of Cash Flows**

**For the Year Ended December 31, 2023**

**With Comparative Totals for the Years Ended December 31, 2022 and 2021**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 220,255	\$ 225,549	\$ 717,454
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation	17,948	13,439	19,608
Amortization	18,000	13,556	-
Loss on disposal of property and equipment	15,000	-	-
Allowance for notes receivable and doubtful accounts	60,740	-	-
Note receivable forgiveness	71,469	-	-
(Increase) decrease in operating assets:			
Accounts receivable	445,348	(295,995)	(239,322)
Prepaid expense	47,786	106,374	(253,501)
Inventory	88,627	133,497	(476,661)
Deferred direct franchise costs	473,893	(78,089)	65,581
Accounts of interest - notes receivable	(5,260)	(1,618)	-
Deposits	11,010	(7,291)	(3,719)
Increase (decrease) in operating liabilities:			
Accounts payable	228,775	25,662	(22,774)
Accrued liabilities	(65,804)	66,821	117,952
Deferred revenue	(61,584)	66,092	(28,768)
Deferred initial franchise fee revenue	(1,079,797)	122,394	(264,725)
<b>NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>486,407</u>	<u>390,391</u>	<u>(368,875)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	(2,372)	(96,271)	(17,730)
Proceeds from disposal of property and equipment	18,854	-	-
Purchase of intangible asset	(2,750)	(2,025)	-
Capitalized software development costs	-	(10,000)	(44,000)
Payments from notes receivable	27,367	-	-
Issuance of notes receivable	(30,000)	(104,050)	-
Net change on notes receivable - related parties	(414,495)	(85,520)	217,489
<b>NET CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(403,396)</u>	<u>(297,866)</u>	<u>155,759</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net change on note payable - related parties	(68,048)	(231,837)	484,985
Net proceeds from notes payable	-	62,135	-
Payments on notes payable	(28,281)	(15,000)	-
<b>NET CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<u>(96,329)</u>	<u>(184,702)</u>	<u>484,985</u>
<b>NET CHANGE IN CASH</b>	<u>(13,318)</u>	<u>(92,177)</u>	<u>271,869</u>
<b>CASH, BEGINNING OF PERIOD</b>	<u>415,665</u>	<u>507,842</u>	<u>235,973</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 402,347</u>	<u>\$ 415,665</u>	<u>\$ 507,842</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash paid for interest	\$ -	\$ -	\$ 2,374

See accompanying notes to financial statements

**DL Franchising, LLC**  
**Notes to Financial Statements**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of DL Franchising, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

DL Franchising, LLC was organized under the laws of the State of Utah on September 28, 2015, as a limited liability company under the name of MJ MK Enterprises, LLC. In 2019, the name of the Company was changed from MJ MK Enterprises, LLC to DL Franchising, LLC. The Company is engaged in the business of franchising beauty enhancement service companies at locations throughout the United States. The Company sells franchises to individuals and groups and then provides training and certain franchise maintenance services to the franchisees.

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Basis of Presentation

The financial statements and accompanying notes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements and accompanying notes of DL Franchising, LLC, include the accounts of DL Brands, LLC and DL Products, LLC, which are both 100% owned by DL Franchising, LLC. Accordingly, all significant inter-company transactions and balances have been eliminated. These limited liability companies have terms of 99 years or sooner as determined by the members.

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 expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, receivables valuation, revenue recognition, sales returns, inventory valuation, depreciable lives of fixed assets, intangible asset valuation, gift card breakage, and contingencies. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with banks, highly liquid money market funds, United States government securities, overnight repurchase agreements and commercial paper with maturities of three months or less when purchased.

Accounts Receivable and Allowance for Doubtful Accounts

The Company extends trade credit to its franchisees in the ordinary course of business for royalty, advertising fees, and other fees owed. The Company records accounts receivable at the calculated balance owed in the period earned. Uncollectible accounts are charged against the allowance for doubtful accounts in the period management determines that all collection efforts have been exhausted. An allowance for doubtful accounts has been recognized in the amount of \$28,000, \$6,718 and \$6,718 as of December 31, 2023, 2022 or 2021, respectively.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Inventory

Inventories, consisting of merchandise purchased for resale, are accounted for using a standard costing system which approximates the first-in-first-out ("FIFO") method of accounting, and are valued at the lower of cost or market. Inventory is written down for estimated obsolescence and to lower of cost or market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Once established, the original cost of the inventory less the related allowance represents the new cost basis of such products. Reversal of the allowance is recognized only when the related inventory has been sold or scrapped.

Prepaid expenses and other current assets

Prepaid expenses and other current assets represent expenses paid prior to receipt of the related goods or services, including insurance, travel, and other miscellaneous costs.

Property and Equipment

Asset additions over \$1,000 are recorded at cost on the date of purchase. Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives are periodically reviewed, and where appropriate, changes are made prospectively. The Company's property and equipment estimates the useful lives range from five to seven years. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Company reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. No impairment was recognized during the years ended December 31, 2023, 2022 or 2021.

Intangible assets other than goodwill

The Company's intangible assets consist primarily of trademarks and its internally developed software. Intangible assets with finite lives are recorded at their estimated fair value at the date of acquisition and are amortized over their estimated useful lives using the straight-line method. As of December 31, 2022, the internally developed software was completed, implemented, and being amortized over a 3-year useful life. As of December 31, 2023, 2022, and 2021, the balances of internally developed software is \$54,000, \$54,000, and \$44,000, respectively.

As of December 31, 2023, 2022, and 2021, the balances of \$12,447, \$9,697, and \$7,672, respectively, are for acquired trademarks associated with the Company. The trademarks are considered to have indefinite lives and no amortization or impairment is currently expected. If the asset's life is subsequently determined to be finite, the asset is tested for impairment and amortized prospectively and accounted for as an intangible asset subject to amortization.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Company was established as a limited liability company. In lieu of corporate income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes is included in the financial statements.

The Company's Form 1065 for the years ending December 31, 2023, 2022, 2021, and 2020 will be subject to examination by the IRS, generally for three years after being filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. Management has evaluated the tax positions reflected in the Company's tax filings and does not believe that any material uncertain tax positions exist.

Concentration of Credit Risk

The Company maintains cash and cash equivalents with financial institutions. These institutions are believed by management to be creditworthy and are insured by Federal Deposit Insurance Corporation (FDIC). Cash in bank deposit accounts may at times exceed federally insured limits. At December 31, 2023, 2022, and 2021, \$0, \$25,766, and \$0, respectively, in bank deposit accounts exceeded the federally insured limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Revenue Recognition

The Company recognizes revenue following Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". Topic 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, and (e) recognize revenue when the entity satisfies a performance obligation.

Revenue from sales of an individual franchise is recognized as performance obligations are satisfied. The portion of the franchise fee that is not attributed to a distinct performance obligation is amortized over the life of the related franchise or area representative agreement for each area.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales.

The Company has determined that the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to the franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, 2023, deferred franchise fees consisted of the following:

Deferred franchise fees	\$ 6,400,116
Less: current maturities	<u>(1,159,901)</u>
	<u>\$ 5,240,215</u>

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2024	\$ 1,159,901
2025	1,159,901
2026	1,149,251
2027	1,023,497
2028	642,072
Thereafter	<u>1,265,494</u>
	<u>\$ 6,400,116</u>

Additionally, the Company incurs incremental costs in the course of obtaining franchise agreements. The Company's incremental costs of obtaining franchise agreements are capitalized and presented on the accompanying balance sheets. Costs for these incremental costs are recognized on the straight-line basis which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract assets are comprised of unamortized incremental contract costs. As of December 31, 2023, deferred contract costs consisted of the following:

Deferred contract costs	\$ 3,163,191
Less: current maturities	<u>(569,298)</u>
	<u>\$ 2,593,893</u>

Franchisees also pay a monthly royalty fee, based on cash receipts, and for advertising fees, technology fees, and customer service fees. Royalty fees are recorded in the month earned if collectability is reasonably assured. Estimates of royalties earned, but unreported by the franchisees at the balance sheet date are recorded as revenue and accounts receivable, and are adjusted to actual amounts when reported and paid by the franchisee. Advertising, technology, and customer service fees are recognized when earned.

