

## FRANCHISE DISCLOSURE DOCUMENT

Suite Management Franchising,



LLC  
~~A Florida Limited Liability Company~~  
2542 Highlander Way  
Carrollton, Texas 75006  
Phone: (855) 677-3726  
E-mail: franchise@mysalonsuite.com  
www.mysalonsuite.com

Suite Management Franchising, LLC offers franchises for the operation of turnkey salon suite studios and related services in a luxury environment under the brand MY SALON Suite~~My Salon Suites~~ to salon professionals where such professionals can provide health and beauty services to their own respective clients ("MY SALON~~My Salon~~ Suite Businesses").

We offer two types of franchise locations. A new location ("New Location") and a conversion location ("Conversion Franchise"). A Conversion Franchise is an existing salon business that converts to a MY SALON~~My Salon~~ Suite Business.

The total investment necessary to begin operation of a New Location is between ~~\$984,999~~\$823,344 and ~~\$1,577,236~~\$2,241,800. This includes ~~\$50,000~~\$53,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Conversion Franchise is between ~~\$106,438~~\$182,314 and ~~\$214,775~~\$379,681. This includes ~~\$50,000~~\$53,500 that must be paid to the franchisor or its affiliates.

If you enter into a Development Agreement, you must establish and operate 3 MY SALON~~My Salon~~ Suite franchises according to a development schedule, and pay us a development fee of \$125,000. The total investment necessary to begin operation of MY SALON~~My Salon~~ Suite franchises under a Development Agreement is between ~~\$1,059,332~~\$898,344 and ~~\$1,655,569~~\$2,316,800, which includes ~~\$125,000~~\$128,500 that must be paid to the franchisor at the time the development agreement is signed.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Scott Krupa~~Stacy Eley~~ at 2542 Highlander Way, Carrollton, Texas 75006, or (855) 677-3726.

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

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Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC- HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

**Issuance Date: May 1, ~~2024~~2023**

5.1.2024 FDD

~~My Salon Suites-~~  
~~2023 FDD~~  
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## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

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

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







## Special Risks to Consider About *This* Franchise

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

- ~~2.1.~~ **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by mediation or litigation only in Texas. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Texas than in your own state.
- ~~4.2.~~ **Minimum Payments.** You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
- ~~6.3.~~ **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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



**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

~~(b)~~(a) A prohibition on the right of a franchisee to join an association of franchisees.

~~(e)~~—A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling ~~any and~~ all claims.

~~(b)~~ \_\_\_\_\_

~~(d)~~(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

~~(d)~~(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: ~~(i)~~ the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.

~~(h)~~(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.

~~(j)~~(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

~~(h)~~(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

of a franchise,  
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exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

~~(ii)~~(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

~~(iv)~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

~~(vi)~~(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

~~(viii)~~(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, and telephone (517) 373-7117.

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







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## THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “SMF,” “Franchisor,” and “we,” “us,” or “our” means Suite Management Franchising, LLC, the franchisor. “You,” “your,” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from SMF.

### Us, our Affiliates and our Parents

SMF is a Florida limited liability company formed on March 30, 2012. We operate under the name Suite Management Franchising, LLC, and our proprietary marks, including MY SALON SUITE and SALON PLAZA and no other name. Our principal business address is 2542 Highlander Way, Carrollton, Texas 75006. We franchise ~~MY SALON~~ My Salon Suite Businesses and have done so since July 1, 2012. We franchised Salon Plaza businesses from April 2015 until December 31, 2021, but are no longer franchising Salon Plaza businesses. We have not, and do not, operate any franchises like those described in this Franchise Disclosure Document, or in any other line of business. We do not conduct any other business other than franchising ~~MY SALON~~ My Salon Suite Businesses. We have no predecessor.

We have 3 affiliates, SMF Corporate Stores, LLC, Suite Management of Sarasota, and Suite Management of Sarasota South LLC, that operate businesses ~~like~~ similar to the type offered in this Franchise Disclosure Document. These affiliates have not offered franchises in any line of business. Each of our affiliates operates at least 1 ~~MY SALON~~ My Salon Suite Business that is similar to the ~~MY SALON~~ My Salon Suite Business being offered in this Franchise Disclosure Document which ~~has~~ have been in operation since 2010 (SMF Corporate Stores, LLC); 2011 (Suite Management of Sarasota and SMF Corporate Stores, LLC); 2012 (Suite Management of Sarasota South LLC); and 2018 (SMF Corporate Stores, LLC). These affiliates do not offer franchises in any line of business and, except as otherwise provided in this Item, are not otherwise engaged in any other business activity.

~~We have 2 affiliates, SMF Shop LLC, a Texas limited liability company, and SMF Development LLC, a Florida limited liability company, that provide products and services to our franchisees. SMF Shop LLC has been offering salon and styling products to franchisees and their members since July 2020. SMF Development LLC has been offering general contracting services for construction buildout to franchisees in certain markets since July 2019. On December 28, 2021, as part of a corporate reorganization, SMF Shop LLC and SMF Development LLC were merged with and into SMF, with SMF being the surviving entity.~~

Our immediate parent company is Suite Management Holdings, LLC, a Delaware limited liability company (“SMH”) that acquired us and our affiliates under an Equity Purchase Agreement dated June 25, 2021 (the “**Transaction**”). As a result of the Transaction, SMH became a wholly-owned subsidiary of Fastsigns Holdings, Inc. which was renamed Propelled Brands Holdings, Inc. (“**PBHI**”) on December 28, 2021, to reflect the multi-brand nature of the company. On December 28, 2021, PBHI formed Propelled Brands Franchising, LLC (“**Propelled Brands**”), to serve as our immediate parent. SMH, PBHI, and Propelled Brands are Delaware corporations with a principal place of business at 2542 Highlander Way, Carrollton, Texas 75006-2333.



|

PBHI is an affiliate of (i) LightBay Capital, a private equity firm located at 11601 Wilshire Boulevard, Suite 2150, Los Angeles, CA 90025 (“**LightBay**”); and (ii) Freeman Spogli & Co., a private equity firm located at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, CA 90025 (“**Freeman Spogli**”).

### Our Affiliated Franchise Programs

We are affiliated with the franchise programs listed below through common control with either Propelled Brands Holdings, Inc., LightBay or Freeman Spogli. None of these affiliates have offered franchises in any line of business other than as listed below, and none of them have conducted a business similar to the ~~MY SALON~~My-Salon Suite franchise that you will operate.

Propelled Brands owns FASTSIGNS International, Inc. (“~~FII~~”), the franchisor of FASTSIGNS-branded businesses that specialize in selling, marketing, producing, installing, and repairing visual communications, including signs. ~~FASTSIGNS International, Inc.~~FII is a Texas corporation located at c/o Propelled Brands, 2542 Highlander Way, Carrollton, TX 75006. ~~FII, FASTSIGNS International, Inc.~~, has been the franchisor of FASTSIGNS centers since April 1986, and as of December 31, ~~2023~~2022, there were ~~689~~677 franchised FASTSIGNS centers operating in the United States and ~~86~~88 franchised centers operating internationally.

