

## FRANCHISE DISCLOSURE DOCUMENT



### SKIN EXPERTS BY BRENTWOOD SPA FRANCHISE INC.

(a Delaware corporation)

8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109

(925)~~390-5505~~[690-5552](tel:9256905552)

[www.skinexperts.com](http://www.skinexperts.com)

You will operate a business that offers skincare services and products to the public using the SKIN EXPERTS by Brentwood Spa® business system. The total investment necessary to begin operation of a SKIN EXPERTS by Brentwood Spa® franchise is ~~\$585,600~~[485,600](#) to \$865,100 for a new location and \$375,100 to \$596,100 for the conversion of an existing location. This includes \$74,500 to \$105,000 that you must pay to us or our affiliates for a new location and \$69,500 to \$100,000 that you must pay to us or our affiliates for the conversion of an existing location.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Shaya Mulcahy, Chief Operating Officer by phone at (925)~~390-5505~~[690-5552](tel:9256905552) by mail at 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109 or by email at [franchise@skinexperts.com](mailto:franchise@skinexperts.com).

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 contracts carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](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: ~~February 5~~[April 17, 2024](#)~~2025~~

## 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 us by mediation and arbitration only in New York, New York. Out-of-State mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or arbitrate with us in New York than in your own state.
2. **General-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.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
5. **Inventory/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.
6. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
7. **Use of Franchise Brokers.** The Franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the Franchisor and/or selling the franchise. Carefully evaluate any 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 they experience with the Franchisor.

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.

## TABLE OF CONTENTS

Item 1. The Franchisor and any Parents, Predecessors and Affiliates .....	1
Item 2. Business Experience .....	3
Item 3. Litigation .....	5
Item 4. Bankruptcy .....	5
Item 5. Initial Fees .....	5
Item 6. Other Fees .....	6
Item 7. Estimated Initial Investment .....	<del>11</del> <u>12</u>
Item 8. Restrictions on Sources of Products and Services .....	17
Item 9. Franchisee's Obligations .....	19
Item 10. Financing .....	20
Item 11. Franchisor's Assistance, Advertising, Computer Systems and Training .....	<del>20</del> <u>21</u>
Item 12. Territory .....	29
Item 13. Trademarks .....	<del>32</del> <u>31</u>
Item 14. Patents, Copyrights and Proprietary Information .....	<del>34</del> <u>32</u>
Item 15. Obligation to Participate in the Actual Operation of the Franchise Business .....	<del>35</del> <u>33</u>
Item 16. Restrictions on What the Franchisee May Sell .....	<del>35</del> <u>33</u>
Item 17. Renewal, Termination, Transfer and Dispute Resolution .....	<del>36</del> <u>34</u>
Item 18. Public Figures .....	<del>41</del> <u>39</u>
Item 19. Financial Performance Representations .....	<del>41</del> <u>39</u>
Item 20. Outlets and Franchisee Information .....	<del>43</del> <u>42</u>
Item 21. Financial Statements .....	<del>47</del> <u>44</u>
Item 22. Contracts .....	<del>47</del> <u>45</u>
Item 23. Receipts .....	<del>48</del> <u>45</u>

## EXHIBITS

### **EXHIBIT A**

#### **CONTRACTS**

- A-1 FRANCHISE AGREEMENT, WITH PERSONAL GUARANTY
- A-2 CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS
- A-3 STATE-SPECIFIC ADDENDA/AMENDMENTS
- A-4 FINAL DISCLOSURE QUESTIONNAIRE
- A-5 GENERAL RELEASE
- A-6 NON-DISCLOSURE AGREEMENT
- A-7 TERMINATION AGREEMENT AND RELEASE OF CLAIMS
- A-8 ASSIGNMENT OF FRANCHISE AGREEMENT
- A-9 ADDENDUM (TO FRANCHISE AGREEMENT UPON ASSIGNMENT)
- A-10 ADDENDUM (TO FRANCHISE AGREEMENT UPON RE  
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- A-11 ACH FORM

### **EXHIBIT B**

#### **FINANCIAL STATEMENTS**

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

### Definitions

To simplify this disclosure document (“**Disclosure Document**”), “**we**” or “**us**” means Skin Experts By Brentwood Spa Franchise Inc., the franchisor. “**You**” means the individual or business entity, such as a partnership, limited liability company, or corporation that is buying the franchise and, if you are an entity, it includes your owners all of whom must agree to be liable for your obligations. “**Principal Owner**” means the owner of a business entity who will have primary responsibility for franchise operations. “**Franchise Agreement**” means the franchise agreement you enter with us, the form of which can be found in Exhibit A to this Disclosure Document.

### The Franchisor

We are a Delaware corporation formed on January 16, 2024 for the purpose of offering SKIN EXPERTS by Brentwood Spa® franchises (each a “**Franchised Business**”). Our principal business address is [8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109](#). Our phone number is (925)~~390-5505~~[690-5552](#). We do business under our corporate name and the name “Skin Experts” pursuant to a trademark license from our affiliate, Brentwood Spa Trademark Inc., a Delaware corporation (“**BSTI**”). We began offering franchises in 2024. We do not operate any businesses of the type being franchised and we do not offer any other franchises in any other lines of business. We have no prior business activities and no current business activities other than offering SKIN EXPERTS by Brentwood Spa® franchises. The addresses for our agents for service of process are attached as Exhibit E to this Disclosure Document.

### Our Parents, Predecessors and Affiliates

We are a wholly-owned subsidiary of Kul Holdings Inc. which was incorporated on July 28, 2021 in Delaware (“**Kul Holdings**”). The principal business address of Kul Holdings is 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109. Kul Holdings is a holding company.

Our affiliate company, BSTI, owns the trademarks that we license to you. Its principal business address is 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109. BSTI has never operated a SKIN EXPERTS by Brentwood Spa® business. It does not offer SKIN EXPERTS by Brentwood Spa® franchises or franchises in any other line of business.

Our affiliate company, Brentwood Spa Inc. (“**BSI**”), operates SKIN EXPERTS by Brentwood Spa® businesses. Its principal business address is 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109. BSI has operated SKIN EXPERTS by Brentwood Spa® businesses since 2022 and currently has 3 locations. It does not offer SKIN

## ITEM 2. BUSINESS EXPERIENCE

Name	Business Experience
<p><del><b>Jessica Gable</b> President and Chief Sales Officer</del></p>	<p><del>Jessica Gable has been President of Skin Experts By Brentwood Spa Franchise Inc. since January 2024. She has also been President and Chief Sales Officer of our affiliate, Kul Holding Inc., in Revelstoke, British Columbia from February 2022 to the present. From March 2017 to the present, Jessica has worked as a Business and Life Coach for Jessica Gable Coaching and Consulting in Revelstoke, British Columbia.</del></p>
<p><b>Shaya Mulcahy</b> Director and Chief Operating Officer</p>	<p>Shaya Mulcahy has been Director and Chief Operating Officer of Skin Experts By Brentwood Spa Franchise Inc. since January 2024. She has also been President and Treasurer of our affiliates, Brentwood Spa Inc. since October 2021, Shelley Hancock Consulting Inc. since January 2022, Skin Experts Pro By Brentwood Spa Inc. since February 2023 and Brentwood Spa Trademark Inc since December 2021, all in San Diego, California. From November 2017 to the present, Shaya has been the Chief Operating Officer of The Integrated Film Company, LP in New York, New York.</p>
<p><u><b>Marisa Cashel</b> President &amp; Managing Director</u></p>	<p><u>Marisa Cashel has been President of Skin Experts By Brentwood Spa Franchise Inc. since January 2025. Marisa previously worked as a Executive Director for Zealous ME EWC LLC in Cranford, New Jersey from January 2019 to December 2024.</u></p>
<p><b>Greg Mitchell</b> Chief Financial Officer</p>	<p>Greg Mitchell has been Chief Financial Officer of Skin Experts By Brentwood Spa Franchise Inc. since January 2024. He has also worked in finance for our affiliate, Kul Holding Inc., in Livermore, California from November 2021 to present. Greg previously worked as an accountant for Mitchell Advisory Services in Livermore, California from October 2018 to November 2021.</p>
<p><b>Tim Mulcahy</b> Consultant</p>	<p>Tim Mulcahy has been a business and sales consultant to Skin Experts By Brentwood Spa Franchise Inc., since January 2024, in Toronto, Ontario. From July 2021 to the present, he has been Executive Chairman of our parent, Kul Holding Inc., in Toronto, Ontario. He has also been corporate Secretary for our affiliates, Brentwood Spa Inc. since October 2021, Shelley Hancock Consulting Inc. since January 2022, and Skin Experts Pro By Brentwood Spa Inc. since February 2023 Brentwood Spa Trademark Inc. since December</p>

Type of Fee	Amount	Due Date	Remarks <sup>1-6</sup>
			travel, room, board and salary and benefits. expenses. Whether or not you attend, at a minimum, you must pay us the annual convention fee multiplied by the number of franchise agreements you have in effect with us.
Relocation	\$10,000	At the time you make a relocation request.	This relocation fee is not refundable, even if we reject your relocation request.
Transfer	\$25,000	\$10,000 upon making a request to transfer and \$15,000 at the time of transfer.	<p><a href="#"><u>This fee is subject to state law.</u></a></p> <p>You are required to obtain our consent to any transfer, which may be withheld if certain criteria are not met. Transfer includes any sale of the Franchised Business or if you are a business entity any change of more than 25% of the ownership interests.</p> <p>The \$10,000 payment is not refundable, whether or not you complete the transfer.</p>
Administrative fee – Certain other ownership changes	\$500 to amend franchise agreements upon ownership changes (by individual franchisees to a business entity, from one controlled company to another, among existing franchisee business entity owners)	At time of change	You are required to obtain our consent to any transfer, which may be withheld if certain criteria are not met. This fee is charged separately from the fee applied if the ownership changes by more than 25%.

Type of Fee	Amount	Due Date	Remarks <sup>1-6</sup>
Interest	2% per month compounded (26.82% percent per annum) or the highest rate allowed by the state where you are located	Upon demand.	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit.
Indemnity Costs	Depends upon the size of the loss for which you are required to indemnify us	Upon demand.	You must indemnify us when certain of your actions result in a loss to us. See Sections 7(i) and 19(a), (b) and (l) of the Franchise Agreement.
Liquidated Damages	An amount equal to your Continuing Fee for the lesser of the remaining term or 36 months, plus the average monthly gross margin that we and our Affiliates made on product, equipment and device sales to you in the last six months of your operations multiplied by the lesser of the remaining months in the term or 36 months.  \$25 to \$500 (per week per violation)	If we terminate the Franchise Agreement with cause or you terminate the Franchise Agreement without cause.  Within 10 days of receipt of notice of violation from us.	<a href="#"><u>This fee is subject to state law.</u></a>  These liquidated damages are payable for violations of our standards as set out in the Franchise Agreement and the Manuals.
Evaluation of a New Supplier	Our costs incurred when evaluating a potential new supplier	When incurred.	We have no obligation to approve new suppliers for the products, equipment, and devices that we resell

Type of Fee	Amount	Due Date	Remarks <sup>1-6</sup>
			to you.
<u>Local and Online Marketing Fees</u>	<u>\$3,500 per month.</u>	<u>When incurred.</u>	<u>These fees will be used for digital marketing, advertisements in local newspapers and other publications, mall advertisings and other means describe in the Local and Online Marketing Policy.</u>

Notes:

1. Payment Method. All re-occurring payments by you to us are to be made by electronic funds transfer as set out in the payment policy in the Manual. Electronic funds transfers are currently completed by automatic clearing house (ACH) payments. After signing the Franchise Agreement, you will immediately complete our ACH form and return it to us (the current form is attached in Exhibit A to this Disclosure Document).
2. Underpayment. No payment by you or acceptance by us of any monies under the Franchise Agreement for a lesser amount than due will be treated as anything other than a partial payment on account. Notwithstanding any designation by you, we will have sole discretion to apply any payments by you to any of your past-due indebtedness to us.
3. Right to Offset. We may offset any amount owed by you to us or our affiliates under or in connection with the Franchise Agreement or any related agreement against any payments owed by us to you under the Franchise Agreement or any related agreement. Such offsets will be in addition to any other rights or remedies available under the Franchise Agreement and applicable law.
4. Regional Advertising Cooperatives. Units that we or our affiliates own will not vote with respect to the establishment of regional advertising cooperatives nor with respect to fees associated with any regional advertising cooperatives.
5. Are Fees Uniformly Imposed. Unless otherwise indicated, all fees are payable only to us for our account and are uniformly imposed, though we retain the right to negotiate the above-listed fees with individual franchisees under unique circumstances.
6. Fees are Non-refundable. All fees are nonrefundable.