Revenue related to product sales is recognized upon shipment of the product to the franchisee. Franchisees may be required to purchase certain product from the Company. These products may be supplied from an affiliated company or an outside vendor. The affiliate company or vendor may pay the Company a rebate based on the purchases being made by the franchisees. These rebates are recognized as a reduction of product cost. For the years ended December 31, 2023, 2022, and 2021, there were no rebates received from affiliate companies or vendors.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Advertising Expense

The Company expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. Advertising expenses for the years ended December 31, 2023, 2022, and 2021, were \$283,157, \$394,773, and \$174,672, respectively.

Leases

The Company recognizes leases following Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)". This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As of December 31, 2023, the Company has two short-term leases they are currently not planning to be in effect as of December 31, 2024.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, as measured by a comparison of undiscounted estimated future net cash flows to the carrying value of the asset. If an asset is considered impaired, the asset is written down to fair value. No impairment charges were recorded for the years ended December 31, 2023, 2022, or 2021.

Fair Value of Financial Instruments

The Company has a number of financial instruments, none of which are held for trading purposes. The Company estimates that the fair value of all financial instruments at December 31, 2023, 2022, or 2021, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Reclassifications

Certain items from December 31, 2022 and 2021 have been reclassified to conform to the December 31, 2023 presentation.

Recently Issued Accounting Standards

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) did not or are not believed to have a material impact on our present or future financial statements.

**2. MANAGEMENT'S REVIEW**

In preparing the financial statements, the Company has evaluated the events and transactions for potential recognition through February 24, 2024, the date that the financial statements were available to be issued.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**3. PROPERTY AND EQUIPMENT**

	12/31/2023	12/31/2022	12/31/2021
Cost of property and equipment			
Equipment	\$ 140,284	\$ 200,047	\$ 103,776
Total cost of property and equipment	140,284	200,047	103,776
Accumulated depreciation	(119,092)	(101,144)	(87,705)
Total property and equipment, net	<u>\$ 21,192</u>	<u>98,903</u>	<u>\$ 16,071</u>

Depreciation expense for the years ending December 31, 2023, 2022, and 2021, was \$17,948, \$13,439, and \$19,608, respectively.

**4. INTANGIBLE ASSETS**

	12/31/2023	12/31/2022	12/31/2021
Trademarks	\$ 12,447	\$ 9,697	\$ 7,672
Internally developed software	<u>54,000</u>	<u>54,000</u>	<u>44,000</u>
Total intangible assets	66,447	63,697	51,672
Accumulated amortization	<u>(31,556)</u>	<u>(13,556)</u>	-
Total intangible assets, net	<u>\$ 34,891</u>	<u>\$ 50,141</u>	<u>\$ 51,672</u>

The Company began amortizing internally developed software in 2022, when the applications were completed, using an estimated remaining useful life of three years using the straight-line method. Amortization expense on internally developed software was \$18,000, \$13,556, and \$0 for the years ended December 31, 2023, 2022, and 2021.

**5. NOTES RECEIVABLE – RELATED PARTIES**

One entity owned by the entity owning 100% of the Company received a loan from the Company on a revolving basis. This loan does not have a maturity date or is it charged interest. As of December 31, 2023, the balance of loan totaled \$514,485.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**6. NOTES RECEIVABLE**

Notes receivables at December 31, 2023 consists of the following:

Note receivable with an entity. The interest rate on this note is 0% with monthly payments of \$1,157 until February 2024 when the full balance is expected to be received.	\$ 2,313
Note receivable with an entity. The interest rate on this note is 0% with monthly payments of \$1,200 until March 2024 when the full balance is expected to be received.	3,601
Note receivable with an entity. The interest rate on this note is 0% with monthly payments of \$625 until April 2027 when the full balance is expected to be received.	25,000
Note receivable with an entity. The interest rate on this note is 6% with payments of \$1,846 expected to start in December 2027 with the full balance expected to be received by November 2032. Payment terms include forgiveness of portions of principle balances based on the opening and operating of studios.	37,050
Less: Allowance for balance likely to exercise forgiveness terms of contract	<u>(37,050)</u>
	30,914
Less amounts expected in one year	<u>(13,414)</u>
	<u>\$ 17,500</u>

As of December 31, 2023, accrued interest of \$2,408 is recognized for these notes receivable with an allowance of \$(2,408) for balance likely to exercise forgiveness terms of the contract.

**7. NOTES PAYABLE – RELATED PARTIES**

The Company receives a loan from an entity associated with the entity owning 100% of the Company. This loan does not have a maturity date or is it charged interest. As of December 31, 2023, the balance of this loan was \$246,840.

**8. CONTINGENCIES AND GOING CONCERN**

The Company has incurred declining net income from operations since 2021 with an operating loss in 2023. The risks and uncertainties related to the declining income from operations raise doubts about the Company's ability to continue as a going concern over the next twelve months. In 2023, Company's management began cost cutting measures with contracted services, and various layoffs and position consolidations. Management believes that the corrective actions that are already in place and future cost cutting measures should be sufficient to fund operations and debt obligations for at least the next 12 months beyond the date of issuance of these financial statements.

The Company is currently involved in an ongoing dispute with a third party over contract performance. An estimated \$41,500 contingent liability has been recognized as of December 31, 2023 as a likely result of the dispute.

**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2025

ASSETS	TOTAL
Current Assets	
Bank Accounts	
11000 Cash	
11180 Truist Bank	16,425.00
11192 Ramp	1,329.46
<b>Total 11000 Cash</b>	<b>17,754.46</b>
11170 Chase Bank	
11172 Chase-DL Brands (0978)	196,172.27
11173 Chase-DL Products (3723)	79,678.64
11174 Chase-DL Franchising (9219)	7,778.50
<b>Total 11170 Chase Bank</b>	<b>283,629.41</b>
11190 RBC - CAD (0593)	3,214.53
11191 RBC - USD (6342)	597.27
11300 PayPal Bank	191.66
<b>Total Bank Accounts</b>	<b>\$305,387.33</b>
Accounts Receivable	
12000 Receivables	0.00
12100 Accounts Receivable	264,819.49
12200 Allowance for Uncollectible Accounts	-19,575.69
<b>Total 12000 Receivables</b>	<b>245,243.80</b>
12300 Accounts Receivable (A/R) - CAD	18,130.98
<b>Total Accounts Receivable</b>	<b>\$263,374.78</b>
Other Current Assets	
13000 Inventories	
13100 Inventory Asset	456,465.57
<b>Total 13000 Inventories</b>	<b>456,465.57</b>
14000 Prepaid Expenses	0.00
14100 Prepaid Insurance	7,931.08
14200 Prepaid Subscriptions	7,293.03
14400 Prepaid Other	11,694.97
14500 Prepaid Legal Fees (retainers)	3,500.00
14600 Prepaid Inventory	49,696.20
<b>Total 14000 Prepaid Expenses</b>	<b>80,115.28</b>
15000 Notes Receivable	0.00
15010 NR-ZKD Enterprises, LLC	37,050.00
15110 Interest Receivable	2,408.25
15150 Notes Receivable - Allowance	-39,458.25

Accrual Basis Tuesday, August 5, 2025 03:25 PM GMT-04:00

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**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2025