Through common control with Propelled Brands, we are affiliated with GTN Capital Group, LLC (“**GTN**”). GTN is a Connecticut limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006. GTN is the franchisor for NerdsToGo franchises, a technology repair, and service business. As of December 31, ~~2023~~2022, there were ~~343~~2 franchised and 1 company-owned NerdsToGo businesses in operation in the United States.

On December 14, 2023, our parent, Propelled Brands, entered into a Stock Purchase Agreement with Vicar Operating, Inc., a Delaware corporation, under which Propelled Brands acquired all the equity interest in Camp Bow Wow Franchising, Inc. (“CBW”), which is the franchisor for Camp Bow Wow® businesses. The transaction closed on January 31, 2024. Following the closing, through common ownership with Propelled Brands, CBW, whose principal business address is 7577 West 103rd Avenue, Westminster, Unit 209, Colorado 80021 became our affiliate. Camp Bow Wow® businesses offer specialized pet care services through fixed store locations and mobile units, the retail sale of pet food and merchandise, and related services and products. As of December 31, 2023, there were 212 franchised and 3 company-owned Camp Bow Wow® businesses in operation in the United States and 1 franchised Camp Bow Wow® business operating internationally.

Since August 2018, LightBay, through its affiliate, has owned The Boardroom Salon Company, LLC and KLPS, LLC, both of which are Texas limited liability companies located at 2271 E. Continental Boulevard, Suite 100, Southlake, Texas 76092. KLPS, LLC is the franchisor of Boardroom Salon franchises. As of December 31, ~~2023~~2022, there were 6 franchised Boardroom Salons operating in the United States.

Since July 2016, Freeman Spogli & Co., through its affiliate, has owned a majority interest in Batteries Plus, L.L.C., the franchisor for Batteries Plus Bulbs stores. As of December 31, ~~2023~~2022, there were ~~606~~610 franchised Batteries Plus Bulbs stores, ~~599~~604 of which were in the United States and ~~6 in Puerto Rico. Batteries Plus Bulbs had 722 total stores as of December 31, 2022, including 112 company-owned and operated stores.~~





7 in Puerto Rico. Batteries Plus Bulbs had 722 total stores as of December 31, 2023, including 116 company-owned and operated stores.

Our agent(s) for service of process are listed in **Exhibit B** to this Franchise Disclosure Document.

### The Franchises

We offer franchises that operate under our proprietary system (“**Franchise System**”) using the “**MY SALON SuiteSUITE**” trademark, as well as other trademarks, trade names, service marks, and logos (collectively, the “**Marks**”) we designate for the operation of MY SALONMy ~~Salon~~ Suite Businesses. The term “Marks” also includes any distinctive trade dress used to identify a MY SALONMy

~~Salon~~ Suite Business, whether now in existence or created ~~at a later date~~. If you choose to acquire a franchise for a ~~MY SALON~~~~My Salon~~ Suite Business, your business will operate under the Marks. ~~MY SALON~~~~My Salon~~ Suite Businesses offer turnkey salon suite studios and related services in a luxury environment under the brand ~~MY SALON~~~~My Salon~~ Suite to salon professionals where such professionals can provide health and beauty services to their own respective clients.

Franchisees are required to sign our franchise agreement for the Franchised Business. Our current form of franchise agreement is attached to this Franchise Disclosure Document as **Exhibit C**.

In addition, we may offer existing salon businesses the opportunity to convert to the ~~MY SALON~~~~My Salon~~ Suite Franchise System (“**Conversion Franchise**” or “**Conversion Location**”). The terms and conditions of the offer to you if you are a conversion franchisee (“**Conversion Franchisee**”) will differ in certain aspects from New Locations, and you will be required to sign our Conversion Franchise ~~Addendum~~~~Amendment~~, which is attached as **Exhibit D**~~Attachment G~~ to ~~this~~~~the~~ Franchise ~~Disclosure Document~~~~Agreement~~.

Unless otherwise stated, any reference in this Franchise Disclosure Document to “**Franchised Business**” is applicable to a ~~MY SALON~~~~My Salon~~ Suite Business, including a Conversion ~~Franchise~~~~Location~~. A Franchised Business operates from a single location and facility we approve (the “**Approved Location**”) and provide turnkey salon studio spaces at the Approved Location to salon professionals where these professionals can provide salon services (such as hair cutting and coloring, hair treatments, aestheticians, medi-spa and other beauty related services~~styling, nail treatments, and massage therapy~~) to their respective clientele, as well as other authorized products and services.

~~Franchisees are required to sign our franchise agreement for the Franchised Business. Our current form of franchise agreement is attached to this Franchise Disclosure Document as **Exhibit C** (the “**Franchise Agreement**”).~~

You will typically lease your Approved Location, which will normally range between 4,~~753~~~~072~~ to 8,~~720~~~~354~~ square feet in size, with the average size being approximately ~~6,664~~~~5,468~~ square feet. The Approved Location is converted or remodeled into individual suites (“**Individual Suites**”). The leasable space per Individual Suite will vary, with the average Individual Suite ranging in size from ~~135~~~~120~~ square feet to ~~267~~~~180~~ square feet of leasable space that you will sublease to third-party salon professionals. Your Franchised Business will also be required to provide salon management and maintenance services for each Individual Suite, and the common areas of the Approved Location. Each Individual Suite and the common areas in your Approved Location must have access to wireless Internet. Each salon professional ~~who~~~~that~~ subleases an Individual Suite is solely responsible for collecting ~~their~~~~its~~ own revenue and scheduling ~~their~~~~its~~ own appointments.

If you qualify, we may allow you to sign a Development Agreement, the current form of which is attached as **Exhibit D** to this Franchise Disclosure Document. Under a Development Agreement, you will have the right to open 3 Franchised Businesses over a 3-year period within a defined geographic area. Upon establishing each additional outlet under the Development Agreement, you will be required to sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

### Market and Competition

The primary market for the leasing and management of turnkey salon ~~suitespace~~, as well as the related services provided by a Franchised Business, is comprised of hair stylists, massage therapists, estheticians, nail technicians, and other salon professionals. The services we provide\_

are not seasonal in nature. The market for commercial leasing services is well developed and highly competitive. Franchised Businesses compete with other businesses including franchised operations, national chains, and independently owned companies offering temporary space or leasing solutions to salon professionals.