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

#### Single Unit Initial Investment

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	(Low)	(High)			
Initial Franchise Fee <sup>1</sup>	\$39,500 (new spa)  \$34,500 (existing spa)	\$39,500 (new spa)  \$34,500 (existing spa)	Wire Transfer	At signing of Franchise Agreement	Us
Continuing Fee <sup>2</sup>	\$4,500 (for first three months after you open for business) (\$1,500 per month)	\$4,500 (for first three months after you open for business) (\$1,500 per month)	ACH Transfer	Monthly, at the 1 <sup>st</sup> of each month	Us
On-Site Evaluation Fee	\$0	\$500	Wire Transfer	Before beginning operations	Us
Initial Training Program <sup>3</sup>	\$3,000	\$6,000	As arranged	Before beginning operations	Airlines, hotels and restaurants
Leased Premises <sup>4</sup>	\$16,000 (for security deposit and first three months) (new Spa)  \$12,000 (assumes you have already paid the security deposit, so just first three months) (existing Spa)	\$30,000 (for security deposit and first three months) (new Spa)  \$22,500 (assumes you have already paid the security deposit, so just first three months) (existing Spa)	As arranged	Before beginning operations	Lessor
Utility Deposits <sup>5</sup>	\$1,000 (new Spa)  \$0 (existing Spa)	\$3,000 (new Spa)  \$0 (existing Spa)	As arranged	Before beginning operations	Utility companies
Construction and Remodeling	<del>\$350,000</del> <u>\$250,000</u> (new Spa)	\$500,000 (new Spa)	As arranged	Before and during construction	Architect, contractors and suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	(Low)	(High)			
Accounting <sup>13</sup>	Spa) \$5,000 (existing Spa)	Spa \$8,000 (existing Spa)	arranged	beginning operations	accountant
Licenses and Permits <sup>14</sup>	\$500 (new Spa) \$0 (existing Spa)	\$1,500 (new Spa) \$0 (existing Spa)	As arranged	Before beginning operations	Licensing authorities
Employee Wages <sup>15</sup>	\$21,000 (for first three months)	\$60,000 (for first three months)	Direct Deposit	Bi-weekly, beginning upon hiring	Employees
<del>Additional<sup>16</sup></del> <u>Additional Funds<sup>16</sup></u>	\$5,000	\$10,000	As arranged	As necessary	Various
TOTAL <sup>17</sup>	<del>\$585,600</del> <u>485,600</u> (new Spa) \$375,100 (existing Spa)	\$865,100 (new Spa) \$596,100 (existing Spa)			

Unless otherwise noted, all payments are non-refundable or are refundable only pursuant to any agreement between you and us or the vendor or supplier to whom you have made the payment.

Notes:

1. Initial Franchise Fee. The Initial Franchise Fee and its refund policy are described in detail in Item 5.

2. Continuing Fee. This is the Continuing Fee for your first 3 months of operations. The Continuing Fee is described in detail in Item 6.

3. Initial Training Program. Prior to the opening of the Franchised Business, we will provide you with an Initial Training Program. The Initial Training Program consist of (i) an online training course of up to 30 hours in duration which will be made available to you, and your employees as they are hired, and (ii) in-person training at one of our corporate-owned or franchised spas of up to 10 days in duration for you (or Principal Owner), your general manager and lead esthetician, which cumulatively cover all aspects of the Franchised Business. Attendance is mandatory. You may bring additional employees to the in-person training, but we reserve the right to charge additional fees for extra attendees. You are responsible for all travel and living expenses and all wages and benefits payable to any trainee and no wages or benefits will be payable by us to any such trainee for any service rendered during training. The amount represented is our estimate of the travel, accommodation and living expenses while you (or Principal Owner), your

general manager and lead esthetician, as applicable, attend in-person training. Employee wages and benefits are extra.

4. Leased Premises. You may purchase your premises, but we cannot estimate that cost. If you lease a space, your lease costs can vary based on variance in square footage, cost per square foot, required maintenance costs and location. The security deposit is typically 1 months' rent but may be more. Our preference is that the Spa is in a Class A or B retail center, has 4 to 10 rooms, and has 1,400 to 2,500 square feet of space.

5. Utility Deposits. If you are a new customer of your local utilities and are leasing space for the Franchised Business, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary depending on the local utilities. You should contact your local utilities for more information. If you are converting an existing Spa, we assume that you have already made these deposits.

6. Equipment. ~~See Item 5.~~ You must purchase skincare equipment and devices for use at the Spa from our affiliate, SHCI, prior to opening, including LED Face Panels (Red and Green), Ultrasonic Spatula, Oxygen Infusion Machine, 20 HZ Pro Microcurrent, 360 Toner, DermaDisc, Eye Rollers, Glide N' Glow, Skin Energizer, Gua Sha Tool, High Frequency Ozone, Skin Enhancer, Eye & Lip Enhancer, Skin Exfoliators, LED Body Pads (Small, Medium, or Large), and Waxing Equipment.

7. Computers Equipment, Peripherals and Software. You must purchase the computers, peripherals and software necessary for operating the Franchised Business. Our specifications for computers, peripherals and software are described in Item 11. The cost of the computers and related peripherals may vary depending on the computers and related peripherals that you already own.

8. Inventory. ~~See Items 5 and 6.~~ You must purchase an opening inventory (including our QUL branded skincare products for use at the Spa and for resale and certain skincare equipment and devices for resale) from our affiliates, SEPI and SHCI, prior to opening. Products to be sold include moisturizers, cleansers, toners, SPF, serums, primers, and masks. Products for esthetic use include moisturizers, cleansers, toners, SPF, serums, primers, masks, peels, and other miscellaneous skin care products. Equipment and devices to be sold include Eye Rollers, Glide N' Glow, Skin Energizer, Gua Sha Tool, High Frequency Ozone, Skin Enhancer, Eye & Lip Enhancer, and Skin Exfoliators.

9. Supplies. You must purchase general office and cleaning supplies. Factors that may affect your cost of supplies include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for supplies are refundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

10. Pre-opening Branding and Promotion. You are required to spend between \$15,000 and \$20,000 on a pre-opening and opening branding and promotional campaign for the

recent years, but we estimate the annual premium cost to be between a low of approximately \$1,200 and a high of approximately \$3,600 for all of this insurance (per year). Employer's liability insurance is extra and you should obtain prices from your state agencies or your insurance agent or broker for it. Factors that may affect your cost of insurance include the size and location of the Franchised Business, value of the leasehold improvements, equipment, number of employees and other factors. We may require you to use our approved insurance brokers and those insurance companies we designate. The amounts you pay for insurance are paid annually. You must also carry worker's compensation insurance, the cost of which will vary per state and the amount of your payroll. The amounts represented are estimates for the initial 3 months of operation and are expected to increase with the growth of the Franchised Business.

13. Legal and Accounting. We recommend that you engage an attorney, an accountant or other consultants to assist you in establishing your Franchised Business. Fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. We estimate that you may have to spend \$5,000 to \$10,000 for incorporation or formation of a business entity, initial accounting advice and legal review of the Franchise Agreement and this Disclosure Document. If you are converting an existing Spa, we assume that you already have a business entity.

14. Licenses and Permits. State and local government agencies typically charge fees for operating licenses, registration and certification. Licenses must be renewed annually. If you are converting an existing Spa, we assume that you have already obtained all licenses and permits.

15. Employee Wages. Our estimate of employee wages for the first three months does not include any salary being paid to you (if an individual) or any of your owners who may work at the Franchised Business.

16. Additional Funds. This is our estimate of miscellaneous costs not enumerated above for the first three months after you open for business. [It includes utilities, cleaning costs and ordinary maintenance. We have relied on our affiliate BSIT's experience in opening its own SKIN EXPERTS by Brentwood Spa® businesses in making this estimate.](#)

17. Total / Working Capital. ~~In compiling this chart, we relied on our and our affiliates' industry knowledge and experience. We do not finance any of these items.~~ You are required to have opening working capital of approximately \$20,000 to \$50,000 (of which at least 75% should consist of cash with no more than 25% being other liquid assets) to cover operating expenses in the start-up phase, including payments to us, our affiliates, other suppliers, and employees. We estimate the start-up phase to be 3 months from the Start Date. ~~Additional funds may be required to finance operations until a positive cash flow is produced.~~

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

~~Your purchase and sale of certain goods or services as required is an essential element of your compliance with the Franchise Agreement and the Manuals and your failure to do so is a breach of the Franchise Agreement and may result in your loss of material benefits, up to and including the termination of the Franchise Agreement.~~

In the event you wish to purchase any unapproved product or service that is complimentary to the approved products and services or acquire approved products or services from an unapproved supplier, you must first obtain our prior written approval. We are not required to approve any particular supplier. We do not use any fixed process for granting or revoking approval of designated suppliers. Instead, we evaluate suppliers on a variety of criteria, including the quality of their products or services, price, responsiveness, ability to service the System as a whole, reputation, timeliness, and experience, scalability and alignment with our purpose and core values among others. If we create any specific policies for approving suppliers, we will communicate them to franchisees. We will consider in good faith and in a reasonable time any supplier that you would like to propose who is capable of providing goods or services meeting our requested specifications, except that we do not have to consider alternative suppliers for the products, equipment, and devices that we resell to you. If We do not charge you a fee for evaluating your proposed supplier, but if our evaluation of your proposed supplier requires us to incur any cost (such as to examine a sample of that supplier's products), we will ask you to pay such costs to us when incurred by us. We will make a reasonable effort to approve or disapprove any proposed supplier within 30 days. If approval of a supplier is later revoked, we will notify you by email or such other method we determine at our discretion. ~~Evaluation of supplier's costs incurred by us when incurred.~~

You are required to obtain insurance in such minimum amounts and for such coverages as we may require from insurers that we approve. Though the insurance requirements may change, we currently require you to obtain, in addition to other coverage mandated in our Manuals, the following minimum coverage amounts (or higher limits as required by the State in which your Franchised Business will operate):

General Liability Insurance Minimums	
Professional Liability (per occurrence)	\$1,000,000
Professional Liability (aggregate)	\$2,000,000
Commercial General Liability (per occurrence)	\$1,000,000
Commercial General Liability (aggregated)	\$2,000,000
Cyber Liability	\$250,000
Sexual Misconduct and Physical Abuse Liability	\$1,000,000
Tenant Legal Liability (if applicable)	\$50,000
Employee Benefits Liability	\$1,000,000
Non-owned Auto Liability	\$1,000,000
Medical Expenses	\$5,000
Additional Insured for Mortgagees, Lenders, clients (when applicable or required)	Include in General Liability

You are also required to obtain Worker's compensation insurance. Worker's compensation insurance will vary per state and the amount of your payroll. Employer's liability insurance is extra and you should obtain prices from your state agencies or your insurance agent or broker for it.