	TOTAL
<b>Total 15000 Notes Receivable</b>	<b>0.00</b>
16000 Intercompany Receivables	
16100 Due from Look Good Brands, LLC	540,356.81
16500 Due from DL Studios, LLC	-160,080.88
<b>Total 16000 Intercompany Receivables</b>	<b>380,275.93</b>
<b>Total Other Current Assets</b>	<b>\$916,856.78</b>
<b>Total Current Assets</b>	<b>\$1,485,618.89</b>
Fixed Assets	
17000 Property & Equipment	
17100 Furniture & Fixtures	18,507.31
17200 Computer Equipment	142,115.22
17300 Leasehold Improvements	12,115.34
17600 Website & Software	54,000.00
<b>Total 17000 Property &amp; Equipment</b>	<b>226,737.87</b>
18000 Accumulated Depreciation & Amortization	
18100 Depreciation - Furniture & Fixtures	-8,840.00
18200 Depreciation - Computer Equipment	-131,449.63
18300 Depreciation - Leasehold Improvements	-807.68
18600 Accumulated Amortization	-55,278.12
<b>Total 18000 Accumulated Depreciation &amp; Amortization</b>	<b>-196,375.43</b>
<b>Total Fixed Assets</b>	<b>\$30,362.44</b>
Other Assets	
19000 Other Assets	
19100 Trademark	12,447.00
<b>Total 19000 Other Assets</b>	<b>12,447.00</b>
19450 Deferred Franchising Costs	
19460 Deferred Area Rep Fees	113,718.88
19470 Deferred Broker Fees	1,668,829.33
19480 Deferred Commissions	358,779.39
<b>Total 19450 Deferred Franchising Costs</b>	<b>2,141,327.60</b>
<b>Total Other Assets</b>	<b>\$2,153,774.60</b>
<b>TOTAL ASSETS</b>	<b>\$3,669,755.93</b>

**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2025

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	399,872.76
<b>Total Accounts Payable</b>	<b>\$399,872.76</b>
Credit Cards	
21000 Credit Cards	
21110 Ramp Card	832.31
<b>Total 21000 Credit Cards</b>	<b>832.31</b>
<b>Total Credit Cards</b>	<b>\$832.31</b>
Other Current Liabilities	
23000 Accrued Compensation	
23100 Accrued Payroll	81,976.95
<b>Total 23000 Accrued Compensation</b>	<b>81,976.95</b>
24000 Accrued Other Expenses	
24100 Accrued Expenses	902.58
24600 Salesforce	63,598.47
<b>Total 24000 Accrued Other Expenses</b>	<b>64,501.05</b>
25000 Accrued Taxes	
25100 Accrued Sales Tax	0.00
25115 Pennsylvania Department of Revenue Payable	244.76
<b>Total 25100 Accrued Sales Tax</b>	<b>244.76</b>
25200 Accrued Payroll Taxes	5,108.38
<b>Total 25000 Accrued Taxes</b>	<b>5,353.14</b>
27000 Current Other Liabilities	
27100 Training Fee Deposits	61,854.16
27200 Membership Redemption Liability	-4,981.22
<b>Total 27000 Current Other Liabilities</b>	<b>56,872.94</b>
<b>Total Other Current Liabilities</b>	<b>\$208,704.08</b>
<b>Total Current Liabilities</b>	<b>\$609,409.15</b>
Long-Term Liabilities	
28510 NP-Irina Zadorozyn	0.01
29000 Long-Term Other Liabilities	
29100 Gift Card Liability	139,446.73
29250 Deferred Site Fee Revenue	116,694.16
<b>Total 29000 Long-Term Other Liabilities</b>	<b>256,140.89</b>
29500 Deferred Franchise Fee Revenue	4,277,036.93
<b>Total Long-Term Liabilities</b>	<b>\$4,533,177.83</b>
<b>Total Liabilities</b>	<b>\$5,142,586.98</b>

Accrual Basis Tuesday, August 5, 2025 03:25 PM GMT-04:00

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**DL Brands**  
**Unaudited Balance Sheet**  
As of June 30, 2025

	TOTAL
Equity	
30000 Retained Earnings	-1,818,146.57
Net Income	345,315.52
<b>Total Equity</b>	<b>\$ -1,472,831.05</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$3,669,755.93</b>

**DL Brands**  
**Unaudited Profit and Loss**  
January - June, 2025

	TOTAL
<b>Income</b>	
40000 Initial Franchise Revenue	
40005 Initial Franchise Fee	484,208.10
40020 Initial Franchise Fee - Cash Basis	19,900.00
<b>Total 40000 Initial Franchise Revenue</b>	<b>504,108.10</b>
41100 Royalty Revenue	
41105 Royalty Income	906,178.71
41110 Technology Fee Income	295,550.20
41190 Canada Withholding Taxes	-770.41
<b>Total 41100 Royalty Revenue</b>	<b>1,200,958.50</b>
41200 Brand Development Income	313,607.93
41300 Other Recurring Revenue	
41305 Convention Income	109,651.43
41310 Ongoing Training Income	6,250.00
41315 Other Recurring Income	22,135.37
<b>Total 41300 Other Recurring Revenue</b>	<b>138,036.80</b>
42000 Product Income	
42005 Franchisee Product Income	897,392.70
42010 E- Commerce Product Income	3,513.81
42015 Returns	-292.55
42030 Shipping Income	10.01
<b>Total 42000 Product Income</b>	<b>900,623.97</b>
43000 Other Income	
43010 Corporate Sponsorships	4,725.00
43025 Misc Income	40,800.00
<b>Total 43000 Other Income</b>	<b>45,525.00</b>
44000 CSC Income	
44100 CSC Service Income	416,507.50
<b>Total 44000 CSC Income</b>	<b>416,507.50</b>
<b>Total Income</b>	<b>\$3,519,967.80</b>
<b>Cost of Goods Sold</b>	
51000 COGS - Products	
51005 Franchise Product COGS	342,347.49
51015 Storage, Fulfillment & Shipping	164,809.45
51020 Processing Fees	
51025 Shopify Fees	23,622.18
51030 PayPal Fees	1.50
<b>Total 51020 Processing Fees</b>	<b>23,623.68</b>
<b>Total 51000 COGS - Products</b>	<b>530,780.62</b>

Accrual Basis Tuesday, August 5, 2025 03:23 PM GMT-04:00

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**DL Brands**  
**Unaudited Profit and Loss**  
January - June, 2025

	TOTAL
52000 COGS - Franchise Sales	
52005 Broker Success Fees	194,676.99
52010 Fran Dev Success Fees	2,527.77
52020 Area Rep - Initial Franchise Fee	25,149.66
52035 Fran Dev Success Fees - Cash	27,000.00
<b>Total 52000 COGS - Franchise Sales</b>	<b>249,354.42</b>
53000 COGS - Area Rep Royalties	96,955.14
<b>Total Cost of Goods Sold</b>	<b>\$877,090.18</b>
<b>GROSS PROFIT</b>	<b>\$2,642,277.62</b>
Expenses	
60000 Personnel	
60100 Salaries	1,205,767.00
60200 Payroll Taxes	105,066.59
60205 Health Insurance	55,721.72
60210 401k	12,709.34
60235 Payroll Processing Fee	5,651.87
60240 Employee Benefits	20,017.90
<b>Total 60000 Personnel</b>	<b>1,404,934.42</b>
61000 Marketing	
61005 Broker Network Dues & Conferences	43,167.04
61010 Marketing Collateral	34,714.26
61015 Digital Advertising	25,920.48
<b>Total 61000 Marketing</b>	<b>103,801.78</b>
63000 Franchise Support	
63015 National Convention	185,046.26
63025 Secret Shopper	51,331.54
<b>Total 63000 Franchise Support</b>	<b>236,377.80</b>
64000 General	
64005 Dues & Subscriptions	18,174.55
64010 Licenses	3,436.01
64015 Legal-Other	29,290.97
64020 Accounting	37,063.00
64030 Postage	2,683.09
64035 Office Expenses	2,332.28
64040 Gifts	2,039.54
64065 Consultants	103,336.67
64080 Travel	32,954.74
64085 Meals - 100% Deductible	4,969.56
<b>Total 64000 General</b>	<b>236,280.41</b>