### Industry Specific Regulations

You must obtain all necessary permits, licenses, and approvals to operate your Franchised Business. You must comply with all local, state, and federal laws and regulations that apply to any business. Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances which may apply to the operation of your Franchised Business, including those which:

(a) establish general standards, specifications, and requirements for the construction, design, and maintenance of the Franchised Business site and premises; (b) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking and exposure to tobacco smoke or other carcinogens, availability of and requirements for public accommodations, including restroom facilities and public access; (c) set standards pertaining to employee health and safety; (d) regulate matters affecting requirements for accommodations for disabled persons; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) set standards and regulations regarding the licenses, certificates, and permits necessary to lease/sublease commercial spaces and/or the operation of a salon (hair, nail, massage, or other beauty-related services).

You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Franchised Business, including those related to the rental of any space by your Franchised Business at your Approved Location, and those related to the establishment and operation of a salon generally, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Franchised Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

## Item 2

### BUSINESS

### EXPERIENCE

#### Catherine Monson, CFE - Chief Executive Officer

Ms. Monson has been affiliated with us since June 25, 2021, and has served as our Chief Executive Officer since that date. Ms. Monson has served as Chief Executive Officer for Camp Bow Wow, located in Carrollton, Texas, since January 2024. Ms. Monson is currently the Chief Executive Officer, President, and Director of FASTSIGNS International, Inc., located in Carrollton, Texas, with which she has been associated since January 2009. Ms. Monson is currently Chief Executive Officer and Director of GTN Capital Group, LLC, located in Carrollton, Texas, which she has been associated with since September 2020. Since February 2008, Ms. Monson has been on the Board of Directors and is currently the Chair of the International Franchise Association. –Since March 2019, Ms. Monson has been on the Board of Directors of the Big Blue Swim School, a swim school franchise, and the Board of Directors for Brain Balance, a franchisor of a concept that has a non- drug alternative that helps children with ADHD and other behavioral disorders.

## Mark Jameson, CFE - Chief Development Officer

Mr. Jameson has been affiliated with us since June 25, 2021, and has served as our Chief Development Officer since October 2022. Prior to that date, Mr. Jameson was our Chief Support and Development Officer from June 2021 to October 2022. Mr. Jameson has served as Chief Development Officer for Camp Bow Wow, located in Carrollton, Texas, since January 2024. Mr. Jameson has also been the Chief Development Officer of our affiliates FASTSIGNS International, Inc. and GTN Capital Group, LLC since October 2022, each located in Carrollton, Texas. From September 2013 to August 2020, he was the Executive Vice President of Franchise Support and Development for our affiliate, FASTSIGNS International, Inc located in Carrollton, Texas, which he has been associated with since November 2009.

## Jason White – Chief Financial Officer

Mr. White has served as our Chief Financial Officer since June 2023. Since June 2023, Mr. White has served as Chief Financial Officer for Camp Bow Wow, located in Carrollton, Texas, since January 2024. Mr. White also serves as the Chief Financial Officer of Propelled Brands Franchising LLC, GTN Capital Group, LLC, and Suite Management Franchising, LLC. From April 2022 to June 2023, Mr. White was Chief Operating Officer with Pentax Medical located in Montvale, New Jersey. From October 2021 to March 2022, Mr. White was Financial Consultant of Pentax Medical. From April 2015 to October 2021, Mr. White was Chief Financial Officer of Hoya Vision Care located in Lewisville, Texas.

## Shayne Mehringer, CFE - Chief Information Officer

Mr. Mehringer has been affiliated with us since June 25, 2021, and has served as our Chief Information Officer since that date. Since January 2024, Mr. Mehringer also serves as the Chief

Information Officer for Camp Bow Wow. Mr. Mehringer is currently the Chief Information Officer of FASTSIGNS International, Inc., located in Carrollton, Texas, which he has been associated with since August 2019. Mr. Mehringer is presently the Chief Information Officer of GTN Capital Group, LLC, located in Carrollton, Texas, which he has been associated with since September 2020. From November 2013 to July 2019, Mr. Mehringer was Chief Information Officer for Neighborly (formerly the Dwyer Group) in Waco, Texas.

Stacy Eley – Brand President

Ms. Eley has served as our Brand President since April 2022. From March 2020 to April 2022, Ms. Eley was our Chief Operating Officer. From January 2016 to February 2020, Ms. Eley was our Senior Vice President & Vice President of Operations. From April 2013 to December 2015, Ms. Eley was our Director of Operations.

Russell Kruse – General Counsel

Mr. Kruse has been affiliated with us since April 2023, and has served as our General Counsel since that date. Mr. Kruse also serves as General Counsel for our affiliates, FASTSIGNS International Inc. and GTN Capital Group, LLC, and has since April 2023. Prior to that, Mr. Kruse was the Chief Legal Officer of Premium Service Brands, LLC from February 2021 to April 2023, located in Charlottesville, Virginia. From January 2019 to February 2021, Mr. Kruse was a Partner at Royer Caramanis PLC in Charlottesville, Virginia. ~~From August 2018 to December 2018, Mr. Kruse was an Associate Attorney at Tucker Griffin Barnes PC in Charlottesville, Virginia.~~

~~James Stennett – Vice President of Construction~~

~~Mr. Stennett has served as our Vice President of Construction since July 2017. From October 2013 to July 2017, Mr. Stennett was Director of Construction for Dickey's Barbeque Restaurants in Dallas, Texas.~~

Scott Krupa, CFE – Vice President of Franchise Development

Mr. Krupa has been affiliated with us since June 25, 2021. Mr. Krupa has served as our Vice President of Franchise Development since April 2022. ~~Mr. Krupa has served as Vice President of Franchise Development for Camp Bow Wow, located in Carrollton, Texas, since January 2024. Mr. Krupa has served as Vice~~



President of Franchise Development for FASTSIGNS International, Inc., located in Carrollton, Texas, since January 2022. From February 2021 to December 2021, Mr. Krupa was the Assistant Vice President of Franchising for FASTSIGNS International, Inc. From January 2018 to January 2021, Mr. Krupa was the Senior Franchise Development Director for FASTSIGNS International, Inc. From March 2015 to December 2017, Mr. Krupa was the Franchise Development Director for FASTSIGNS International, Inc. Since January 2022, Mr. Krupa is presently the Vice President of Franchising of GTN Capital Group, LLC, located in Carrollton, Texas. From February 2021 to December 2021, Mr. Krupa was the Assistant Vice President of Franchising of GTN Capital Group, LLC, located in Carrollton, Texas.

Derald Shane Harvey - Vice President of Design and Construction

Mr. Harvey has been affiliated with us since October 2023, and has served as our Vice President of Design and Construction since that date. Mr. Harvey is currently Vice President of Design and Construction for FASTSIGNS International, Inc. and GTN Capital Group LLC located in Carrollton, Texas, which he has been associated with October 2023. From January 2020 to September 2023, Mr. Harvey has also served as Senior Director of Development of

Foursite Consulting, LLC, located in Phoenix, AZ. From October 2016 to January 2020, Mr. Harvey has also served as Principal in Charge of Texas Development of Kellogg & Kimsey, Inc., located in Sarasota, FL.