We require you to purchase an operating system for your computer system from Meevo and accounting software from Zero or QuickBooks, except if you use a different accounting software for your existing business and we approve its use by the Franchised Business.

You must purchase beds and other equipment for the Spa from the suppliers we designate, including our affiliates.

You must purchase all equipment, devices, and products to be sold at the Spa from us or our affiliates. We and our affiliates are entitled to make a profit on, and to retain any volume discounts that are received by us or them from any manufacturer or supplier of, products that we or our affiliates purchase and sell to you for resale, including products, equipment, and devices. However, we will not take any volume discounts, rebates or discount bonuses on any other products that we designate for use by you in the development or operation of the Franchised Business and will pass any negotiated savings on to you.

We began operations on January 16, 2024, and as of the issuance date of this Disclosure Document have not received any revenue for services or leases provided by us to franchisees, nor have our affiliates. We estimate that, in establishing your Franchised Business, your purchases or leases of goods and services made in accordance with our specifications will represent approximately 90% of all of your total purchases or leases of goods and services. Once your business is established, we estimate that, on an ongoing basis, your purchases or leases of goods and services made in accordance with our specifications will represent approximately 95% of all of your purchases or leases of goods and services. There currently are not any purchasing or distribution cooperatives in place for the purchase or lease of goods or services. We currently do not negotiate purchase arrangements with suppliers for the benefit of franchisees, but we may do so in the future.

Our affiliate, SEPI, is the sole supplier of skincare products for use by you at the Spa and for resale by you at the Spa. Our affiliate, SHCI, is the sole supplier of skincare equipment and devices for use by you at the Spa and for resale by you at the Spa. Our President, ~~Jessica Gable~~ ~~Marisa Cashel~~, our Chief Operating Officer, Shaya Mulcahy, and our Chief Financial Officer, Greg Mitchell, each own or have the right to acquire an indirect interest in SEPI and SHCI.

We do not provide any material benefits to you if you buy from sources we approve, except that we will try to make volume purchase arrangements and will pass any savings on to you, except for equipment, devices, and products that we sell to you for resale (as discussed above).

~~Generally, you will be required to provide a 30-day money-back warranty on equipment, devices and products sold by you. You will be required to refund the price for services if a customer is unhappy with the treatment for legitimate reasons.~~

## ITEM 9. FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

Obligation	Section in Franchise	Disclosure Document Item
a. Site selection and acquisition / lease	Section 2(d); 2(e); 2(j); 2(k); 3(c)	5; 7; 11; 12
b. Pre-opening purchases / leases	Section 5(h); 7(a)	7; 8; 11; 12
c. Site development and other pre-opening requirements	Sections 2(l); 3(a); 3(c); 7(a); 9(d); 11; 12	7; 12
d. Initial and ongoing training	Sections 2(n)(ii); 5(a); 5(g)	11
e. Opening	Sections 2(n); 7(a); 9(d) 11; 12	7; 11; 12
f. Fees	Sections 3; 4; 9; 14(a)(iii)(9); 14(d)(vi); 14(e)(iv)	5; 6; 7; 11; 17
g. Compliance with standards and policies / operating manual	Sections 2(c); 6(b); 7; 8	8; 11
h. Trademarks and proprietary information	Sections 2(i); 8; 10; 13	1; 13; 14; 17
i. Restrictions on products / services offered	Sections 2(c); 7; 13	8
j. Warranty and customer service requirements	Sections 2(c); 7; 8	n/a
k. Territorial development and sales quotas	Sections 2(f); 2(g); 2(h); 6	1; 12
l. Ongoing product / service purchases	Sections 5(h); 7; 8; 11; 12	16
m. Maintenance, appearance and remodeling requirements	Sections 4(b)(viii); 7; 8	7; 17
n. Insurance	Section 12	7; 8
o. Advertising	Section 9	6; 7; 9; 11
p. Indemnification	Sections 3(c)(v); 7(m); 19(a); 19(b); 19(l)	7
q. Owner's participation / management / staffing	Sections 7; 14; 15	15
r. Records and reports	Sections 7(a)(xvi); 11	11
s. Inspections and audits	Sections 11	6
t. Transfer	Section 14	17
u. Renewal	Section 4(b)	17

Obligation	Section in Franchise	Disclosure Document Item
v. Post-termination obligations	Section 4(c); 8; 10; 11; 13; 14; 16; 19	17
w. Non-competition covenants	Section 13	14; 17
x. Dispute resolution	Section 19(t)	17

## ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation ~~of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.~~ We may arrange sources of financing for you but will not receive any ~~fee~~consideration for doing so.

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

**Except as listed below, Skin experts by Brentwood Spa Franchise Inc. is not required to provide any assistance to you.**

### Franchisor's Assistance

Before the Franchised Business opens, we will:

- (i) Designate a protected territory as defined in Item 12 and if you do not have a location when you sign the Franchise Agreement, we will designate a premises selection area wherein you will find a location and once you find a location we will designate a protected territory (see Franchise Agreement Section 2(f), 2(j) and Schedule A);
- (ii) Provide you with a recommended layout for the location (see Franchise Agreement Section 2(l)(i));
- (iii) Provide you electronic access to our Manuals, as revised periodically, a copy of the table of contents of the Manuals is attached as Exhibit D to this Disclosure Document. Our Manuals have 257 pages, including attachments, and the Manuals are regularly updated. We continually update the Manuals to reflect revisions to our system, new products or services, and changes in our prescribed methods of operation. Under the terms of the Franchise Agreement, we are entitled to revise the Manuals at any time, and you will be obligated to adhere to those revised specifications and requirements (see Franchise Agreement Sections 5(a) and 8));
- (iv) Provide you with the names of approved suppliers for equipment, signs, fixtures, opening inventory and supplies and written specifications for certain of these items (see Franchise Agreement Section 7(a));

(v) Provide the Initial Training Program for you (or Principal Owner) and your general manager and lead esthetician (as applicable) and the online portion of the Initial Training Program for other of your employees. The Initial Training Program covers all aspects of the System (see Franchise Agreement Sections 2(n)(ii), 5(a) and 5(g));

(vi) At your expense, we will provide you with sales brochures and other literature (see Franchise Agreement Section 5(c));

(vii) We ~~will~~may support you in determining state and local licensing and permitting requirements to the best of our ability, but this remains your responsibility and we do not assume any liability ([see Franchise Agreement Section 2\(m\)](#));

(viii) We will send one or more individuals who are familiar with the System to assist you with operations for a period of 5 days before you open the Spa and 5 days after you open the Spa (see Franchise Agreement Section 5(b)); and

(ix) Supply equipment, devices and inventory to you (see Franchise Agreement Section 5(h)).

During the operation of the Franchised Business, we will:

(i) Administer and maintain the Fund, if and when implemented (see Franchise Agreement Section 9(b));

(ii) Provide you with general advice and guidance as we deem necessary including daily (excluding weekends and holidays), weekly and one-on-one online training sessions (see Franchise Agreement Section 5(d));

(iii) Coordinate and conduct periodic training programs for you as we in our sole discretion deem necessary (see Franchise Agreement Section 5(g));

(iv) On a periodic basis, conduct mystery shopper inspections or anonymous evaluations of the Franchised Business and its operations and provide feedback on compliance with our System standards (see Franchise Agreement Section 7(l));

(v) Update the Manuals in our discretion (see Franchise Agreement Section 5(a));

(vi) Supply inventory to you (Franchise Agreement Section 5(h));

(vii) We can suggest retail prices for products and services, which may vary from region to region; however, such recommended prices are not binding upon you and you will at all times be free to charge prices of your own choosing (Franchise Agreement Section 5(f)); and

(viii) Assist you with the preparation of a marketing growth plan (see Franchise Agreement Section 5(i)).

## Advertising

### General

~~You have the right to conduct branding and promotions in respect of the Franchised Business using reasonable discretion and provided that (see Franchise Agreement Section 9(a)):~~

~~(i) You brand and promote only in a manner that will reflect favorably on us, you, the Services and their good name, goodwill and reputation;~~

~~(ii)~~ You may use your own branding and promotional material; however, you must submit it to us for its approval, which approval will not be unreasonably withheld or unduly delayed, and you do not use this branding and promotional material until such time as we give our prior written approval to the use of such branding and promotional material; [\(see Franchise Agreement Section 9\(a\)\)](#).

~~(iii) You hereby acknowledge that we are the sole and exclusive owner of all copyrights and any and all branding and promotional material prepared by or on behalf of us or you and such materials will at all times remain our property; and~~

~~(iv)~~ Any commentary on the Internet or other mass communications network by you regarding the Franchised Business or the Marks, including your use of social media for the purpose of promoting the Franchised Business, will be done strictly in accordance with the policies set out in the Manuals. You will provide us with full access at all times to any social media account that is used for promoting the Franchised Business including the provision of passwords, and upon expiration or termination of the Franchise Agreement for any reason, you will transfer such accounts to us.

### Pre-opening Branding and Promotion

You are required to spend \$15,000 to \$20,000 on a pre-opening and opening branding and promotional campaign for the Franchised Business during the period from at least 1 week immediately preceding the opening of the Franchised Business and until 3 weeks after the opening of the Franchised Business. These funds are paid to third party suppliers from whom you will purchase branding and promotion products and services and are typically not refundable (see Franchise Agreement Section 9(d)).

### Local and Online Marketing

You must ~~spend~~[spend](#) \$3,500 per month on local marketing initiatives, including (A) at least \$2,000 on digital marketing (e.g., Google search, Instagram), (B) advertisements in local newspapers and other publications, (C) mall advertising (e.g., digital billboards), and as otherwise prescribed in our Local and Online Marketing Policy. Your local and online marketing spending requirement does not include costs relating to the wages or commissions of salespeople (see Franchise Agreement Section 9(e)).