Accrual Basis Tuesday, August 5, 2025 03:23 PM GMT-04:00

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**DL Brands**  
**Unaudited Profit and Loss**  
January - June, 2025

	TOTAL
65000 Facilities	
65005 Rent	6,012.00
<b>Total 65000 Facilities</b>	<b>6,012.00</b>
66000 Technology & Software	
66100 Technology - Monthly Subscriptions	141,360.99
66200 Technology - Corp. Communication Support	78,587.88
66300 Technology - CSC Support	7,534.26
<b>Total 66000 Technology &amp; Software</b>	<b>227,483.13</b>
67000 Insurance	30,644.92
68000 Research & Development	83,354.58
69000 Taxes	
69100 Taxes	179.67
<b>Total 69000 Taxes</b>	<b>179.67</b>
70000 Financing	
70005 Bank Fees	5,176.87
70030 QuickBooks Fees	1,039.88
<b>Total 70000 Financing</b>	<b>6,216.75</b>
<b>Total Expenses</b>	<b>\$2,335,285.46</b>
<b>NET OPERATING INCOME</b>	<b>\$306,992.16</b>
Other Income	
90000 Other Mis. Income	51,654.21
<b>Total Other Income</b>	<b>\$51,654.21</b>
Other Expenses	
71000 Depreciation & Amortization	
71100 Depreciation Expense	7,527.85
71500 Amortization	5,722.26
<b>Total 71000 Depreciation &amp; Amortization</b>	<b>13,250.11</b>
74015 Exchange Gain or Loss	80.74
<b>Total Other Expenses</b>	<b>\$13,330.85</b>
<b>NET OTHER INCOME</b>	<b>\$38,323.36</b>
<b>NET INCOME</b>	<b>\$345,315.52</b>

**DL Franchising, LLC**  
Consolidated Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

**MUMFORDGROUP**  
CERTIFIED PUBLIC ACCOUNTANTS

**DL Franchising, LLC**  
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#### INDEPENDENT AUDITOR'S REPORT

To the Member of  
DL Franchising, LLC  
Salt Lake City, Utah

##### **Opinion**

We have audited the accompanying financial statements of DL Franchising, LLC (A Utah LLC) which comprise the consolidated balance sheets as of December 31, 2024, 2023, and 2022, and the related consolidated statements of operations, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of DL Franchising, LLC as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

##### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DL Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about DL Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

##### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DL Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about DL Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

*The Mumford Group*

Bountiful, Utah  
March 6, 2025

**DL Franchising, LLC**

**Consolidated Balance Sheets**

**December 31, 2024**

**With Comparative Totals as of December 31, 2023 and 2022**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 321,525	\$ 402,347	\$ 415,665
Accounts receivable, net of allowance for doubtful accounts of \$19,837, \$28,000 and \$6,718, respectively	243,267	250,199	716,829
Prepaid expenses	58,794	139,044	186,830
Inventory	497,529	662,468	751,095
Accrued interest - notes receivable	-	-	1,618
Notes receivable - related parties	657,584	514,485	99,990
Current portion of notes receivable	-	13,414	29,950
Current maturities of deferred direct franchising costs	495,129	569,298	564,211
<b>TOTAL CURRENT ASSETS</b>	<b>2,273,828</b>	<b>2,551,255</b>	<b>2,766,188</b>
<b>PROPERTY AND EQUIPMENT, at cost</b>			
PROPERTY AND EQUIPMENT, at cost	148,250	140,284	200,047
Less: accumulated depreciation	(133,569)	(119,092)	(101,144)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>14,681</b>	<b>21,192</b>	<b>98,903</b>
<b>OTHER ASSETS</b>			
Intangible assets, net	16,891	34,891	50,141
Notes receivable, net of current portion	-	17,500	74,100
Deferred direct franchising costs, net of current	1,868,553	2,593,893	3,072,873
Deposits	27,500	-	11,010
<b>TOTAL OTHER ASSETS</b>	<b>1,912,944</b>	<b>2,646,284</b>	<b>3,208,124</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,201,453</b>	<b>\$ 5,218,731</b>	<b>\$ 6,073,215</b>
<b>LIABILITIES AND MEMBER'S CAPITAL</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 341,711	\$ 372,771	\$ 143,996
Accrued liabilities	391,969	425,702	491,506
Current maturities of deferred franchise fees	1,006,346	1,159,901	1,183,930
Notes payable	-	-	28,281
Notes payable - related party	256,183	246,840	314,888
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,996,209</b>	<b>2,205,214</b>	<b>2,162,601</b>
<b>OTHER LIABILITIES</b>			
Deferred franchise fees, net of current	3,754,899	5,240,215	6,295,983
Deferred revenue	268,491	281,520	343,104
<b>TOTAL LIABILITIES</b>	<b>6,019,599</b>	<b>7,726,949</b>	<b>8,801,688</b>
<b>MEMBER'S CAPITAL</b>			
Member's capital	(1,818,146)	(2,508,218)	(2,728,473)
<b>TOTAL MEMBER'S CAPITAL</b>	<b>(1,818,146)</b>	<b>(2,508,218)</b>	<b>(2,728,473)</b>
<b>TOTAL LIABILITIES AND MEMBER'S CAPITAL</b>	<b>\$ 4,201,453</b>	<b>\$ 5,218,731</b>	<b>\$ 6,073,215</b>

See accompanying notes to financial statements

**DL Franchising, LLC**  
**Consolidated Statements of Operations**  
**For the Year Ended December 31, 2024**  
**With Comparative Totals for the Years Ended December 31, 2023 and 2022**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
<b>REVENUE</b>			
Initial franchise fees	\$ 1,922,860	\$ 1,752,895	\$ 1,572,028
Product sales	2,261,483	3,162,933	3,707,581
Royalty income	1,918,264	2,062,890	2,024,750
Brand development income	661,388	508,196	349,762
Other operating revenue	<u>1,570,683</u>	<u>1,852,111</u>	<u>1,989,528</u>
<b>TOTAL REVENUES</b>	<u>8,334,678</u>	<u>9,339,025</u>	<u>9,643,649</u>
<b>OPERATING EXPENSES</b>			
Selling and administrative expense	977,229	1,875,002	1,807,255
Product costs	1,258,244	1,812,842	2,008,962
Development costs	1,150,010	1,083,541	944,467
Salaries, wages, and benefits	3,502,116	4,327,982	3,904,703
Other operating expenses	718,942	846,406	810,881
Amortization expense	18,000	18,000	13,556
Depreciation expense	<u>16,658</u>	<u>17,948</u>	<u>13,439</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>7,641,199</u>	<u>9,981,721</u>	<u>9,503,263</u>
<b>OPERATING (LOSS) / INCOME</b>	<u>693,479</u>	<u>(642,696)</u>	<u>140,386</u>
<b>OTHER INCOME (EXPENSE)</b>			
Other income	-	-	83,545
Interest income	-	66,704	1,618
Employee retention credit income	-	811,828	-
Loss on disposal of fixed assets	186	(15,000)	-
Other expense	<u>(3,593)</u>	<u>(581)</u>	<u>-</u>
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<u>(3,407)</u>	<u>862,951</u>	<u>85,163</u>
<b>NET INCOME</b>	<u>\$ 690,072</u>	<u>\$ 220,255</u>	<u>\$ 225,549</u>

See accompanying notes to financial statements

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**DL Franchising, LLC**  
**Consolidated Statements of Changes in Member's Capital**  
**Years ended December 31, 2024, 2023, and 2022**

Balance at December 31, 2021	\$ (2,954,022)
Net income	<u>225,549</u>
Balance at December 31, 2022	(2,728,473)
Net income	<u>220,255</u>
Balance at December 31, 2023	(2,508,218)
Net income	<u>690,072</u>
Balance at December 31, 2024	<u>\$ (1,818,146)</u>