Stephanie Brooks – Senior Director of Legal

Ms. Brooks has been affiliated with us since June 25, 2021, and has served as our Senior Director of Legal since that date. Ms. Brooks is currently the Senior Director of Legal for FASTSIGNS International, Inc., located in Carrollton, Texas, which she has been associated with since August 1991, and Senior Director of GTN Capital Group, LLC, located in Carrollton, Texas, which she has been associated with since September 2020.

Jillian Sullivan - ~~Director of Marketing~~Regional Manager / Franchise Development Manager

Jillian Sullivan has served as our Regional Manager ~~/—Franchise Development Manager~~ since March 2022. From September 2016-2021 to February 2022, Ms. Sullivan ~~previously~~ worked as our Senior Marketing Manager. From April 2021 to August 2021, Ms. Sullivan was our Franchise Development Manager. From July 2019 to March 2021, Ms. Sullivan was a Regional Manager with us for Lincoln Property Company in Boston, Massachusetts from November 2015 to September 2016.

Michaela McIver – ~~Vice President~~Director of Operations

Michaela McIver has served as our Vice President of Operations since October 2023. Ms. McIver was the Director of Operations from~~since~~ July 2021 to September 2023. Ms. McIver previously worked as our Regional Manager from June 2019 to June 2021. From March 2018 to June 2019, Ms. McIver was the Franchise Business Manager for Pure Barre, LLC, located in Houston, Texas. From August 2014 to February 2018, Ms. McIver was an Operations Programmer for the town of Andover, Massachusetts.

Lisa Becraft – Director of Franchise Development and Sales Administration, CFE

Ms. Becraft has been affiliated with us since June 25, 2021, and has served as our Director of Franchise Development and Sales Administration since April 2022. Ms. Becraft has served as Director of Franchise Development and Sales Administration for FASTSIGNS International, Inc., located in Carrollton, Texas, since July 2014. Since September 2020, Ms. Becraft is presently the Director of Franchise Development and Sales Administration of GTN

Capital Group, LLC, located in Carrollton, Texas. From July 2012 to July 2014, Ms. Becraft was Director of Business Development for Insight Merchandising, Inc., located in Grapevine, Texas.

Lana Daley – Director of Resales & Transfers

Ms. Daley has been affiliated with us since June 25, 2021, and has served as our Director of Resales & Transfers since April 2022. Ms. Daley has served as Director of Resales and Transfers for Camp Bow Wow, located in Carrollton, Texas, since January 2024. Ms. Daley also serves as Director of Resales and Transfers for FASTSIGNS International, Inc., located in Carrollton, Texas, since September 2021.\_

From March 2020 to August 2021, Ms. Daley served as Resales and Transfer Manager for FASTSIGNS International, Inc. Additionally, since April 2022,

-Ms. Daley is presently the Director of Resales and Transfer for GTN Capital Group, LLC, located in Carrollton, Texas. Ms. Daley previously worked for FASTSIGNS International, Inc. from 2002 to 2013 in various roles on the Operations and Sales Development teams.

#### Andrew Mondy – Vice President of Technology

Mr. Mondy has served as our Vice President of Technology since February 2021. Prior to that, Mr. ~~Mondy~~~~Munday~~ was our ~~Director~~~~director~~ of Technology from April 2018 to February 2021.

#### Tracy Lake – Director of Events

Ms. Lake has served ~~as~~~~with~~ our Director of Events since June 2021. Ms. Lake has served as Director of Events for Camp Bow Wow, located in Carrollton, Texas, since January 2024. She has also served as the Director of Events for our affiliate, FASTSIGNS International Inc. and has since February 2017. She has also served as the Director of Events for our affiliate, GTN Capital Group, LLC, and has since September 2020.

### **Item 3**

#### **LITIGATION**

In June ~~No litigation is required to be disclosed in this Item.~~

2020, a shareholders' derivative suit (Lincolnshire Police Pension Fund, et al. v. Taylor, et al., No. 2020-0487) was filed in the Delaware Court of Chancery against nominal defendant Floor & Decor, and certain Floor & Decor officers and directors, including John Roth and Brad Brutocao, and certain former shareholders, alleging breach of fiduciary duty and unjust enrichment. A motion to dismiss the litigation was denied in December 2023, and the case has since proceeded to the discovery phase. Roth and Brutocao continue to believe the claims against them are entirely without merit and have D&O insurance to cover their defense costs in their capacity as former directors of Floor & Decor. This matter is scheduled for mediation in May 2024.

### **Item 4**

#### **BANKRUPTCY**

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

### **Item 5**

#### **INITIAL FEES**

## Initial Franchise Fee

You must pay us an initial franchise fee (“**Initial Franchise Fee**”) when you sign the Franchise Agreement (including if you purchase a Conversion Franchise). The Initial Franchise Fee for any Franchised Business is \$50,000. The Initial Franchise Fee includes the tuition for you and 1 other individual you designate to attend our proprietary initial training program. The Initial Franchise Fee is due in full at the time you sign the Franchise Agreement(s), is uniform and non-refundable and is deemed fully earned by us once paid.

refundable and is deemed fully earned by us once paid.

We are a member of the International Franchise Association (“**IFA**”) and participate in the IFA’s VetFran Program. We offer a reduced initial franchise fee of \$25,000, a 50% discount, to veterans of the

U.S. Armed Forces who meet the requirements of the VetFran Program.

We offer a reduced initial franchise fee of \$25,000, a 50% discount, to first responders. A first responder is a person with specialized training who is among the first to arrive and provide assistance at the scene of an emergency, such as an accident, natural disaster, or other catastrophic events. First responders include paramedics, emergency medical technicians, police officers, sheriffs, and firefighters (“**First Responder**”). We will determine if an individual qualifies as a First Responder.

During our last fiscal year, we collected Initial Franchise Fees ranging from \$~~2520~~,000 to \$50,000.

### Development Fee

Franchisees may also purchase the rights to open additional Franchised Businesses by signing the Development Agreement and paying a development fee of \$125,000 (~~“(the~~ “**Development Fee**”). Under a Development Agreement, you will have the right to open 3 Franchised Businesses over a 3-year period. You must sign our then-current Franchise Agreement for each Franchised Business you open under the Development Agreement, but you will not be required to pay an Initial Franchise Fee (all other fees will apply). The Development Fee is uniform, payable when you sign your Development Agreement, and is non-refundable under any circumstances, even if you fail to open any Franchised Businesses.

During our last fiscal year, we collected Development Fees ranging from \$~~9945~~,000 to \$~~150425~~,000.