## General Branding Fund

If and when we implement it, you are required to contribute to our branding and promotion fund (the “**Fund**”) in an amount of 2% of your Gross Sales (the “**Branding Fee**”) (see Franchise Agreement Section 9(b)). The purpose of the brand fund is to promote and enhance the brand across the system. The Fund is administered by us and will be used and spent on, without limitation, media costs, commissions, market research costs, creative and production costs, including, without limitation, the costs of creating promotions and artwork, printing costs and other costs relating to branding and promotional programs undertaken by us. We may administer programs of a local, regional or national nature. We are not required to spend any amount from the Fund, or any other source, on advertising in your Territory. You may not receive a proportionate benefit from our branding or promotion programs. We reserve the right to place and develop such branding and promotions and to market them as agents for and on your behalf, either directly in-house or through a branding agency retained or formed for such purpose. The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as we may incur in activities reasonably related to the administration or direction of the Fund and its branding programs (including, without limitation, conducting market research). Any spa [brandingbranded](#) SKIN EXPERTS by Brentwood Spa that is owned by us or our affiliates will contribute to the Fund at the same rate and in the same manner as franchisees. An unaudited statement of the operations of the Fund will be prepared annually and will be made available to you upon your request, the cost of such statement to be paid by the Fund. Funds not used in a particular year will be carried forward to future years. The Fund will not be used for advertising or marketing activities whose principal purpose is to solicit new franchises, but we reserve the right to include a notation in any advertisement or website indicating that franchises are available or a link to our franchising webpage. [Unless we implement the Fund, we have no obligation to conduct advertising.](#)

## Regional Branding Cooperative

We, you or other franchisees may recommend the establishment of a regional branding cooperative for the purpose of branding and promotion, including the size of the region and the amount to be spent (a “**Branding Cooperative**”) (see Franchise Agreement Section 9(c)). The Branding Cooperative will be mandatory for all franchises in the region, if 75% of the franchises in the region consent to it. We will administer the Branding Cooperative. We may dissolve the Branding Cooperative at any time. Each franchise will contribute their pro rata share (based on the number of franchises in the region) of actual costs. The number of franchisees in the region may change at any time; therefore, the amount you are required to contribute to the Branding Cooperative may change at any time. Any corporately-owned franchise within a Branding Cooperative region will be required to contribute in the same manner as other franchises in the region. The terms of a Branding Cooperative may or may not be in writing and we may or may not require annual financials for a particular Branding Cooperative. Any payments into a Branding Cooperative are in addition to payments you are required to make on account of local advertising and the General Branding Fund. If one franchisee in the region represents more than 50% of all franchisees in that region, we will facilitate and approve an agreement that, at our discretion, is in the best interest of the region and each individual franchisee within that region.

prospective franchisees but, upon request, we permit prospective franchisees to inspect it at a location determined by us.

## Training

### Initial Training Program

We will provide you and certain of your employees, prior to the opening of the Franchised Business, with (i) an online training course of up to ~~71~~30 hours in duration which will be made available to you, and your employees as they are hired, and (ii) in-person training at one of our corporate-owned or franchised Spas of up to ~~89~~80 hours in duration (approximately 10 days) for you (or Principal Owner), your general manager and lead esthetician, which cumulatively cover all aspects of the Franchised Business (the “**Initial Training Program**”) (see Franchise Agreement Section 5(a)). Online training should be completed approximately 30 days before the Spa opens, except employees (other than you, your general and lead esthetician) may complete on-line training any time before opening. In-person training should be completed approximately 14 days before the Spa opens. You will be responsible for all related travel and living expenses and all wages and benefits payable to any trainees; no wages or benefits will be payable by us to any trainee for any service rendered by them during training.

Subject	Hours of Online Training	Hours of On-The-Job Training	Location
History and Mission of Skin Experts	1	0	Online
Use of Meevo Platform	4	0	Online
Site Selection	2	10	Online and in Person
Pre-Opening Tasks, Timelines, and Lists Review	1	12	Online – Weekly Virtual Training
Development and Construction	2	6	Online – Weekly Phone Meeting
Recruiting	4	0	Online
Training and Orientation Process	2	0	Online
Hours of Operation Review	0.5	0	Online
Daily Procedures	2	4	Corporate & Franchisee Spa
Customer Service Procedures	2	2	Corporate & Franchisee Spa
Product Training	6	6	Corporate & Franchisee Spa
Sales Training	10	10	Online & Corporate & Franchisee Spa
Esthetician Foundations Training	6	4	Corporate & Franchisee

Subject	Hours of Online Training	Hours of On-The-Job Training	Location
			Spa
Scheduling	2	4	Corporate & Franchisee Spa
Labor Management	2	4	Corporate & Franchisee Spa
Communicating with Clients	4	4	Corporate & Franchisee Spa
Service Protocols	3	3	Corporate & Franchisee Spa
Customer Data Input	2	4	Corporate & Franchisee Spa
Gift Card Training	1	1	Corporate & Franchisee Spa
Membership Training	2	4	Corporate & Franchisee Spa
Review Operations Reports	2	2	Corporate & Franchisee Spa
Inventory Management	2	4	Corporate & Franchisee Spa
Shop Cleaning and Maintenance	1	2	Corporate & Franchisee Spa
Marketing, Advertising, and Grand Opening Plan	4	2	Corporate & Franchisee Spa
Accounting: P&L and Invoices	1.5	0	Corporate & Franchisee Spa
Setting Your Goals	2	1	Corporate & Franchisee Spa
TOTAL	71 hours	89 hours	

~~Jessica Gable, our President, oversees the Initial Training Program. Jessica has overseen training for our affiliate, BSI, since 2022, and has 2 years of experience training the general manager, lead esthetician and other employees of the spas owned by our affiliate, BSI, and has prior experience training estheticians on the use of equipment sold by our affiliate, SHCI. (See Item 2 for more information on Jessica Gable). Our training staff will include coaches and members of our leadership team under the direction of Jessica Gable. There is no minimum experience level required for any of our training staff. The training materials that we use consist of the Manual and prerecorded videos prepared by SHCI, corresponding to the various topics covered in the chart above.~~

If training is to be conducted at corporate spa, it will be conducted at our Brentwood, California, Lincoln, Nebraska or Papillion, Nebraska location.

Marisa Cashel, our President, oversees the Initial Training Program. Marisa is an accomplished executive with nearly 20 years of experience in the sales and service sector. She holds a master's degree in business administration with a concentration in finance and specializes in organizational development. Before joining Skin Experts, Marisa held senior roles at European Wax Center and Wells Fargo Bank where she led initiatives in corporate strategy, operational excellence, and profit maximization.

Attendance is mandatory at the Initial Training Program and it must be completed before the opening of the Franchised Business. We do not charge you for attendance at the Initial Training Program, unless you have additional attendees. We generally offer training as needed by you. If, in our opinion, you (or Principal Owner) or your general manager demonstrate an inability to effectively manage the Franchised Business, then we may terminate the Franchise Agreement.

### Additional Assistance and Training

We may provide mandatory and optional training programs covering such subjects as new policies and procedures, marketing and other aspects of business operations. These programs may be conducted for various lengths of time and at various locations selected by us or may be provided by way of on-line presentations or in any other reasonable manner. We may charge a fee for additional training programs. You must pay for your employees' reasonable expenses, including all travel, meal accommodation, and their salary and benefits, for in-person training (see Franchise Agreement Section 5(g)).

You may receive additional training at our annual convention, if we hold one. The fee you must pay us to attend the annual convention is set out in Item 6 (see Franchise Agreement Section 7(d)).

We may require you to attend additional training as a condition to renewal of the Franchise Agreement (see Franchise Agreement Section 4(b)(vii)).

Fees for additional training will depend on the scope of the particular training required, but will not exceed \$1,500.

### Operating Assistance

We may furnish you such continuing advice and guidance with respect to the operation of the Franchised Business as we determine is necessary in our sole judgement, including daily (excluding weekends and holidays), weekly and one-on one online training sessions. (Franchise Agreement Section 5(d)).

### **Site Selection**

If a location for the Spa has not been approved in writing by us as of the effective date of the Franchise Agreement:

(i) you will identify a location from within an area that we have set out in Schedule A (the “Premises Selection Area”). Within 120 days after the Effective Date (the “Premises Approval Period”), you must obtain our written consent for a location in the Premises Selection Area and execute a lease (or otherwise secure use of) the approved location for the Spa. We, ~~in our sole discretion, reserve the right to modify the Premises Selection Area. If you are in full compliance with the Franchise Agreement, we and our affiliates will not operate, or license others to operate Franchised Businesses in the Premises Selection Area during the Premises Approval Period. We reserve all rights in the Premises Selection Area that we reserve with respect to the Territory as described in Section 2(g) of the Franchise Agreement. The restrictions contained in Section 2(j)(i) of the Franchise Agreement do not apply to Spas under construction or in operation in the Premises Selection Area as of the effective date of the Franchise Agreement.~~

(ii) ~~You assume all cost, liability, and expense for locating and securing a location for the Spa and constructing, equipping, and furnishing the Spa in accordance with our System standards at the approved location. We~~ will assist you in your premises selection by providing you with our location selection guidelines and criteria, and sources to obtain demographic information on proposed locations. ~~You must obtain our written consent for the location before you make any binding commitments related to the location.~~ If you do not identify a location acceptable to us in writing within the Premises Selectin Area during the SitePremises Approval Period, either you or we may terminate the Franchise Agreement and we will refund you \$10,000 of the Initial Franchise Fee.

(iii) Once you have identified potential location, you must submit to us, in the form that we specify, a completed detailed location evaluation package which must include an “As-Built” AutoCAD floor plan copy of the existing site plan, photographs, demographic information, financial information, and such other information and materials as we may reasonably require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining an ownership or leasehold interest in the location.

(iv) Within 30 days after receipt of the detailed location evaluation package, we, in our sole discretion, may conduct an on-site evaluation of the proposed location. We do not charge a site evaluation fee for the first on-site evaluation that we conduct with respect to your Franchised Business, however, if we require, or if you request, any additional on-site evaluations, you will pay to us, in addition to our travel and living expenses, our then-current site evaluation fee.

(v) We will use reasonable efforts to approve or disapprove a proposed location within 30 days after receipt of your detailed location evaluation package if we do not conduct an on-site evaluation or, if we do conduct an on-site evaluation, within 30 days after the on-site evaluation. If we do not approve the proposed location in writing during this period, we will be deemed to have rejected the location. Our approval or rejection of a location may be subject to reasonable conditions as we determine in our sole discretion. Upon our approval a location in writing, and after you secure the premises, we will add a location description to an amended Schedule A of the Franchise Agreement.

(vi) You are responsible for selecting the location for the Spa. Our approval of the location does not constitute a representation or warranty of any kind, express or implied, of the locations’

suitability for a Spa or any other purpose. Our approval indicates only that we believe that the location meets our then-current location selection criteria. Applying criteria that have appeared effective with other locations might not accurately reflect the potential for all locations, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of location. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if the location we approve fails to meet your expectations. Your submission of a proposed location for our acceptance is based on your own independent investigation of the locations' suitability for the Spa. Our location-selection assistance is primarily for our benefit to assure us that we will have minimally acceptable location upon the expiration or termination of the Franchise Agreement.

~~(vii) Once we approve a location for the Spa in writing, your rights with respect to the Premises Selection Area will terminate and your territorial rights will be limited to those in Section 2(f) of the Franchise Agreement.~~

We do not generally own premises and lease them to you.

## Opening of Franchised Business

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is 6 to 12 months, depending on whether you have an existing spa or not. Factors affecting the length of time between signing and opening, include how quickly you acquire the certificates or licenses required to operate the Franchised Business, the timing for construction and renovations including the lead time for materials and supplies, and the amount of time it takes to hire and train the necessary employees. If you do not open the Spa on or before the last day of the 12th full month after the effective date of the Franchise Agreement, you or we may terminate the Franchise Agreement, but we will not return any part of the Initial Franchise Fee.

## ITEM 12. TERRITORY

The franchise is for a specific location. If a specific has not been identified when you sign the Franchise Agreement, you will have to identify a location, ~~that meets with our approval,~~ in the area specified in the Franchise Agreement, within 120 days of the effective date of the Franchise Agreement. If you do not identify a location that is acceptable to us in that period, either of us may terminate the Franchise Agreement and will refund \$10,000 of the Initial Franchise Fee.