See accompanying notes to financial statements

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**DL Franchising, LLC**

**Consolidated Statements of Cash Flows**

**For the Year Ended December 31, 2024**

**With Comparative Totals for the Years Ended December 31, 2023 and 2022**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 690,072	\$ 220,255	\$ 225,549
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation	16,658	17,948	13,439
Amortization	18,000	18,000	13,556
Loss on disposal of property and equipment	(186)	15,000	-
Allowance for notes receivable and doubtful accounts	(6,932)	60,740	-
Note receivable forgiveness	-	71,469	-
(Increase) decrease in operating assets:			
Accounts receivable	13,864	445,348	(295,995)
Prepaid expense	80,250	47,786	106,374
Inventory	164,939	88,627	133,497
Deferred direct franchise costs	799,509	473,893	(78,089)
Accrued interest - notes receivable	-	(5,259)	(1,618)
Deposits	(27,500)	11,010	(7,291)
Increase (decrease) in operating liabilities:			
Accounts payable	(31,060)	228,775	25,662
Accrued liabilities	(33,733)	(65,804)	66,821
Deferred revenue	(13,029)	(61,584)	66,092
Deferred initial franchise fee revenue	(1,638,871)	(1,079,797)	122,394
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<u>31,981</u>	<u>486,407</u>	<u>390,391</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	(10,801)	(2,372)	(96,271)
Proceeds from disposal of property and equipment	840	18,854	-
Purchase of intangible asset	-	(2,750)	(2,025)
Capitalized software development costs	-	-	(10,000)
Payments from notes receivable	30,914	27,367	-
Issuance of notes receivable	-	(30,000)	(104,050)
Net change on notes receivable - related parties	(143,099)	(414,495)	(85,520)
<b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>	<u>(122,146)</u>	<u>(403,396)</u>	<u>(297,866)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from note payable - related parties	9,343	(68,048)	(231,837)
Net proceeds from notes payable	-	-	62,135
Payments on notes payable	-	(28,281)	(15,000)
<b>NET CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<u>9,343</u>	<u>(96,329)</u>	<u>(184,702)</u>
<b>NET CHANGE IN CASH</b>	<u>(80,822)</u>	<u>(13,318)</u>	<u>(92,177)</u>
<b>CASH, BEGINNING OF PERIOD</b>	<u>402,347</u>	<u>415,665</u>	<u>507,842</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 321,525</u>	<u>\$ 402,347</u>	<u>\$ 415,665</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash paid for interest	\$ -	\$ -	\$ -
See accompanying notes to financial statements			

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**DL Franchising, LLC**  
**Notes to Financial Statements**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of DL Franchising, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

DL Franchising, LLC was organized under the laws of the State of Utah on September 28, 2015, as a limited liability company under the name of MJ MK Enterprises, LLC. In 2019, the name of the Company was changed from MJ MK Enterprises, LLC to DL Franchising, LLC. The Company is engaged in the business of franchising beauty enhancement service companies at locations throughout the United States. The Company sells franchises to individuals and groups and then provides training and certain franchise maintenance services to the franchisees.

Basis of Presentation

The financial statements and accompanying notes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements and accompanying notes of DL Franchising, LLC, include the accounts of DL Brands, LLC and DL Products, LLC, which are both 100% owned by DL Franchising, LLC. Accordingly, all significant inter-company transactions and balances have been eliminated. These limited liability companies have terms of 99 years or sooner as determined by the members.

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 expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, receivables valuation, revenue recognition, sales returns, inventory valuation, depreciable lives of fixed assets, intangible asset valuation, gift card breakage, and contingencies. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with banks, highly liquid money market funds, United States government securities, overnight repurchase agreements and commercial paper with maturities of three months or less when purchased.

Accounts Receivable and Allowance for Doubtful Accounts

The Company extends trade credit to its franchisees in the ordinary course of business for royalty, advertising fees, and other fees owed. The Company records accounts receivable at the calculated balance owed in the period earned. Uncollectible accounts are charged against the allowance for doubtful accounts in the period management determines that all collection efforts have been exhausted. An allowance for doubtful accounts has been recognized in the amount of \$19,837, \$28,000 and \$6,718 as of December 31, 2024, 2023 or 2022, respectively.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Inventory

Inventories, consisting of merchandise purchased for resale, are accounted for using a standard costing system which approximates the first-in-first-out ("FIFO") method of accounting, and are valued at the lower of cost or market. Inventory is written down for estimated obsolescence and to lower of cost or market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Once established, the original cost of the inventory less the related allowance represents the new cost basis of such products. Reversal of the allowance is recognized only when the related inventory has been sold or scrapped.

Prepaid expenses and other current assets

Prepaid expenses and other current assets represent expenses paid prior to receipt of the related goods or services, including insurance, travel, and other miscellaneous costs.

Property and Equipment

Asset additions over \$1,000 are recorded at cost on the date of purchase. Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives are periodically reviewed, and where appropriate, changes are made prospectively. The Company's property and equipment estimates the useful lives range from five to seven years. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Company reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. No impairment was recognized during the years ended December 31, 2024, 2023 or 2022.

Intangible assets other than goodwill

The Company's intangible assets consist primarily of trademarks and its internally developed software. Intangible assets with finite lives are recorded at their estimated fair value at the date of acquisition and are amortized over their estimated useful lives using the straight-line method. As of December 31, 2022, the internally developed software was completed, implemented, and being amortized over a 3-year useful life. As of December 31, 2024, 2023, and 2022, the balances of internally developed software is \$54,000, \$54,000, and \$54,000, respectively.

As of December 31, 2024, 2023, and 2022, the balances of \$12,447, \$12,447, and \$9,697, respectively, are for acquired trademarks associated with the Company. The trademarks are considered to have indefinite lives and no amortization or impairment is currently expected. If the asset's life is subsequently determined to be finite, the asset is tested for impairment and amortized prospectively and accounted for as an intangible asset subject to amortization.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Company was established as a limited liability company. In lieu of corporate income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes is included in the financial statements.

The Company's Form 1065 for the years ending December 31, 2024, 2023, 2022, and 2021 will be subject to examination by the IRS, generally for three years after being filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. Management has evaluated the tax positions reflected in the Company's tax filings and does not believe that any material uncertain tax positions exist.

Concentration of Credit Risk

The Company maintains cash and cash equivalents with financial institutions. These institutions are believed by management to be creditworthy and are insured by Federal Deposit Insurance Corporation (FDIC) or Canada Deposit Insurance Corporation (CDIC). Cash in bank deposit accounts may at times exceed insured limits. At December 31, 2024, 2023, and 2022, \$0, \$0, and \$25,766, respectively, in bank deposit accounts exceeded the insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Revenue Recognition

The Company recognizes revenue following Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". Topic 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, and (e) recognize revenue when the entity satisfies a performance obligation.

Revenue from sales of an individual franchise is recognized as performance obligations are satisfied. The portion of the franchise fee that is not attributed to a distinct performance obligation is amortized over the life of the related franchise or area representative agreement for each area.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales.

The Company has determined that the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to the franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, 2024, deferred franchise fees consisted of the following:

Deferred franchise fees	\$ 4,761,245
Less: current maturities	<u>(1,006,346)</u>
	<u>\$ 3,754,899</u>

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2025	\$ 1,006,346
2026	995,696
2027	894,856
2028	589,347
2029	487,661
Thereafter	<u>787,339</u>
	<u>\$ 4,761,245</u>

Additionally, the Company incurs incremental costs in the course of obtaining franchise agreements. The Company's incremental costs of obtaining franchise agreements are capitalized and presented on the accompanying balance sheets. Costs for these incremental costs are recognized on the straight-line basis which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract assets are comprised of unamortized incremental contract costs. As of December 31, 2024, deferred contract costs consisted of the following:

Deferred contract costs	\$ 2,363,682
Less: current maturities	<u>(495,129)</u>
	<u>\$ 1,868,553</u>

Franchisees also pay a monthly royalty fee, based on cash receipts, and for advertising fees, technology fees, and customer service fees. Royalty fees are recorded in the month earned if collectability is reasonably assured. Estimates of royalties earned, but unreported by the franchisees at the balance sheet date are recorded as revenue and accounts receivable, and are adjusted to actual amounts when reported and paid by the franchisee. Advertising, technology, and customer service fees are recognized when earned.