### Design Standards

You are required to obtain our then-current copy of our “Franchise System Standards and Specifications for the Build-Out, Remodeling or Construction of your Franchised Business” information (“**Design Standards Fee**”) and will be required to pay us a fee ~~that ranges from~~ ~~\$1,500 to \$2,500.000~~. We will also provide you or your architect with any template architectural or design plans we have previously approved or designated for use (if we have any). For each additional Franchised Business that you open after the first Franchised Business, the fee for any template will be ~~a range of \$1,500 to \$2,500.000~~. This fee will be invoiced within 30 days of signing the lease. This fee is due in full within 5 days of when we invoice you, is uniform, is deemed fully earned by us once paid, and is non-refundable.



### Project Management Fee

You must pay us a project management fee (“**Project Management Fee**”) of ~~\$5,000~~<sup>2,500</sup> to assist with design, service bids, bid process, service management, and a total of up to two (2) construction site assistance visits from us including our travel and living expenses. If you require more than two (2) construction site assistance visits or require any visit to be longer than two (2) days, you will pay our then-current fee, which is currently \$500 per day, plus any travel and living expenses incurred by us. The Project Management Fee will be invoiced within 30 days of signing the lease. This fee is due in full within 5 days of when we invoice you, is uniform, is deemed fully earned by us once paid, and is non-refundable.

### Referral Fee

We will pay you a referral fee for prospective Propelled Brands franchisees that you refer to us that purchase a Propelled Brands franchise, so long as the prospective franchisee is not already an active candidate or existing franchisee of a Propelled Brands franchisor. You will provide us with the name, address, and phone number of the prospective franchisee and, if the prospective franchisee purchases a Propelled Brands franchise, you will receive a referral fee of \$7,500. The referral fee is not applicable if the prospective franchisee purchases an existing Propelled Brands franchise.

Item 6\_

### OTHER FEES

<u>Type Of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Royalty Fee</u>	<u>5.5% of Gross Revenues for the first year. Beginning the 13th month after your Franchised Business opens through the end of the term of the Franchise Agreement, you will pay the greater of \$1,000 or 5.5% of Gross Revenues.</u>	<u>On or before the 10th day of each month</u>	<u>The “Royalty Fee” is based on “Gross Revenues” during the previous month.</u>
<u>Brand Building Fund Contribution</u>	<u>Currently a minimum of \$200 per month. We may increase this up to 2% of your monthly Gross Revenues.</u>	<u>Same as Royalty Fee.</u>	<u>This contribution will be used for a “Brand Building Fund” for our use in promoting and building our MY SALON Suite franchise brand.</u>

Type Of Fee	Amount	Due Date	Remarks
Royalty Fee	<del>5.5% of Gross Revenues for the first year. Beginning the 13th month after your Franchised Business opens through the end of the term of the Franchise Agreement, you will pay the greater of \$1,000 or 5.5% of Gross Revenues.</del>	<del>On or before the 10th day of each month</del>	<del>The “Royalty Fee” is based on “Gross Revenues” during the previous month.</del>
Brand Building Fund Contribution	<del>Currently a minimum of \$200 per month. We may increase this up to 2% of your monthly Gross Revenues.</del>	<del>Same as Royalty Fee.</del>	<del>This contribution will be used for a “Brand Building Fund” for our use in promoting and building our My Salon Suite franchise brand.</del>
Unauthorized Advertising Fee	\$500 per occurrence	Upon demand	This fee is payable to us or, if established, the Brand Building Fund, if you use unauthorized advertising, including websites and social media, in violation of the terms of the Franchise Agreement.
Site Selection Assistance	Then-current fee (currently \$500 per day plus travel and living expenses)	As incurred	We provide 1 initial site tour and training session at no charge. We may send a representative to travel any proposed location for the Franchised Business and provide an on-site evaluation of the premises.
Insurance Policies	Cost of insurance premiums <u>and any cost incurred by us, plus a 20% administrative fee</u>	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained, <u>plus 20% of the premium as an administrative cost of obtaining the insurance.</u>
<u>Initial Training for Additional Persons</u>	<u>\$2,000 per person</u>	<u>As incurred</u>	<u>We provide initial training at no charge for up to 2 people. If you desire to bring additional persons, you will incur this fee.</u>

<u>Additional Assistance and Training</u>	<u>Then-current fee (currently \$500 per day plus travel and living expenses)</u>	<u>As incurred</u>	<u>We may establish and require you to attend additional training programs for a certain number of days each year. We may charge you for training newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. See Item 11 for additional information.</u>
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Type Of Fee	Amount	Due Date	Remarks
Initial Training for Additional Persons	<del>\$2,000 per person</del>	As incurred	<del>We provide initial training at no charge for up to two (2) people. If you desire to bring additional persons, you will incur this fee.</del>
Additional Assistance and Training	<del>Then-current fee (currently \$500 per day plus travel and living expenses)</del>	As incurred	<del>We may establish and require you to attend additional training programs for a certain number of days each year. We may charge you for training newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. See ITEM 11 for additional information.</del>
Technology Fee	Then-current fee (currently \$170 per month for a new Franchised -Business -and \$70 per month for each additional —Franchised -Business)	Same _____ as Royalty Fee	We may charge you a monthly fee for any custom or proprietary software for use in your Franchised Business.
Convention Fee	Then-current fee (currently <del>\$750</del> 500 per <del>person/location</del> <del>for up to two people</del> )	Upon demand	Payable to us to help defray the cost of your attendance at any annual convention of all franchises that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given -year.
Inspection and Testing	The costs we incur in testing/inspecting your proposed product/vendor (estimated to be between \$100 to \$500)	As incurred	Payable if we inspect a new product, service, or proposed _____ vendor nominated by you.

Resale Consulting Fee <sup>(3)</sup>	\$7,500	50% on signing Resale Services. <u>Consulting Agreement and 50% paid at closing.</u>	You may request that we assist you in selling your Franchised Business. <u>The Resale Consulting Fee is due only if you use our services in selling your Franchised Business.</u>
<u>Customer Issue Resolution</u>	<u>Reasonable costs we incur for responding to a customer complaint, which varies</u>	<u>On invoice</u>	<u>Payable if a customer of the Franchised Business contacts us with a complaint and we provide a refund, or other value to the customer as part of our addressing the issue.</u>
<u>Payment Service Fees</u>	<u>Up to 4% of total charge</u>	<u>As incurred</u>	<u>If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of up to 4 % of the total charge.</u>