You are granted a protected territory as set out on a map in Schedule "A" of the Franchise Agreement, subject ~~only to the~~ to certain exceptions described ~~below~~ in the Franchise Agreement. The boundaries of the protected territory will be determined based on a number of factors, which may vary from one location to the next, but the protected territory will contain a population of approximately 200,000 persons; provided that, it will not extend more than 30 miles from the location even if the population is less than 200,000 persons.

You may relocate the Spa to any other location, subject to our prior written consent, which may not be unreasonably withheld. Our criteria for approval of your new location will be

our then current criteria for new franchise locations. You will pay us a \$10,000 fee for evaluating your relocation request. This fee is due at the time you make your relocation request and is not refundable, even if we reject your relocation request.

We may grant you additional territories or additional Franchised Businesses in our absolute discretion upon terms acceptable to us, but you do not have the right to acquire additional territories or Franchised Businesses.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or our affiliates control ~~if we subsequently acquire them or we are subsequently acquired.~~

~~We may provide, offer and sell, and license others to provide, offer and sell, products that are identical or similar to or competitive with those provided at or from Spas, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels, both inside and outside the protected territory, including:~~

- ~~(i) product sales to distributors and retailers for resale at locations, or to customers who reside, in the protected territory; and~~
- ~~(ii) product sales made directly to customers who reside in the protected territory through the Internet or similar electronic media; provided that, we will pay you a commission of 10% of the actual price (excluding taxes and delivery costs) for such product sales, in accordance with our Internet Sales Policy;~~

~~We are not required to pay you any compensation for soliciting orders within your protected territory, except that we will pay you a commission of 10% of the actual price (excluding taxes and delivery costs) for product sales made directly to customers who reside in your protected territory through the Internet or similar electronic media, all in accordance with our Internet Sales Policy.~~

We will refrain from operating, or granting to anyone else the right to operate, a Franchised Business in the protected territory, even if there is an increase in population; provided that, you have not breached any of the terms and conditions of the Franchise Agreement. We have no proximity policy, which means that we may establish franchisor-owned locations, other franchises or sub-franchises outside your Territory, regardless of proximity to the boundaries of your Territory.

If you fail to meet the minimum performance requirements set out in the Franchise Agreement or are not otherwise operating in full compliance with the Franchise Agreement, we have the right, in our sole discretion, in addition to or in substitution of any other rights under the Franchise Agreement, to reduce or eliminate the protected territory or to operate or grant to others the right to operate a Franchised Business within the former protected territory. See Section 6 of the Franchise Agreement.

The current Minimum Performance Requirements are:

- (i) \$300,000 dollars of Gross Sales in the first 12-month period following the Start Date;

- (ii) \$400,000 dollars of Gross Sales in the second 12-month period following the Start Date;
- (iii) \$500,000 dollars of Gross Sales in the third 12-month period following the Start Date;
- (iv) \$600,000 dollars of Gross Sales in the fourth 12-month period following the Start Date;  
and
- (v) \$600,000 of Gross Sales in each of the following 12-month periods (including such periods during any Renewal Term) plus a compound annual increase in Gross Sales of 5% per twelve 12-month period until year ten.

“**Gross Sales**” means all sales generated through the Franchised Business and includes fees for any services and products sold by you, and all other income related to the Franchised Business. Gross Sales does not include any sales tax that you collect from customers and pay to any taxing authority. Gross Sales also does not include the amount of any refund or credit given in good faith by you in respect of any services, or products returned or exchanged by a customer, provided that the original selling price was included in Gross Sales.

We may provide, offer and sell, and license others to provide, offer and sell, products that are identical or similar to or competitive with those provided at or from Spas, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels, both inside and outside the protected territory, including:

- (i) product sales to distributors and retailers for resale at locations, or to customers who reside, in the protected territory; and
- (ii) product sales made directly to customers who reside in the protected territory through the Internet or similar electronic media.

We are not required to pay you any compensation for soliciting orders within your protected territory, except that we will pay you a commission of 10% of the actual price (excluding taxes and delivery costs) for product sales made directly to customers who reside in your protected territory through the Internet or similar electronic media, all in accordance with our Internet Sales Policy.


You may sell services and products only at your location. You may not sell services or products at any other permanent or temporary location, including kiosks, pop-up stores, or mobile premises. You may not sell products (including skincare equipment and devices and skincare and other personal care products) by mail or other distribution method, or over the Internet or similar electronic media. You may sell services and products at your location to customers who reside outside your protected territory. Other Franchised Businesses and Spas owned by us or our affiliates may sell services and products at their location to customers who reside inside your protected territory. We, our affiliates and other Franchised Businesses are not required to compensate you for such sales.

You are free to market within or outside your protected territory, including use of direct marketing, Internet or telemarketing, provided you perform such marketing in accordance with the standards set by us.

We do not operate, and do not have any current plans to operate, a ~~Competitive-Business~~competitive business under a different trademark.

### ITEM 13. TRADEMARKS

You receive the right to operate your business under the name, SKIN EXPERTS by Brentwood Spa®, which is the primary Mark used to identify our System. You may also use any other current or future Marks that we designate to operate your Franchised Business, including the logo on the front of this Disclosure Document and listed below. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify your business. Our affiliate, BSTI, registered the following Mark on the U.S. Patent and Trademark Office (“USPTO”) Principal Register:

Mark	Registration Date	Registration Number	Status
 SKIN EXPERTS by Brentwood Spa	May 23, 2023	7063624	Registered

All required affidavits have been filed and applicable registrations have been renewed.

Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state or in any state or federal court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise, except for the License and Services Agreement between BSTI and us dated as of January 16, 2024, which grants us the exclusive right to use and sublicense the use of the Marks in the United States. The License and Service Agreement is for an initial term of five years and will automatically renew every five years indefinitely unless terminated by mutual consent of the parties, or by BSTI for cause. If the License and Service Agreement is terminated, you may be required to stop using the Marks, or your Franchise Agreement may be assigned to BSTI, at its option.

We know of no infringing or prior superior uses that could materially affect the use of the Marks in any state in which the Franchised Businesses are to be located.

While we are not required to defend you against a claim arising from your use of the Marks, we will reimburse you for all of your expenses reasonably incurred in defending any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. You must notify us of the use of, or claims of rights to a trademark identical to or

Skin Experts By Brentwood Spa Franchise Inc.  
Franchise Disclosure Document

Franchised Business. A general manager is not required to own an equity interest in the Franchised Business. We require that either you (or Principal Owner) or your general manager devote your or their best and full-time efforts in directing the day-to-day operations and development of the Franchised Business, which will not be less than 40 hours per week. If you are a business entity, each of your owners must sign a Personal Guaranty (in the form attached to the Franchise Agreement as Exhibit A) and be personally liable for performance of your obligations under the Franchise Agreement. Spouses are not required to sign a Personal Guaranty unless they are one of your owners. Spouses are not required to sign a Confidentiality Agreement unless they are one of your owners or employees. Spouses are subject to the in-term and 5 year post-term non-compete provisions under Sections 13 (a) and (b) of the Franchise Agreement.

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

You may only offer and sell those products and services that we have approved. You must offer all products and services that we designate as required for all franchisees, including skincare equipment and devices and our proprietary QUL branded skincare products. We have the unlimited right to change the types of authorized products or services offered by your franchise.

Periodically, we may allow certain products or services that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications and regional or local differences.

We can suggest retail prices for products and services, which may vary from region to region; however, such recommended prices are not binding upon you and you will at all times be free to charge prices of your own choosing.

With the exception of the territorial restrictions described in Item 12, and the restrictions noted above, we do not place any restrictions upon you that limit the clients to whom you may sell goods or services.

Generally, you will be required to provide a 30-day money-back warranty on equipment, devices and products sold by you. You will be required to refund the price for services if a customer is unhappy with the treatment for legitimate reasons.

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

**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.**

**THE FRANCHISE RELATIONSHIP**

Provision	Section in Franchise	Summary
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a. Length of the franchise term	Section 4(a)	The Initial Term is 10 years after the Start Date.
b. Renewal or extension of the term	Sections 4(b), (c)	Subject to Item 17c., one additional 10-year term for your Franchise Agreement. If you fail to meet any one of the conditions in Item 17c., we may refuse to renew or extend the term of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 4(b)	You may renew your Franchise Agreement for one additional 10 year term, if you: (i) give us timely notification; (ii) are not in default of any provision of any license for the Franchised Business; (iii) have not committed 2 or more defaults in the past 24 months whether or not timely cured; (iv) timely execute our then-current Franchise Agreement and an addendum to our-then current Franchise Agreement in a form the same or similar to the Addendum (To Franchise Agreement Upon Renewal) attached in Exhibit A of this Disclosure Document, which may contain materially different terms and conditions and identifying those provisions of the Franchise Agreement that are not applicable upon renewal; (v) pay a renewal fee; and (vi) sign a general release in a form the same as or similar to the General Release in Exhibit A to this Disclosure Document; and (vii) at our discretion attend additional training.
d. Termination by franchisee	Not applicable	Subject to state law.
e. Termination by franchisor without cause	Not applicable	If you don't renew, the Franchise Agreement will terminate at expiration of the Term.
f. Termination by franchisor with cause	Section 16	We may terminate the Franchise Agreement only upon the happening of an event of termination or upon the default under the terms of another franchise agreement within our System. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
g. "Cause" defined – curable defaults	Sections 1, 16(i)	<del>Cause</del> <u>Subject to applicable state law, cause</u> for termination that may be cured is violation of any provision of the Franchise Agreement, except for those that are non-curable or that are not reasonably susceptible to cure. Under the cross-default provision, cause to terminate the Franchise Agreement also includes any circumstance that would give rise to a terminable default under any other franchise agreement between us or our affiliate and you or an entity that is majority-owned by one or more of your owners if you are an entity.
h. "Cause" defined – non-curable defaults	Sections 1, 16(a)(ii)	<u>Subject to applicable state law,</u> Non-curable defaults: (i) failure to timely commence or satisfactorily complete our Initial Training Program; (ii) Franchised Business is not open 30 days after completion of our Initial Training Program or by the Start Date, as applicable; (iii) failure to either obtain all permits, certificates or licenses by the first day of the sixth calendar month following the Effective Date or diligently pursue licenses as reasonably determined by us; or fail to properly maintain such permits, certificates or licenses; (iv) dishonest,