Revenue related to product sales is recognized upon shipment of the product to the franchise. Franchisees may be required to purchase certain product from the Company. These products may be supplied from an affiliated company or an outside vendor. The affiliate company or vendor may pay the Company a rebate based on the purchases being made by the franchisees. These rebates are recognized as a reduction of product cost. For the years ended December 31, 2024, 2023, and 2022, there were no rebates received from affiliate companies or vendors.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Advertising Expense

The Company expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. Advertising expenses for the years ended December 31, 2024, 2023, and 2022, were \$200,108, \$283,157, and \$394,773, respectively.

Leases

The Company recognizes leases following Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)". This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As of December 31, 2024, the Company has one short-term leases they are currently not planning to be in effect as of December 31, 2025.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, as measured by a comparison of undiscounted estimated future net cash flows to the carrying value of the asset. If an asset is considered impaired, the asset is written down to fair value. No impairment charges were recorded for the years ended December 31, 2024, 2023, or 2022.

Fair Value of Financial Instruments

The Company has a number of financial instruments, none of which are held for trading purposes. The Company estimates that the fair value of all financial instruments at December 31, 2024, 2023, or 2022, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Reclassifications

Certain items from December 31, 2023 and 2022 have been reclassified to conform to the December 31, 2024 presentation.

Recently Issued Accounting Standards

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) did not or are not believed to have a material impact on our present or future financial statements.

**2. MANAGEMENT'S REVIEW**

In preparing the financial statements, the Company has evaluated the events and transactions for potential recognition through March 6, 2025, the date that the financial statements were available to be issued.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**3. PROPERTY AND EQUIPMENT**

	12/31/2024	12/31/2023	12/31/2022
Cost of property and equipment			
Equipment	\$ 148,250	\$ 140,284	\$ 200,047
Total cost of property and equipment	148,250	140,284	200,047
Accumulated depreciation	(133,569)	(119,092)	(101,144)
Total property and equipment, net	\$ 14,681	\$ 21,192	\$ 98,903

Depreciation expense for the years ending December 31, 2024, 2023, and 2022, was \$16,658, \$17,948, and \$13,439, respectively.

**4. INTANGIBLE ASSETS**

	12/31/2024	12/31/2023	12/31/2022
Trademarks	\$ 12,447	\$ 12,447	\$ 9,697
Internally developed software	54,000	54,000	54,000
Total intangible assets	66,447	66,447	63,697
Accumulated amortization	(49,556)	(31,556)	(13,556)
Total intangible assets, net	\$ 16,891	\$ 34,891	\$ 50,141

The Company began amortizing internally developed software in 2022, when the applications were completed, using an estimated remaining useful life of three years using the straight-line method. Amortization expense on internally developed software was \$18,000, \$18,000, and \$13,556 for the years ended December 31, 2024, 2023, and 2022.

**5. NOTES RECEIVABLE – RELATED PARTIES**

One entity owned by the entity owning 100% of the Company received a loan from the Company on a revolving basis. This loan does not have a maturity date or is it charged interest. As of December 31, 2024, the balance of loan totaled \$657,584.

**DL Franchising, LLC**  
**Notes to Financial Statements (Continued)**

**6. NOTES RECEIVABLE**

Notes receivables at December 31, 2024 consists of the following:

Note receivable with an entity. The interest rate on this note is 6% with payments of \$1,846 expected to start in December 2027 with the full balance expected to be received by November 2032. Payment terms include forgiveness of portions of principle balances based on the opening and operating of studios.	\$ 37,050
Less: Allowance for balance likely to exercise forgiveness terms of contract	<u>(37,050)</u>
	-
Less amounts expected in one year	<u>-</u>
	<u>\$ -</u>

As of December 31, 2024, accrued interest of \$2,408 is recognized for these notes receivable with an allowance of \$(2,408) for balance likely to exercise forgiveness terms of the contract.

**7. NOTES PAYABLE – RELATED PARTIES**

The Company receives a loan from an entity associated with the entity owning 100% of the Company. This loan does not have a maturity date or is it charged interest. As of December 31, 2024, the balance of this loan was \$256,183.

**8. CONTINGENCIES AND GOING CONCERN**

The Company has incurred declining net income from operations since 2021 with an operating loss in 2023. In 2024 the Company recognized operating income. The risks and uncertainties related to the declining income from operations raise doubts about the Company's ability to continue as a going concern over the next twelve months. In 2023 and continuing in 2024, Company's management began and continued cost cutting measures with contracted services, and various layoffs and position consolidations. Management believes that the corrective actions that are already in place and future cost cutting measures should be sufficient to fund operations and debt obligations for at least the next 12 months beyond the date of issuance of these financial statements.

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**EXHIBIT J**  
**OPERATIONS MANUAL TABLE OF CONTENTS**

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<b>Topic</b>	<b># of Pages</b>
Introduction to Deka Lash	18
New Studio Opening	31
Sales	10
Marketing	8
Business Management	10
Products & Services	10
Product Management	19
Team Management	31
Accounting	15
Safety & Security	25
Point-of-Sale System	38
Training	7
Customer Service	8
<b>Total</b>	<b>230</b>

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**EXHIBIT K  
RELEASE**

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THIS RELEASE is made and given by \_\_\_\_\_,  
("Releasor") with reference to the following facts:

Releasor and DL Franchising, LLC (Releasee) are parties to one or more franchise agreements.

The following consideration is given:

\_\_\_\_\_ The execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

\_\_\_\_\_ Releasee consent to Releasor's transfer of its rights and duties under the Franchise Agreement; or

\_\_\_\_\_ Releasee consent to Releasor's assumption of rights and duties under the Franchise Agreement; or

\_\_\_\_\_ [insert description]

The individuals or entities that have signed this general release (the "Release") agree as follows:

1. As required by the executed Deka Lash Franchise Agreement(s), and in consideration for DL Franchising's willingness to extend our rights to open a Deka Lash studio, we hereby release DL Franchising, LLC and Related Parties (as defined below) from any and all claims, demands, actions, causes of action, debts, obligations, and liabilities, whether known or unknown, vested or contingent today (collectively, "Claims") arising out of or related to the Franchise Agreement(s) or the Deka Lash studio(s) governed by the Franchise Agreement(s). We acknowledge that DL Franchising is not required to give us, and is not giving us, a reciprocal release.

We give this Release on behalf of ourselves, our heirs, executors, administrators, successors and assigns, and any other person claiming through or under us. The "Related Parties" covered by this Release include all parents and affiliates of DL Franchising, LLC, as well as its successors and assigns, and all past and present officers, directors, shareholders, employees, agents, lawyers, and contractors.

This Release applies to any transaction, event, or circumstance relating to the Franchise Agreement(s) or studio(s) on or before the date of this Release. This Release does not apply to claims based on future events occurring after the date of this Release.

Franchisee hereby expressly waives any and all rights conferred upon Franchisee by any statute or rule of law which provides that a release does not extend to claims which the claimant does not know or suspect to exist in its favor at the time of executing the release, which if known by it might have materially affected its settlement with the released party, including without limitation provisions of the California Civil Code Section 1542, which provides:

“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.”