Type Of Fee	Amount	Due Date	Remarks
		<del>Consulting Agreement and 50% paid at closing.</del>	
<del>Customer Issue Resolution</del>	<del>Reasonable costs we incur for responding to a customer complaint, which varies</del>	<del>On invoice</del>	<del>Payable if a customer of the Franchised Business contacts us with a complaint and we provide a refund, or other value to the customer as part of our addressing the issue.</del>
<del>Payment Service Fees</del>	<del>Up to 4% of total charge</del>	<del>As incurred</del>	<del>If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.</del>
Interest	Lesser of 1.5% per month or the maximum rate permitted by law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Returned Check or Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event.
Late Fee for Required Payments	\$50 per day	As incurred	Payable if you fail to remit any Royalty Fee payment or any Brand Building Fund Contribution when due.
Failure to Submit Required Report Fee	\$100 per occurrence and \$50 per day	Your bank account will be debited <del>for Failure failure to Submit submit</del> any requested report <del>within</del>	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Brand Building Fund, if established, or us. You will continue to incur this <u>fee until you submit the required report.</u>

		<del>five (5)</del> days of request	
<u>Non-Compliance Fee</u>	<u>2.5% of Gross Revenues</u>	<u>On-demand, following your failure to cure a default.</u>	<u>If you are in default of your Franchise Agreement and you fail to timely cure the default, we may, at our option, charge a non-compliance fee in the amount of 2.5% of Gross Revenues, 2.0% of which will be payable to us in the same manner as the Royalty Fee and 0.5% of which will be payable to the Brand Building Fund in the same manner as the Brand Building Fund Contribution. The Non-Compliance Fee will continue until the default is cured.</u>



<u>Audit Expenses</u> <b>Type-Of-Fee</b>	<u>Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$15,000)</u> <b>Amount</b>	<del>Due Date</del> <u>On demand</u>	<u>You will be required to pay this if an audit reveals that you understated your monthly Gross Revenues by more than 2% or you fail to submit required reports.</u> <b>Remarks</b>
<u>Relocation Fee</u>	<u>Our costs</u>	<u>Upon relocation</u>	<u>You must pay our costs if you relocate your Franchised Business. There are various other conditions you must meet for us to approve your transfer request fee until you submit the required report.</u>
<del>Non-Compliance-Fee</del> <u>Indemnification</u>	<u>Will vary under circumstances</u> <del>2.5% of Gross-Revenues</del>	<del>On-demand, following your failure to cure a default.</del> <u>As incurred</u>	<u>You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Franchised Business. If you are in default of your Franchise Agreement and you fail to timely cure the default, we may, at our option, charge a non-compliance fee in the amount of 2.5% of Gross Revenues, 2.0% of which will be payable to us in the same manner as the Royalty Fee and 0.5% of which will be payable to the Brand Building Fund in the same manner as the Brand Building Fund Contribution. The Non-Compliance Fee will continue until the default is cured.</u>
<u>Professional Fees and Audit Expenses</u>	<u>Will vary under circumstances</u> <del>Cost of audit and inspection, any understated amounts, and any related</del>	<del>On-demand</del> <u>As incurred</u>	<del>You will be required to pay this if an audit reveals that you understated your monthly Gross Revenues by more than two percent (2%) or you fail to submit required reports.</del> <u>You must reimburse us for any legal or accounting fees that</u>

	<del>accounting and legal expenses (we estimate this cost to be between \$1,000 and \$15,000)</del>		<u>we incur as a</u>  <u>result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. You must pay our costs if you relocate your Franchised Business. There are various other conditions you must meet for us to approve your transfer request.</u>
<u>Indemnification</u> <u>Renewal Franchise Fee</u>	<u>15% of the then-current initial franchise fee</u> <del>Will vary under circumstances</del>	<del>As incurred</del> <u>Upon signing the renewal franchise agreement</u>	<u>Payable if you qualify to renew your Franchise Agreement and choose to enter into a renewal franchise agreement. You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Franchised Business.</u>
<u>Transfer Fee</u> <sup>(3)</sup> <u>Professional Fees and Expenses</u>	<u>\$15,000 plus any broker fees related to the transfer</u> <del>Will vary under circumstances</del>	<del>As incurred</del> <u>Payable upon the transferee signing the transfer agreement</u>	<del>You must reimburse us for any legal or accounting fees that we incur as a</del> <u>Payable in connection with the transfer of your Franchised Business, a transfer of ownership of your legal entity, or the Franchise Agreement. This fee includes a training fee for the transferee franchisee.</u>

Type Of Fee	Amount	Due Date	Remarks
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			<del>result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.</del>
Renewal Franchise Fee	<del>15% of the then-current initial franchise fee</del>	<del>Upon signing the renewal franchise agreement</del>	Payable if you qualify to renew your Franchise Agreement and choose to enter into a renewal franchise agreement.
Transfer Fee <sup>(3)</sup>	<del>\$15,000 plus any broker fees related to the transfer</del>	<del>Payable upon the transferee signing the transfer agreement</del>	Payable in connection with the transfer of your Franchised Business, a transfer of ownership of your legal entity, or the Franchise Agreement. This fee includes a training fee for the transferee franchisee.
Suite Relief Fund	\$50 per month	Same <del>as</del> Royalty Fee	You will be opted in to contribute \$50 per month to the Professional Beauty Association and St. Jude's as a part of the Suite Relief Fund. You have the option to opt out of contributing this amount to the Suite Relief Fund.
Early Termination Damages <sup>(4)</sup>	Amount varies.	30 days after early termination of Franchise Agreement.	(See Note <del>45</del> )

Notes:

- ~~1. Fees.~~ All fees paid to us, or our affiliates, are uniform and not refundable under any circumstances once paid. Fees paid to vendors may be refundable depending on the vendors. We currently require you to pay fees and other amounts due to us and our affiliates via electronic funds transfer (“EFT”) or other similar means. You are required

1. \_\_\_\_\_ to complete the EFT authorization (in the form attached to the Franchise Agreement as Attachment C). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into a Development Agreement to operate 3 Franchised Businesses, the fees indicated in the chart above are the fees charged and/or incurred for each Franchised Business. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. If you are a Conversion Franchisee and you have not commenced operation of your Conversion Franchise within 90 days of signing the Franchise Agreement, beginning on the first of the month following the 90 days, you will pay a minimum Royalty Fee of \$1,000. You will continue to pay this monthly minimum Royalty Fee until you commence operation of your Conversion Franchise.

~~3.~~2. Gross Revenues. “**Gross Revenues**” means the total selling price of all services and products sold and accrued at, from, or through your Franchised Business, whether or not sold or performed at or from your Franchised Business, and all income and revenue of every other kind and nature related to the Franchised Business operation, whether for cash or credit, and regardless of collection in the case of credit (See Franchise Agreement, Definitions section, for a complete definition of Gross Revenues).

\_\_\_\_\_ Transfer Fee. We charge a transfer fee of \$15,000. You must pay any broker fees associated with a transfer. If you request and we assist you in selling your Franchised Business, you must also pay us a Resale Consulting Fee of \$7,500. The Resale Consulting Fee is only due if we assist you in selling your Franchised Business.