		<p>criminal or unethical behavior; (v) failure to operate the Franchised Business continuously during the Term during normal hours of operation or cease communications with us; (vi) if you cease or threaten to cease to carry on business or take or threaten to take any action to liquidate assets or stop making payments in the ordinary course; (vii) make a general assignment for the benefit of creditors of the Franchised Business; (viii) a bulk sale of assets; (ix) initiate a proceeding relating to insolvency or bankruptcy; (x) a custodian, receiver, or manager is appointed to take charge of the business, property or assets; (xi) if any lessor or encumbrancer or any other person, corporation or entity lawfully entitled takes possession of any of the business, property or assets of you or any of your owners; (xii) a default under any contract of conditional sale, mortgage or other security instrument related to the Franchised Business; (xiii) winding up, dissolution, or liquidation; (xiv) receipt from us, during any consecutive 12 month period, 3 or more notices relating to a default; (xv) misstatement of any material information pertaining to your franchise application or the Franchised Business; (xvi) subject to Section 15 of the Franchise Agreement, if you or your controlling shareholder dies or becomes permanently disabled and you or any or your owner's spouse or adult child does not desire or is not capable to continue to operate the Franchised Business or the executor, administrator or personal representative has failed to transfer your interest to a third party, approved by us within 6 months after the death or permanent disability; (xvii) if we terminate any other Franchise Agreement between us and you; (xviii) make unauthorized use of, or allow improper access to, the Manuals or any other confidential information; (xix) submit, on 3 or more occasions, reports or other data that understates royalties or other payments by 3% or more, and you cannot demonstrate that it resulted from inadvertent error; (xx) the sale of clients, client service contracts, or the identity of clients, without our consent; and (xxi) failure to cure a breach of any health, safety or other law, the failure of which presents a hazard to a client or other member of the public; and (xxii) you breach the non-disclosure or non-complete provisions under the Franchise Agreement or you effect a transfer that is not in compliance with the transfer provisions of the Franchise Agreement.</p>
<p>i. Franchisee's obligations on termination / non-renewal</p>	<p>Section 16(c) and (g)</p>	<p>If the Franchise Agreement is terminated or not renewed, you must: (i) immediately upon our request, permit us or our representatives to enter any commercial premises used in connection with the Franchised Business and, at our option, to cure any default by you, to operate the Franchised Business for account; (ii) immediately discontinue the operation of the Franchised Business, and the use of the Marks and other proprietary rights licensed under the Franchise Agreement, and similar names and marks; (iii) cease displaying and using all</p>

contract by franchisor	14(f)	the Franchise Agreement.
k. "Transfer" by franchisee-defined	Section 14	"Transfer" includes transfer of an interest or assets in the franchise, the Franchise Agreement, the franchise location, the assets of the Franchised Business, or change in the voting shares or membership interest (as applicable) of the franchisee.
l. Franchisor's approval of transfer by franchisee	Section 14(a)	You may not transfer your interest in any of the items listed in Item 17k. without our prior written consent <u>which will not be unreasonably withheld.</u>
m. Conditions for franchisor approval of transfer	Section 14(a)	We will consent to a transfer if: (i) you have provided us with 3 months advanced written notice; (ii) we have not exercised our right of first refusal; (iii) we have approved the transferee; (iv) you are not in default under the Franchise Agreement; (v) all obligations owed to us are paid; (vi) you have delivered to us a release; (vii) you have delivered a written Assignment of Franchise Agreement in a form the same as or similar to the form attached in Exhibit A of this Disclosure Document and an Addendum (To Franchise Agreement Upon Assignment) in a form the same as or similar to the form attached in Exhibit A of this Disclosure Document, or, at our option, the transferee has entered into our then-current franchise agreement and such other documents required to be executed in the granting of a franchise; (viii) the transferee will have provided us such guarantees as we may request; (ix) the transferee will have completed training to our satisfaction; (x) we have the right to disclose to the transferee revenue reports and other financial information concerning the Franchised Business; (xi) the transferee will have submitted to us a business plan satisfactory to us; (xii) the purchase price to be paid by the transferee is reasonable in the circumstances; and (xiii) you pay a transfer fee of \$25,000 of which \$10,000 will be payable upon your declaration of an intent to sell the Franchised Business. We also permit assignments by an individual franchisees to a company controlled by them, assignments between existing owners of franchisees that are companies, and transfers from one controlled company to another controlled company, all subject to certain conditions set out in the Franchise Agreement.
	Section 8 of Assignment of Franchise Agreement	We may arbitrarily withhold consent.
	Section 4 of Addendum (To Franchise Agreement)	We will also adjust the minimum performance requirements under the Franchise Agreement to reflect your past performance.

	Upon Assign-ment )	<a href="#">This entire provision is subject to applicable state law.</a>
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14(b)	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's business	Section 14(b)	Except as described in Item 17n., we do not have the right to purchase your Franchised Business.
p. Death or disability of franchisee	Section 15	After the death or incapacity of an owner of the franchise, the spouse or adult child may operate the Franchised Business if they otherwise qualify to be a franchisee of the System. The representative of the deceased or disabled franchisee must transfer, subject to the terms of the Franchise Agreement, such person's interest in the Franchise Agreement within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 13	You are prohibited from competing with the Franchised Business during the term of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 13	<del>You</del> <a href="#">Subject to applicable state law, you</a> are prohibited from competing with the Franchised Business for 5 years after the termination or expiration of the Franchise Agreement within a 30 mile radius of your Territory or the territory of any other franchisee.
s. Modification of the agreement	Sections 5(f), 7(b), 8(a), 19(s)	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manuals without your consent.
t. Integration / merger clause	Section 19(s)	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Section 19(t)	Subject to certain exceptions and state law, claims must be presented and negotiated for a period of 30 days before mandatory mediation to be held in New York, New York or such other site as we may designate. If a claim is not resolved by negotiation or mediation, it must be arbitrated.
v. Choice of forum	Section 19(t)	Subject to applicable state law, arbitration must be in New York, New York, except we may take action in any court of competent jurisdiction as may be necessary to obtain interlocutory or injunctive, or other relief, subject to applicable state law.
w. Choice of law	Section	Subject to applicable state law, Delaware law applies for

	19(h)	construction and interpretation of the Franchise Agreement but does not give rise to statutory or regulatory claims that would not otherwise apply.
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## ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote our franchise system.

## 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.

We make the following historic financial performance representations about our existing franchisor-owned outlets:

### AVERAGE GROSS PROFIT MARGIN ON SALES

The following is the average gross profit margin on the sale of all services and products made by our 3 existing franchisor-owned outlets for the period they have been open (as of the issuance date of this Disclosure Document):

Location	Time Opened	Average	Median	High	Low
Brentwood, California	<del>20</del> 32 months	81%	81%	87%	70%
Lincoln, Nebraska	<del>15</del> 27 months	81%	81%	88%	77%
Papillion, Nebraska	<del>3</del> 15 months	80%	83%	84%	74%

Products include skincare products, equipment and devices and other personal care products.

### AVERAGE PRODUCT SALES PER MONTH

The following is the average product sales per month for our 3 existing franchisor-owned outlets for the period they have been open (as of the issuance date of this Disclosure Document):

Location	Time Opened	Average	Median	High	Low
Brentwood, California	<del>20</del> 32 months	\$18,956	\$18,354	\$29,488	\$7,417
Lincoln, Nebraska	<del>15</del> 27 months	\$17,775	\$17,494	\$26,167	\$11,591
Papillion, Nebraska	<del>3</del> 15 months	\$13,448	\$12,690	\$16,032	\$11,621

Products include skincare products, equipment and devices and other personal care products.

## AVERAGE PRODUCT SALES PER CUSTOMER VISIT

The following is the average amount spent by customers on products per visit to the spa for our 3 existing franchisor-owned outlets for the period they have been opened (as of the issuance date of this Disclosure Document):

Location	Time Opened	Average	Median	High	Low
Brentwood, California	<del>20</del> 32 months	\$49	\$50	\$75	\$34
Lincoln, Nebraska	<del>15</del> 27 months	\$49	\$47	\$69	\$35
Papillion, Nebraska	<del>3</del> 15 months	\$31	\$31	\$33	\$28

Products include skincare products, equipment and devices and other personal care products.

## AVERAGE NEW MEMBER SIGNUPS PER MONTH

~~The following is the average number of new member signups per month for our 3 existing franchisor-owned outlets for the period they have been opened (as of the issuance date of this Disclosure Document):~~

Location	Time Opened	Average	Median
<del>Brentwood, California</del>	<del>20</del> months	<del>50</del>	<del>50</del>
<del>Lincoln, Nebraska</del>	<del>15</del> months	<del>46</del>	<del>46</del>
<del>Papillion, Nebraska</del>	<del>3</del> months	<del>76</del>	<del>67</del>

~~A new member signup means each instance where a new customer signs an agreement purchasing either 12, 18 or 24 treatments for a fixed fee, or signs an agreement as a monthly member for an ongoing monthly fee with 1 to 4 per month depending on their membership type (the latter being cancellable by the customer at any time for all future months).~~

### Admonitions And Other Information

These figures were compiled from data received from the general managers at our 3 franchisor-owned outlets. The data received from these outlets was not prepared in accordance with general accepted accounting principles or audited.

Gross profit margin on products means gross revenue minus cost of goods sold. Gross profit margin on services means gross revenue minus the cost of consumables used in providing the services, including skincare products applied. Gross profit margin does not reflect operating costs, such as the wages and commissions paid to the employee providing a service, or overhead such as rent, utilities, and administrative costs, that must be deducted from the gross revenue to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your business.

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

Written substantiation for the financial performance representations will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do 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 our management by contacting our Chief Operating Officer, Shaya Mulcahy, at 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109, (925)~~390-5505~~690-5552; the Federal Trade Commission; and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Unless otherwise indicated, all numbers are as of December 31 each year.

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

Outlet Type	Year	Outlets Open at Start of Year	Outlets Open at End of Year/Period	Net Change
<del>Franchised</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>
<u>Franchised</u>	2022	0	0	0
	2023	0	0	0
<del>Company Owned</del>	<del>2021</del> <u>2024</u>	0	0	0
<u>Company Owned</u>	2022	0	2	+2
	2023	2	3	+1
<del>Total</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>3</u>	<del>0</del> <u>3</u>	0
<u>Total</u>	2022	0	2	+2
	2023	2	3	+1
	<u>2024</u>	<u>3</u>	<u>3</u>	<u>0</u>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years ~~2021~~2022 to ~~2023~~2024 and Period Ended ~~September 30<sup>th</sup>, 2023~~December 31,**  
**2024**

State	Year	Number of Transfers
<del>All States</del>	<del>2021</del>	<del>0</del>
<u>All States</u>	2022	0
	2023	0
<del>Total</del>	<del>2021</del> <u>2024</u>	0
<u>Total</u>	2022	0
	2023	0
	<u>2024</u>	<u>0</u>

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**Table No. 3**  
**Status of Franchised Outlets**  
**For Years ~~2021~~2022 to ~~2023~~2024 and Period Ending ~~September 30, 2023~~December 31,**  
**2024**

State	Year	Outlets Open at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets Open at End of Year/Period
All States	<del>2021</del> <u>2022</u>	0	0	0	0	0	0	0
	<del>2022</del> <u>2023</u>	0	0	0	0	0	0	0
	<del>2023</del> <u>2024</u>	0	0	0	0	0	0	0
Total	<del>2021</del> <u>2022</u>	0	0	0	0	0	0	0
	<del>2022</del> <u>2023</u>	0	0	0	0	0	0	0
	<del>2023</del> <u>2024</u>	0	0	0	0	0	0	0

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**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Outlets Open at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets Open at End of Year/Period
<del>California</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<u>California</u>	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
<del>Nebraska</del>	<del>2021</del>	<del>0</del>	0	0	0	0	<del>0</del>
<u>Nebraska</u>	<u>2022</u>	<u>0</u>	1	0	0	0	<u>1</u>
	2023	1	1	0	0	0	2
<del>Total</del>	<del>2021</del>	<del>0</del>	0	0	0	0	<del>0</del>
<u>Total</u>	<u>2022</u>	<u>0</u>	2	0	0	0	<u>2</u>
	2023	2	1	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>

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**Table No. 5**  
**Projected Openings as of ~~December 7~~April**  
**17, 20232025**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2	0
<del>Iowa</del>	<del>0</del>	<del>2</del>	<del>0</del>
<del>Nebraska</del>	<del>0</del>	<del>2</del>	<del>0</del>
Texas	0	4	0
Total:	0	<del>10</del> <u>6</u>	0

As of the issuance date of this Disclosure Document no one has signed a Franchise Agreement, and we have no franchisees.