[FOR FRANCHISEES OUTSIDE CALIFORNIA]

FRANCHISEE AND ITS OWNERS AND EACH OF THEM, JOINTLY AND SEVERALLY,  
BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL RIGHTS  
THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW  
PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING,  
BUT NOT LIMITED TO [ ] AND ANY STATE/PROVINCES, ETC. IN WHICH  
FRANCHISEE AND/OR ANY OF ITS OWNERS RESIDE AND/OR DO BUSINESS.

2. We understand that we may be wrong about facts that we know or believe to be true at the  
time of signing this Release. We accept and assume the risk of the facts turning out to be  
different, and we agree that this Release will not be subject to termination or rescission by virtue  
of any such difference in facts.

3. We each represent that we have not assigned to any person or entity any Claim covered by this  
Release. We acknowledge that this Release will be a complete defense to any Claim that it  
covers, and each of us consents to the entry of a temporary or permanent injunction to prevent or  
end the assertion of any such Claim.

**FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited  
liability company or other legal entity or  
individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

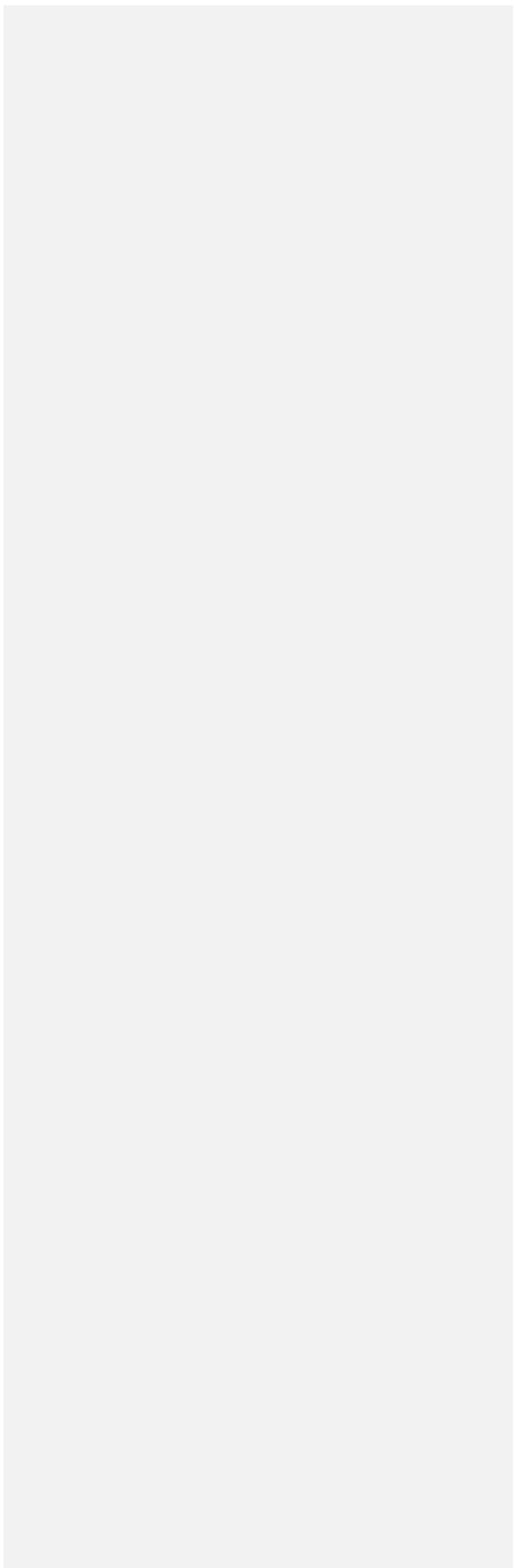
**FRANCHISOR**

DL Franchising, LLC  
d/b/a Deka Lash

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



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**EXHIBIT L**  
**AREA REPRESENTATIVE DISCLOSURES**

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The following additional disclosures apply with respect to Items 2, 3, 4, and 11 of the FDD

**Item 2 Business Experience**

**California**

Michael Debenham, Area Representative. Mr. Debenham has served as our Chief Development Officer since June 2018. Mr. Debenham's other principal positions during the past five years include: Area Representative for us in California through Lashtopia South, LLC and Lashtopia North, LLC since January 2017. Board of Managers Be A Legend, LLC, a franchisor of Legends Boxing gyms located in Salt Lake City Utah from June 2017 to present. CEO of Zee Sprout, LLC a franchise development company located in Salt Lake City, Utah from September 2017 to present. CEO, Debenham Capital, LLC a consumer finance lender in various locations in Utah, from November 2009 until the present; CEO, Debenham Management, Inc, a management company that owns and manages various entities, from May 2013 to the present; CEO, Debenham Holdings, LLC, a real estate holding company, from May 2013 to the present.

**Colorado**

Scott Hatter, Area Representative. Since October 2023, Mr. Hatter has served as a Regional Developer for Iflex Stretch Studios with the primary responsibility of developing locations as a regional developer. From October 2020 to the present, Mr. Hatter has served as the Owner of UAR Ventures, which has the primary function of real estate investing, in Florida and Georgia. Mr. Hatter served as President and CEO of Legends Boxing, a former affiliate of ours, from October 2019 to August 2020. Mr. Hatter served as our Director of Operations from January 2017 to October 2019. From April 2016 until the present, Mr. Hatter has also served as an Area Representative for us in Colorado through Eye Opening LLC. From January 2016 to December 2016, Mr. Hatter served as our Director of Real Estate, Site Selection, and Franchise Consulting. Mr. Hatter has also owned multiple Radiant Waxing salons in Salt Lake City, Utah since June 2013.

**Florida**

Michael Blair, Area Representative. Michael Blair has served as our Executive Chairman since September 2022. From September 2015 to September 2022, Mr. Blair served as our CEO. From November 2016 until the present, Mr. Blair has also served as an Area Representative for us in Florida through Lash Management South LLC. Mr. Blair has also served as the CEO of our affiliates, DL Products, LLC, since November 2015. Mr. Blair has also served as the CEO of Lash Spa Studios, LLC in McMurray, Pennsylvania since December 2012.

**Florida and Georgia**

Heather Tomasello, Area Representative. Heather Tomasello has served as an Area Representative for us through TNT TPA Lash LLC and TNT ATL Lash LLC in Florida and Georgia since December 2016, and as a franchisee in Georgia through Lash Guys LLC since November of 2016. Ms. Tomasello has also served as President of TNT Consulting Group since 2016 and

President of Silverlight Salons LLC, a MY SALON Suite franchisee, since June 2014, both in Tampa, Florida.

Shaun York, Area Representative. Shaun York has served as an Area Representative for us through TNT TPA Lash LLC in Florida since January 2016. From September 2019 to the present, Mr. York has served as a Consultant for Liberty Tax Service in Lakeland, FL and before that, from February 2018 to September 2018, service as Chief Operating Officer for Liberty Tax Service in Virginia Beach, VA. From May 2017 to the present, Mr. York has served as a franchisee for Club Pilates in Valrico, FL. From October 2008 to the present, Mr. York has served as an Area Developer for Liberty Tax Service in Lakeland, FL. From October 2003 to January 2019, Mr. York served as a franchisee for Liberty Tax Service in Lakeland, FL.

### **Pennsylvania**

Jennifer Blair, Area Representative. Ms. Blair has served as our Chief Executive Officer since September 2022. From July 2020 to September 2022, Ms. Blair served as our Co-Chief Executive Officer. From September 2015 to July 2020, Ms. Blair served as our Chief Experience Officer. From November 2016 until the present, Ms. Blair has also served as an Area Representative for us in Pennsylvania through Lash Management North LLC. From December 2012 until the present, Ms. Blair has also served as a Managing Member for Lash Spa Studio, LLC in McMurray, Pennsylvania.