3. \_\_\_\_\_

4. Early Termination Damages. If we terminate the Franchise Agreement because of your breach, then within 30 days following such termination, you must pay us an amount equal

~~5.~~ -to the greater of (i) the average monthly “**Royalty Fees**” and “**Brand Building Fund Contributions**” that you owed to us for the past 24 months multiplied by the lesser of 36 or the number of months remaining in the Term, or (ii) the average monthly Royalty Fees and Brand Building Fund Contributions paid by all franchised MY SALON~~My Salon~~ Suite businesses who have operated for the past 24 months multiplied by the lesser of 36 or the months remaining in the Term (“**Early Termination Damages**”). If you have not operated the Franchised Business continuously for 24 months prior to the termination of the Franchise Agreement, the Early Termination Damages will be calculated by using the average monthly Royalty Fees and Brand Building Fund Contributions from all franchised MY SALON~~My Salon~~ Suite businesses who have operated for the past 24 months multiplied by 36.

5. ~~Commission Program.~~ We currently offer a commission incentive to qualified franchisees who will receive an amount equal to 3% of the gross revenue derived from customers' purchases of products sold via the My Salon Suite Business eCommerce platform. To qualify, you must (i) be in full compliance with your Franchise Agreement, and (ii) first achieve a minimum of \$3,000 in annual gross revenue from products sold via the My Salon Suite Business eCommerce platform. We may discontinue the commission program at any time. The commission program resets each calendar year from January 1 to December 31. Commissions will be paid to qualified franchisees on a quarterly basis, within thirty (30) days of the end of each fiscal quarter.

## ESTIMATED INITIAL INVESTMENT

## YOUR ESTIMATED INITIAL INVESTMENT – NEW LOCATION

Type of Expenditure <sup>(1)</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee <sup>(1)</sup>	\$50,000	\$50,000	Lump sum	Upon signing of <del>Franchise Agreement</del> <u>Franchise Agreement</u>	Franchisor
Travel and Living Expenses	\$1,000	\$3,000	As incurred	As incurred	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate <sup>(2)</sup>	<del>\$1,200</del> <u>\$13,554</u>	<del>\$45,200</del> <u>\$41,540</u>	As determined by lessor	Prior to opening	Lessor
Improvements/Conversions <sup>(3)</sup>	<del>\$611,020</del> <u>\$531,236</u>	<del>\$931,088</del> <u>\$1,583,846</u>	As incurred	Prior to opening	Vendors
Furniture and <del>Fixtures</del> <u>Fixtures</u>	<del>\$237,504</del> <u>\$193,417</u>	<del>\$376,655</del> <u>\$388,151</u>	<del>As determined by vendors</del> <u>determined by vendors</u>	<del>Prior to opening or as arranged with vendors</del> <u>opening or as arranged with vendors</u>	Vendors
<del>Freight</del> <u>Signage</u>	<del>\$6,537</del> <u>\$4,700</u>	<del>\$11,013</del> <u>\$9,641</u>	As determined by vendors	Prior to opening <del>or as arranged with vendors</del>	Vendors
<u>Signage</u>	<u>\$2,538</u>	<u>\$14,275</u>	<u>As determined by vendors</u>	<u>Prior to opening or as arranged with vendors</u>	<u>Vendors</u>
Miscellaneous Opening Costs <sup>(4)</sup>	<del>\$51,000</del> <u>\$93,000</u>	<del>\$93,000</del> <u>\$93,000</u>	As incurred	Prior to opening	Vendors, Utilities, etc.
Operating Supplies <sup>(5)</sup>	<del>\$101,000</del> <u>\$105,000</u>	<del>\$105,000</del> <u>\$105,000</u>	As incurred	Prior to opening	Approved Vendors

Advertising/ Marketing (3 Months)	\$10,000	\$ <del>1210</del> ,000	As incurred	Prior to opening	Mailings – Media
Insurance- <del>(Annual)</del> <sup>(6)</sup>	\$1,400	\$4,000	As- <del>determined-</del> by insurance- company	Prior to- opening-or- as arranged- by vendor	Insurance- Company/Agent
Additional Funds— 3 Months <sup>(7)</sup>	\$0	\$40,000	As- incurred	As incurred	Various Third Parties
(Annual) <sup>(6)</sup> Design- Standards Fee <sup>(8)</sup>	\$1,000	\$1,000	<del>Lump-</del> sum determi ned by insurance company	Prior to- opening_or; as arranged by vendor	<del>Franchisor</del> Comp any/Agent



<u>Additional Funds – 3 Months<sup>(7)</sup> Type of Expenditure<sup>(4)</sup></u>	<u>\$30,000</u> <b>Amount</b>	<u>\$50,000</u> <b>Method of Payment</b>	<u>As incurred</u> <b>When Due</b>	<u>As incurred To Whom Payment is to be Paid</u>	<u>Various Third Parties</u>
	<b>Low</b>	<b>High</b>			
<u>Design Standards Fee<sup>(8)</sup></u>	<u>\$1,500</u>	<u>\$2,500</u>	<u>Lump sum</u>	<u>Prior to opening, within 5 days of invoice</u>	<u>Franchisor</u>
Architectural Services Fee <sup>(9)</sup>	<u>\$10,500</u> <del>11,880</del>	<u>\$39,505</u> <del>40,000</del>	As determined by vendors	Prior to opening or as arranged with -vendors	Architectural Firm, Design Firm, etc.
Project Management Fee <sup>(10)</sup>	<u>\$5,000</u> <del>2,500</del>	<u>\$5,000</u> <del>2,500</del>	Lump sum	Within 30 days of -signing the lease	Franchisor
Licensing and -Permitting	<u>\$1,800</u> <del>657</del>	<u>\$14,000</u> <del>50,122</del>	As -incurred	As incurred	Various Third -Parties
<b>TOTAL ESTIMATED INITIAL -INVESTMENT<sup>(11)</sup></b>	<b><u>\$984,999</u></b> <b><del>823,344</del></b>	<b><u>\$1,577,236</u></b> <b><del>2,241,800</del></b>			

~~All amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer any financing for any of your initial investment.~~

Notes:

All amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer any financing for any of your initial investment.

Notes:

- 2.1. Initial Franchise Fee. You will pay an Initial Franchise Fee of \$~~5025~~,000, and a discount of 50%, if you are a veteran of the U.S. Armed Forces that meets the requirements of the VetFran Program, or if you are a First Responder, as determined by us. The Initial Franchise Fee is non-refundable under the terms of the Franchise Agreement. See Item 5 for additional information about your Initial Franchise Fee.

4.2. Rent or Real Estate. You must lease or otherwise acquire a suitable facility for the operation of your Franchised Business. You will need a facility with approximately ~~4,753,715~~ to ~~8,720,250~~ square feet of space. Your actual rent payments may vary depending upon your location and your market's retail lease rates. If you purchase instead of lease, the premises for your Franchised Business, then the purchase price, down payment, interest rates, and other financing terms will determine your monthly mortgage payments.