If you buy this franchise, your contact information may be disclosed to other buyers during the term of your Franchise Agreement and after you leave the franchise system.

No current or former franchisee has signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not currently aware of any trademark-specific franchisee organization associated with our franchise system.

## ITEM 21. FINANCIAL STATEMENTS

Our fiscal year end is December 31. We have only operated since January 16, 2024 and therefore cannot provide the required financial statements for the preceding three years. Exhibit B to this Disclosure Document contains our audited start-up balance sheet dated February 5, 2024 and audited financial statements for the fiscal year ended December 31, 2024.

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## **ITEM 22. CONTRACTS**

Exhibit A to this Disclosure Document contains all proposed agreements regarding this franchise offering. Those agreements are as follows:

- A-1 FRANCHISE AGREEMENT WITH PERSONAL GUARANTY
- A-2 CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS
- A-3 STATE SPECIFIC ADDENDA/AMENDMENTS
- A-4 FINAL DISCLOSURE QUESTIONNAIRE
- A-5 GENERAL RELEASE
- A-6 NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
- A-7 TERMINATION AGREEMENT AND RELEASE OF CLAIMS
- A-8 ASSIGNMENT OF FRANCHISE AGREEMENT
- A-9 ADDENDUM (TO FRANCHISE AGREEMENT UPON ASSIGNMENT)
- A-10 ADDENDUM (TO FRANCHISE AGREEMENT UPON RENEWAL)
- A-11 ACH FORM

## **ITEM 23. RECEIPTS**

Please see Exhibit F to this Disclosure Document for receipt pages to confirm your receipt of this Disclosure Document. Please sign and date both, return one to us and retain one for your records (as indicated).

## Franchise Agreement

This Franchise Agreement (the “**Agreement**”), effective \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), is among Skin Experts By Brentwood Spa Franchise Inc., a Delaware corporation with an office located at [Address] (“**we**” or “**us**”), [Name of Franchisee], a [State of Formation; Type of Entity] with an office located at [Address] (the “**you**”), and [Name of Franchisee Owner], an individual residing at [Address] (the “**Operating Principal**”)

### Background

- A. We and our affiliates have developed a unique system (the “**System**”) for the operation of a business that offers skincare services and skincare equipment, devices, and products to the public at a location, approved by us, under the name “Skin Experts By Brentwood Spa” (a “**Spa**”).
- B. The distinguishing characteristics of the System include: the layout; furnishings and fixtures; signage; quality of equipment; management, sales and skincare training and assistance; operating procedures; proprietary skincare equipment, devices, and products; customer recruitment and retention programs; and advertising and promotional programs.
- C. We will train you to manage your business, how to market your business effectively, how to sell treatment packages to aid in customer retention, and how to sell skincare equipment, devices, and products from our exclusive QUL Beauty Skincare Line. We will provide you with valuable exclusive discounts on QUL Beauty equipment, devices, and products and more, all of which may change from time to time. You will also have access to daily (excluding weekends and holidays), weekly and one-on one online training sessions.
- D. We identify the System by the “Skin Experts By Brentwood Spa” name and mark and we may in the future designate certain other names, marks, logos, insignias, slogans, emblems, symbols and designs for use with the System (the “**Marks**”). The current Marks are owned by our ~~parent, Kul Holdings Inc.~~ affiliate, Brentwood Spa Trademark Inc., a Delaware corporation (“**BSTI**”) and licensed to us for use with the System.
- E. We and our affiliates have established a business reputation, demand for services and products and built-up valuable goodwill by reason of a uniform business format and system with high standards of quality and service (the “**System Standards**”).
- F. You would like to obtain from the us the right and license to operate a Spa utilizing the System and the Marks at the premises described in Schedule A upon the terms and conditions contained in this Agreement.
- G. By signing this Agreement, you agree to operate the Spa in strict compliance with the System Standards as set out in part in our Manuals (as defined below).

## STATE SPECIFIC ADDENDA/AMENDMENTS

The following modifications are made to the SKIN EXPERTS by Brentwood Spa® Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated \_\_\_\_\_, 20\_\_.

The following states have statutes that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. The following is applicable to you only if you are covered by the franchise law of the referenced state: ARKANSAS [Stat. Section 70-807]; CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev.Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2010 Repl. Vol. and Supp. 2010)], MICHIGAN [Stat. Section 19.854 (27)], MINNESOTA [stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56.10-1], NORTH DAKOTA [N.D.C.C. Franchise Investment Law Section 51-19], RHODE ISLAND [Code 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [code §§ 13.1-557 through 13.1-574], WASHINGTON [~~Code Section 19.100.180~~[Chapter 19.100 RCW and any rule or order thereunder](#)], WISCONSIN [Stat. Section 135.03].

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

We reserve the right to challenge the application or enforceability of the Franchise Laws listed in this state specific Addenda/Amendments, the corresponding regulations, or any other laws not specified in the Franchise Agreement.

**The following is applicable to you only if you are covered by the franchise law of the referenced state:**

## MARYLAND

Any provision of the Disclosure Document or in the Franchising Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to the extent required by this law.

Any representation requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement is amended accordingly to the extent required by law.

Any provision of the Disclosure Document or in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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.

Items ~~Item~~ 5 and 7 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to provide that initial franchise fees will be paid by you when we have satisfied our initial obligations to you under the Franchise Agreement and you are ready to begin operating the Franchised Business.

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.

All representations made in the Final Disclosure Questionnaire (Exhibit A) requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MARYLAND

## MINNESOTA

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

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. §80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

~~Notwithstanding anything to the contrary set forth in the Franchise Agreement, any general release you are required to assent to shall not apply to any liability we may have under the Minnesota Franchise Act.~~

Minnesota considers it unfair to not protect your right to use the trademarks. Refer to Minn. Stat. 80C.12 Subd. 1(G). We will protect your rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name, as required under Minn. Stat. 80C.12 Subd. 1(G).

~~Notwithstanding anything to the contrary set forth in the Franchise Agreement, we will indemnify you for all costs and expenses you incur in any action or proceeding brought against you by any third party as a result of your authorized use of our trademarks.~~

Minnesota Rules 2860.4400(D) prohibits us from requiring you to assent to a general release.

You cannot consent us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Status 80C.17 Subd. 5.

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

The franchiser 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, as required under Minn. Stat. §80C.12 Subd. 1(G). Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

The following language is added to Section 3(d) of the Franchise Agreement:

"The service charge for Insufficient Funds Fee checks is reduced to \$30 in accordance with Minnesota Statute 604.113."

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 franchise.

MINNESOTA

Items 5 and 7 of the Franchise Disclosure Agreement are amended to provide that the payment of the Initial Franchise Fee is deferred until the Franchised Business opens.

Section 3(a) of the Franchise Agreement is amended to add the following:

“The payment of the Initial Franchise Fee is deferred until the Franchised Business opens.”

## NORTH DAKOTA

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to the statute, have been determined to be unfair, unjust, or inequitable in North Dakota. Sections of the Disclosure Document and Franchise Agreement containing covenants restricting competition to which you must agree may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to arbitrate or mediate disputes may require you to consent to a waiver of trial by jury. A waiver of trial by jury may not be enforceable under North Dakota law and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to consent to the jurisdiction of courts outside of North Dakota or providing for resolution of disputes to be outside North Dakota may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law. [Specifically, Section 17\(u\) of the Disclosure Document and Section 19\(t\) of the Franchise Agreement are amended to add:](#)

[“Notwithstanding anything to the contrary, the site of arbitration or mediation must be agreeable to all parties and may not be remote from your place of business.”](#)

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a limitation of claims may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under North Dakota law, and are revised to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

The Franchise Agreement contains a liquidated damages clause. It may be unenforceable under North Dakota law. [Specifically, Section 17\(i\) of the Disclosure Document and Section 16\(g\) of the Franchise Agreement are amended to add:](#)

[“Notwithstanding anything to the contrary, all provisions requiring liquidated damages upon termination are deleted.”](#)

NORTH DAKOTA

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.

Items 5 and 7 of the Franchise Disclosure Agreement and Section 3 of the Franchise Agreement are amended to provide that the payment of the Initial Franchise Fee is deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

## SOUTH DAKOTA

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office 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. Item 5 and 7 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to provide that initial franchise fees will be paid by you when we have satisfied our initial obligations to you under the Franchise Agreement and you are ready to begin operating the Franchised Business.

## VIRGINIA

The following statements are added to Item 17.h. of the Disclosure Document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us 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.

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 following RISK FACTOR is added:

**“Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$~~582,100~~485,600 to \$~~978,100~~865,100 for a new location and \$~~380,600~~375,100 to \$~~621,600~~596,100 for the conversion of an existing location. This amount exceeds the franchisor’s stockholders’ equity as of ~~February 5~~December 31, 2024 which is \$~~75,000~~\_\_\_\_\_.

VIRGINIA

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, ~~AND RELATED AGREEMENTS~~ NON-DISCLOSURE AND NON-COMPETITION AGREEMENT, THE TERMINATION AGREEMENT AND RELEASE OF CLAIMS, ADDENDUM (TO FRANCHISE AGREEMENT UPON ASSIGNMENT) AND THE ADDENDUM (TO FRANCHISE AGREEMENT UPON RENEWAL), AND ALL RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW ~~shall~~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 ~~shall~~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 you shall 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 Franchise 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 collectible to the extent that they reflect our 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.

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

WASHINGTON

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Due to Franchisor's financial condition, payment of initial franchise fees will be deferred until the Franchisor has satisfied its initial pre-opening obligations to the franchisee and the franchisee is open for business.

Section 7(e) of the Franchise Agreement does not waive any franchise protections under RCW 19.100.180(2)(d). That law also states it is a violation of the Washington Franchise Investment Protection Act for any person to "sell, rent, or offer to sell to a franchisee any product or service for more than a fair and reasonable price."<sup>1</sup>

The following language is added to Item 17, row 1 and Section 8 of the Franchise Agreement:

"Consent to transfer shall not be unreasonably withheld."

The following replaces the language in Section 13(b) of the Franchise Agreement and Item 17, row r of the Franchise Disclosure Document for Washington franchisees:

"You are prohibited from competing with the Franchised Business for 2 years after the termination or expiration of the Franchise Agreement within a 30 mile radius of your Territory or the territory of any other franchisee."

Section 6.(c) and 18 of the Franchise Agreement do not apply to Washington franchises.

Section 11(c)(ii) of the Franchise Agreement does not apply to Washington franchises. Instead, the Franchisor may apply a fee for each month that a Washington franchise underreports its annual Gross Sales as detailed in FDD Item 12. The fee for an underreported month of Gross Sales will constitute 2% of the applicable annual Minimum Performance Requirement, divided by 12. For Washington franchisees this means the fee for underreported annual Gross Sales will range from \$500 to \$1,000 per underreported month, depending on how long the outlet has been operating.

Section 14(a)(iii)(3) of the Franchise Agreement does not apply to Washington franchises.

Section 16(d)(i) of the Franchise Agreement, states:

You will pay as liquidated damages such amounts as set forth in the Manuals from time to time should we discover that you have breached any Standard ("Standard" means the standards and obligations set out in this Agreement and the Manuals), which liquidated damages you acknowledge are a reasonable pre-estimation of the internal and, or alternatively, external cost to us related to such breaches. Such liquidated damages will range from \$25 to \$500 for each violation and may be assessed each week you are found to be in violation. Any liquidated damages assessed will be immediately due and payable by you within ten (10) days of our providing notice to you of a violation. Your obligation to pay liquidated damages is not our exclusive remedy.