Chris Cynkar, Area Representative. Mr. Cynkar has served as an Area Representative for us in Pennsylvania through Lash Management North LLC from April 2017 to the present. From September 2019 to the present, Mr. Cynkar has also served as a Franchisee of Expense Reduction Analysts in Pittsburgh, Pennsylvania. From June 2017 to the present, Mr. Cynkar has also served as a Franchisee of Supporting Strategies in Pittsburgh, Pennsylvania. From May 2013 to August 2022, Mr. Cynkar served as a Franchise Consultant for FranChoice through his company, ANA Advisors in Pittsburgh, Pennsylvania. From July 2006 to the present, Mr. Cynkar has served as the Owner of GCSS Holdings in McHenry, Maryland. From October 2008 to the present, Mr. Cynkar has served as an Adjunct Professor at Carnegie Mellon University in Pittsburgh, Pennsylvania.

### **Item 3 Litigation**

No litigation is required to be disclosed in this Item.

### **Item 4 Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

### **Item 11 Franchisor's Assistance, Advertising, Computer Systems, and Training**

The Area Representatives listed above may offer certain assistance to you with respect to operational support. This support may include business advising and counseling, document review, financial review, and assistance with franchisor relations.

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**EXHIBIT M**  
**STATE EFFECTIVE DATES**

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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:

State	Effective Date
California	<a href="#">July 11, 2024</a> <del>Pending</del>
Hawaii	<a href="#">September 5, 2024</a> <del>Pending</del>
Illinois	<a href="#">July 1, 2024</a> <del>Pending</del>
Indiana	<a href="#">January 22, 2024</a> <del>Pending</del>
Maryland	<a href="#">July 29, 2024</a> <del>Pending</del>
Michigan	January 14, 2025
Minnesota	<a href="#">July 5, 2024</a> <del>Pending</del>
New York	<a href="#">August 15, 2024</a> <del>Pending</del>
North Dakota	<a href="#">July 12, 2024</a> <del>Pending</del>
Rhode Island	<a href="#">July 2, 2024</a> <del>Pending</del>
South Dakota	<a href="#">March 12, 2024</a> <del>Pending</del>
Virginia	<a href="#">July 11, 2024</a> <del>Pending</del>
Washington	<a href="#">July 11, 2024</a> <del>Pending</del>
Wisconsin	<a href="#">June 25, 2024</a> <del>Pending</del>

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.

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**EXHIBIT N  
RECEIPT**

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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 DL Franchising, LLC d/b/a Deka Lash offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we 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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The franchisor is DL Franchising, LLC located at ~~20 South Main Street, #248, Bountiful, UT 84010~~ [3527 Washington Road, McMurray, PA 15317](#). Its telephone number is (412) 977-0220.

Issuance Date: ~~March 5, August 6, 2025~~ [2024 as amended June 24, 2024](#)

The Franchise Sellers for this offering are:

<input checked="" type="checkbox"/>	Brad Collier; <del>20 South Main Street, #248, Bountiful, UT 84010</del> <a href="#">3527 Washington Road, McMurray, PA 15317</a> ; (412) 977-0220
	<a href="#">Ricki Wilkins; 10005 Old 3-C Highway, Clarksville, OH 45113; (937) 289-4050</a>
	<a href="#">Catherine Hall; 20 South Main Street, #248, Bountiful, UT 84010; (623) 251-0774</a>
<input checked="" type="checkbox"/>	Jennifer Blair, <del>20 South Main Street, #248, Bountiful, UT 84010</del> <a href="#">3527 Washington Road, McMurray, PA 15317</a> , (412) 977-7133
<input checked="" type="checkbox"/>	<a href="#">Troy McCullen, 3527 Washington Road, McMurray, PA 15317, (412) 977-7133</a>

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated ~~March 5, August 6, 2025~~2024 as amended June 24, 2024 that included the following Exhibits:

- Exhibit A State Addenda to the Disclosure Document
- Exhibit B Franchise Agreement
  - Schedule 1 - Protected Area
  - Schedule 2 - Holders of Ownership Interest in the Franchise
  - Schedule 3 - State Addenda
- Exhibit C Area Development Agreement
  - Appendix 1 - Data Sheet
  - Appendix 2 - State Addenda
- Exhibit D List of State Administrators
- Exhibit E Registered Agents
- Exhibit F-1 Franchisor Addendum
- Exhibit F-2 Conditional Assignment of Lease and Telephone Number Assignment
- Exhibit F-3 Confidentiality and Non-Disclosure Agreement
- Exhibit F-4 Automatic Bank Draft Authorization
- Exhibit F-5 Deka Lash Closing Acknowledgments
- Exhibit F-6 SBA Addendum
- Exhibit G List of Current Franchisees
- Exhibit H List of Former Franchisees
- Exhibit I Financial Statements
- Exhibit J Table of Contents of Operations Manual
- Exhibit K Release
- Exhibit L Area Representative Disclosures
- Exhibit M State Effective Dates
- Exhibit N Receipt

**DATE YOU RECEIVED THIS DISCLOSURE DOCUMENT**

**PROSPECTIVE FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Please sign, date, and retain this copy for your records.**

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DL Franchising, LLC d/b/a Deka Lash offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we 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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The franchisor is DL Franchising, LLC located at ~~20 South Main Street, #248, Bountiful, UT 84010~~ [3527 Washington Road, McMurray, PA 15317](#). Its telephone number is ~~(412) 977-0220~~ [\(724\) 271-8121](#).

Issuance Date: ~~March 5, August 6, 2025~~ [2024 as amended June 24, 2024](#)

The Franchise Sellers for this offering are:

<input checked="" type="checkbox"/>	Brad Collier; <del>20 South Main Street, #248, Bountiful, UT 84010</del> <a href="#">3527 Washington Road, McMurray, PA 15317</a> ; (412) 977-0220
	<del>Ricki Wilkins; 10005 Old 3 C Highway, Clarksville, OH 45113; (937) 289-4050</del>
	<del>Catherine Hall; 20 South Main Street, #248, Bountiful, UT 84010; (623) 251-0774</del>
<input checked="" type="checkbox"/>	Jennifer Blair, <del>20 South Main Street, #248, Bountiful, UT 84010</del> <a href="#">3527 Washington Road, McMurray, PA 15317</a> , (412) 977-7133
<input checked="" type="checkbox"/>	<a href="#">Troy McCullen, 3527 Washington Road, McMurray, PA 15317, (412) 977-7133</a>

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated ~~March 5, August 6, 2025~~2024 as amended June 24, 2024 that included the following Exhibits:

- Exhibit A State Addenda to the Disclosure Document
- Exhibit B Franchise Agreement
  - Schedule 1 - Protected Area
  - Schedule 2 - Holders of Ownership Interest in the Franchise
  - Schedule 3 - State Addenda
- Exhibit C Area Development Agreement
  - Appendix 1 - Data Sheet
  - Appendix 2 - State Addenda
- Exhibit D List of State Administrators
- Exhibit E Registered Agents
- Exhibit F-1 Franchisor Addendum
- Exhibit F-2 Conditional Assignment of Lease and Telephone Number Assignment
- Exhibit F-3 Confidentiality and Non-Disclosure Agreement
- Exhibit F-4 Automatic Bank Draft Authorization
- Exhibit F-5 Deka Lash Closing Acknowledgments
- Exhibit F-6 SBA Addendum
- Exhibit G List of Current Franchisees
- Exhibit H List of Former Franchisees
- Exhibit I Financial Statements
- Exhibit J Table of Contents of Operations Manual
- Exhibit K Release
- Exhibit L Area Representative Disclosures
- Exhibit M State Effective Dates
- Exhibit N Receipt

**DATE YOU RECEIVED THIS DISCLOSURE DOCUMENT**

**PROSPECTIVE FRANCHISEE**

\_\_\_\_\_  
(Name of corporation, partnership, limited liability company or other legal entity or individually if blank)

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Please sign, date, and return this copy to us.**