<sup>1</sup> RCW 19.100.180(2)(d).

We may pursue all other remedies available to us, including without limitation, the right to enjoin continuing violations or terminate this Agreement.

This quoted language from Section 16(d)(i) does not apply to Washington franchises. This same language is in Item 17, row (i) of the FDD. Item 17, row (i) does not apply to Washington franchises.

The following language in Exhibit A-3, the first paragraph of the cover page in the State-Specific Addenda does not apply to Washington franchisees:

“to the extent then required by valid applicable state law”.

The following language in Exhibit A-3, the fourth paragraph of the cover page in the State-Specific Addenda does not apply to Washington franchisees:

“We reserve the right to challenge the application or enforceability of the Franchise Laws listed in this state specific Addenda/Amendments, the corresponding regulations, or any other laws not specified in the Franchise Agreement.”

=  
Section 16(g) of the Franchise Agreement is revised for Washington franchises so that the liquidated damages calculation is modified to equal the expected continuing payments contemplated by Section 3(b) for the lesser of two years or the remainder of the Franchise Agreement.

The following language is added to Section 19(a) of the Franchise Agreement:

“Franchisee shall not indemnify the Franchisor, Affiliates and either Franchisor’s or Affiliates’ shareholders, directors, officers, employees, agents and representatives from their actions of negligence, strict liability, willful, misconduct, or fraud.”

The following language is added to Section 19(b) of the Franchise Agreement:

“Franchisee shall not indemnify the Franchisor for legal fees, accountants and expert witness fees, costs of investigation and travel, and living expenses incurred or paid by Franchisor unless the Franchisor is the predominantly prevailing party in the dispute.”

The following language is added to Section 19(x) of the Franchise Agreement:

“The franchisee’s waiver of penalties or damages for special, indirect, consequential, incidental, punitive or exemplary damages does not apply to Washington Franchises.”

The following language is deleted from Section 15 of the Personal Guaranty (in the form attached to the Franchise Agreement as Exhibit A):

WASHINGTON

“Guarantor acknowledges that Guarantor is not relying upon any statements or representations of Company not contained in this Continuing Guarantee and that such statements or representations, if any, are of no force or effect and are fully superseded by this Continuing Guarantee.”

The following language is deleted from the Acknowledgment and Agreement page of the Washington Addendum:

“but only to the extent and for so long as they embody valid, enforceable, and obligatory state law then in effect”

The italicized words in the following language contained in Exhibit A-5 to the FDD, General Release, section 2, does not apply to Washington franchisees:

Representations and Warranties. Releasor represents and warrants to Company that, in entering into this Release, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud)

The following language contained in Exhibit A-5 to the FDD, General Release, section 5(g) does not apply to Washington franchisees:

(g) Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

The following language is added to Section 6.d. of Exhibit A-7, Termination Agreement and Release of Claims:

“Nothing contained herein restricts or prohibits the ability of a Franchisee to communicate with a government agency.”

The following language is deleted from Section 7.j. of Exhibit A-7, Termination Agreement and Release of Claims:

“prepared jointly by the parties and not by either party to the exclusion of the other party.”

WASHINGTON



## FINAL DISCLOSURE QUESTIONNAIRE

As you know, Skin Experts By Brentwood Spa Franchise Inc. (the “**Franchisor**”) and you are preparing to enter into a SKIN EXPERTS by Brentwood Spa® franchise agreement (the “**Franchise Agreement**”) for the operation of a franchise (the “**Franchised Business**”). Please review each of the following questions carefully and provide honest and complete responses to each question.

**[California, and Maryland ~~and Washington~~ franchisees should not complete this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.]**

**[Washington franchisees - DO NOT COMPLETE THIS QUESTIONNAIRE. If any Washington franchisee completes this Questionnaire, it is against Washington public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.]**

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?

Tick one: Yes  No

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?

Tick one: Yes  No

If no, what parts of the Franchise Agreement do you not understand? (attach additional pages, if necessary)

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3. Have you received the Franchise Agreement you are to execute with all the blanks completed?

Tick one: Yes  No

If so, on what date did you receive the completed Franchise Agreement?

## FORM OF RELEASE

**{This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100} [or the rules adopted thereunder.](#)**

This GENERAL RELEASE (“Release”) is made this [Day] day of [Month], [Year], by [Franchisee Name] (“Releasor”), as franchisee under and signatory to that certain Franchise Agreement dated [Date of Franchise Agreement] for the location of [Location] (the “Franchise Agreement”) entered into by and between Skin Experts By Brentwood Spa Franchise Inc. (“Franchisor”) and Releasor. This Release is being executed pursuant to the requirements of the Franchise Agreement as a condition of the rights granted by Franchisor to Releasor therein, and for other good and valuable consideration, the receipt of which is acknowledged by the parties. Releasor is **[transferring its franchised business to a successor-in-interest] OR [voluntarily ending its affiliation as a franchisee] OR [executing a successor agreement to continue the Franchised Business]**.

1. General Release. Releasor and the owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, spouses, heirs and assigns of Releasor (collectively the “Releasing Parties”), hereby release, quit claim, and forever discharge Franchisor, its affiliates, and their respective owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, insurers, spouses, heirs and assigns (collectively the “Released Parties”) of and from any and all manner of action and actions, cause and causes of action, claims, suits, damages, controversies, judgments, costs, fees, executions, and demands of any kind and nature whatsoever, at law or in equity, that the Releasing Parties had or now have, whether known or unknown, or contingent or fixed, for or by reason of, arising out of, or related to any matter, cause or thing whatsoever up until and including the date hereof (the “Claims”).

2. Representations and Warranties. Releasor represents and warrants to Company that, in entering into this Release, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); (ii) has read and fully understands the terms and scope of this Release; (iii) realizes that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release; and (iv) has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release, that it is aware of no third party who contends or claims otherwise, and that it shall not purport to assign, transfer, or convey any such claim in the future.

3. Waiver of Statutory Preservation Provisions. Releasor and the Releasing Parties hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which Releasor and the Releasing Parties would be entitled, now or at any time hereafter under any statute, regulation, or common law principal of any jurisdiction, including Section 1542 of the Civil Code of the State of California, which provides as follows:

**Exhibit B**  
**Financial Statements**

~~See attached.~~

## Exhibit C

### Current and Certain Former Franchisees

Franchised Units Operational as of ~~January~~ April 17, 2024

None

Franchisees Who Left the System in Our Prior Fiscal Year

None

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division <u>P.O. Box 41200</u> <u>Olympia, Washington 98504-1200</u> <del>150 Israel Road S.W.</del> <del>Tumwater, WA 98501</del> (360) 902-8760	Department of Financial Institutions Securities Division <del>P.O. Box 41200</del> <del>Olympia, Washington 98504-1200</del> <u>150 Israel Road S.W.</u> <u>Tumwater, WA 98501</u> <u>(360) 902-8760</u>
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

## EXHIBIT F 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 SKIN EXPERTS by Brentwood Spa® offers you a franchise, it must provide this Disclosure Document to you at least 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.

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.

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.

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 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 E.

The franchise sellers for this offering are:  ~~Jessica Gable~~ Marisa Cashel,  Shaya Mulcahy,  Tim Mulcahy,  Shelley Hancock,  Other \_\_\_\_\_. Their business address is 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109. Their phone number is (925) ~~390-5505~~ 690-5552.

Issuance Date: ~~February 5~~ April 17, 2024 2025

See Exhibit E for a list of registered agents authorized to receive service of process.

I received a Disclosure Document dated ~~February 5, 2024~~ April 17, 2025 that included the following Exhibits:

A	Contracts:	B	Audited <del>Start Up</del> <u>Start Up</u> Balance Sheet as of <u>February 5,</u> <del>January 30, 2024</del> <u>and Audited Financial</u> <u>Statements as of</u> <u>December 31, 2024</u>
A-1	Franchise Agreement with attached Schedules	<del>C</del>	<del>Current and Certain Former Franchisees</del>
A-2	Conditional Assignment of Telephone and Directory Listings	<u>C</u>	<u>Current and Certain Former Franchisees</u>
A-3	State-Specific Addenda/Amendments		
<del>A-4</del>	<del>Final Disclosure Questionnaire</del>		
<del>A-4-5</del>	<del>Final Disclosure Questionnaire</del> <u>General Release</u>	D	Manual - Table of Contents
<del>A-5</del>	<del>General Release</del>		
A-6	Non-Disclosure and Non-Competition Agreement	<del>E</del>	<del>State Regulatory Authorities and Agents for</del> <del>Service of Process in Certain States</del> <u>State</u> <u>Regulatory Authorities and Agents for</u> <u>Service of Process in Certain States</u>
A-7	Termination Agreement and Release of Claims	<u>E</u>	
A-8	Assignment of Franchise Agreement	<del>F</del>	<del>Receipts</del>
A-9	Addendum (upon Assignment)	<u>F</u>	<u>Receipts</u>
A-10	Addendum (upon Renewal)		
A-11	ACH Form		

Keep this copy

\_\_\_\_\_  
Date of receipt (print)

\_\_\_\_\_  
Name (print)

## EXHIBIT F 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 SKIN EXPERTS by Brentwood Spa® offers you a franchise, it must provide this Disclosure Document to you at least 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.

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.

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.

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 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 E.

The franchise sellers for this offering are:  ~~Jessica Gable~~ Marisa Cashel,  Shaya Mulcahy,  Tim Mulcahy,  Shelley Hancock,  Other \_\_\_\_\_, Their business address is 8605 Santa Monica Blvd., Unit #63174, West Hollywood, California 90069-4109. Their phone number is (925) ~~390-5505~~ 690-5552.

Issuance Date: ~~February 5, 2024~~ April 17, 2025

See Exhibit E for a list of registered agents authorized to receive service of process.

I received a Disclosure Document dated ~~February 5, 2024~~ April 17, 2025 that included the following Exhibits:

A	Contracts:	B	Audited <del>Start-Up</del> <u>Start Up</u> Balance Sheet as of <u>February 5,</u>
A-1	Franchise Agreement with attached Schedules		<del>—January 30, 2024</del> <u>and Audited Financial Statements as of December 31, 2024</u>
A-2	Conditional Assignment of Telephone and Directory Listings	<del>C</del>	<u>Current and Certain Former Franchisees</u>
A-3	State-Specific Addenda/Amendments	<del>C</del>	<u>Current and Certain Former Franchisees</u>
<del>A-4</del>	<del>Final Disclosure Questionnaire</del>		
<del>A-4-5</del>	<del>Final Disclosure Questionnaire</del> <u>General Release</u>	D	Manual - Table of Contents
<del>A-5</del>	<del>General Release</del>		
A-6	Non-Disclosure and Non-Competition Agreement	<del>E</del>	<u>State Regulatory Authorities and Agents for</u>
		<del>E</del>	<u>—Service of Process in Certain States</u> <u>State Regulatory Authorities and Agents for Service of Process in Certain States</u>
A-7	Termination Agreement and Release of Claims		
A-8	Assignment of Franchise Agreement	<del>F</del>	<u>Receipts</u>
A-9	Addendum (upon Assignment)	<del>F</del>	<u>Receipts</u>
A-10	Addendum (upon Renewal)		
A-11	ACH Form		

### Return this copy to us

\_\_\_\_\_  
Date of receipt (print)

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Name of corporation, LLC or partnership (print)

\_\_\_\_\_  
Signature (individually or as an officer, member or partner of)