6.3. Improvements/Conversions. The cost of building out and constructing your Franchised Business will vary significantly based on the geographic location and square footage of your Franchised Business. Tenant improvement costs typically range between \$~~135,150~~ per square foot and \$~~267,180~~ per square foot. Tenant improvement allowance has ranged from \$0 to \$~~77,100~~ per square foot.

~~7.4.~~ Miscellaneous Opening Costs. This estimate is for miscellaneous opening costs and expenses such as installation of ~~internet~~telephone, deposits for gas, electricity, and other services, business licenses, vehicular registrations, legal, and accounting expenses for your start-up period.

~~9.5.~~ Operating Supplies. You will need to purchase an initial inventory of cleaning supplies and other operating supplies.

~~11.6.~~ Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Franchised Business, your rates may be significantly higher than those estimated above.

7. Additional Funds. ~~In formulating the amount of Additional Funds, we relied upon our experience offering franchises for 10~~In formulating the amount of Additional Funds, we relied upon our experience offering franchises for 8 years, being involved in overseeing operations of the Franchised Businesses by franchisees, and data from a sampling of recently opened Franchised Businesses. These amounts represent our estimate of the amount needed to cover your expenses for the initial 3-month start-up phase of your Franchised Business. They include payroll costs during the 3 months of operation, but not any draw or salary for you. ~~years, being involved in overseeing operations of the Franchised Businesses by franchisees, and data from a sampling of recently opened Franchised Businesses. These amounts represent our estimate of the amount needed to cover your expenses for the initial 3-month start-up phase of your Franchised Business. These figures do not include standard pre-opening expenses, Royalty Fees, or Brand Building Fund contributions payable under the Franchise Agreement, or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be 3 months from the date your Franchised Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Franchised Business. You must bear any deviation or escalation in costs from the estimates that we have given. Additional funds for the operation of your Franchised Business will be required after the first three (3) months of operation if sales produced by the Franchised Business are not sufficient to produce positive cash flow.~~

8. Design Standards Fee. This fee is described in further detail in Item 5.

9. Architectural Services Fee. You will be required to pay various fees to architects and/or design professionals to construct the Franchised Business. These fees consist of site surveys plus travel, architectural design fees, and permit submittal/service fees.

10. Project Management Fee. This fee is described in further detail in Item 5.

11. Total. This is an estimate of your initial start-up expenses for ~~one Franchised Business~~. You should review these figures carefully with a business advisor before making any decision

| to purchase the Franchise Business.

## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT – CONVERSION LOCATION

<u>Type of Expenditure<sup>(1)</sup></u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be Paid</u>
	<u>Low</u>	<u>High</u>			
<u>Initial Franchise Fee<sup>(1)</sup></u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>Lump sum</u>	<u>Upon signing of Franchise Agreement</u>	<u>Franchisor</u>
<u>Travel and Living Expenses</u>	<u>\$1,000</u>	<u>\$3,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Airlines, Hotels, Restaurants, etc.</u>
<u>Rent or Real Estate<sup>(2)</sup></u>	<u>\$0</u>	<u>\$0</u>	<u>As determined by lessor</u>	<u>Prior to opening</u>	<u>Lessor</u>
<u>Improvements/Conversions<sup>(3)</sup></u>	<u>\$12,500</u>	<u>\$50,000</u>	<u>As incurred</u>	<u>Prior to opening</u>	<u>Vendors</u>
<u>Furniture and Fixtures</u>	<u>\$12,500</u>	<u>\$50,000</u>	<u>As determined by vendors</u>	<u>Prior to opening or as arranged with vendors</u>	<u>Vendors</u>
<u>Signage</u>	<u>\$2,538</u>	<u>\$14,275</u>	<u>As determined by vendors</u>	<u>Prior to opening or as arranged with vendors</u>	<u>Vendors</u>
<u>Miscellaneous Opening Costs<sup>(4)</sup></u>	<u>\$5,000</u>	<u>\$9,000</u>	<u>As incurred</u>	<u>Prior to opening</u>	<u>Vendors, Utilities, etc.</u>
<u>Operating Supplies<sup>(5)</sup></u>	<u>\$0</u>	<u>\$0</u>	<u>As incurred</u>	<u>Prior to opening</u>	<u>Approved Vendors</u>
<u>Advertising/Marketing (3 Months)</u>	<u>\$10,000</u>	<u>\$12,000</u>	<u>As incurred</u>	<u>Prior to opening</u>	<u>Mailings – Media</u>
<u>Insurance (Annual)<sup>(6)</sup></u>	<u>\$1,400</u>	<u>\$4,000</u>	<u>As determined by insurance company</u>	<u>Prior to opening or as arranged by vendor</u>	<u>Insurance Company/Agent</u>
<u>Additional Funds – 3 Months<sup>(7)</sup></u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Various Third Parties</u>
<u>Design Standards Fee<sup>(8)</sup></u>	<u>\$1,500</u>	<u>\$2,500</u>	<u>Lump sum</u>	<u>Prior to opening, within 5</u>	<u>Franchisor</u>

<u>Type of Expenditure<sup>(1)</sup></u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is to be Paid</u>
	<u>Low</u>	<u>High</u>			
				<u>days of invoice</u>	
<u>Project Management Fee<sup>(9)</sup></u>	<u>\$0</u>	<u>\$0</u>	<u>Lump sum</u>	<u>Within 30 days of signing the lease</u>	<u>Franchisor</u>
<b><u>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(10)</sup></u></b>	<b><u>\$106,438</u></b>	<b><u>\$214,775</u></b>			

All amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer any financing for any of your initial investment.

Notes:

1. Initial Franchise Fee. You will pay an Initial Franchise Fee of \$50,000, and aa discount of 50%, if you are a veteran of the U.S. Armed Forces that meets the requirements of the VetFran Program, or if you are a First Responder, as determined by us. The Initial Franchise Fee is non-refundable under the terms of the Franchise Agreement. See Item 5 for additional information about your Initial Franchise Fee.
2. Rent or Real Estate. You must lease or otherwise acquire a suitable facility for the operation of your Franchised Business. You will need a facility with approximately **4,753 to 8,720 square feet of space**. Your actual rent payments may vary depending upon your location and your market's retail lease rates. If you purchase instead of lease, the premises for your Franchised Business, then the purchase price, down payment, interest rates, and other financing terms will determine your monthly mortgage payments.
3. Improvements/Conversions. The cost of converting your business to a MY SALON Suite business will vary significantly based on the geographic location and square footage of your Franchised Business. Tenant improvement costs typically range between \$135 per square foot and \$267 per square foot. Tenant improvement allowance has ranged from \$0 to \$77 per square foot.
4. Miscellaneous Opening Costs. This estimate is for miscellaneous opening costs and expenses such as installation of internet, deposits for gas, electricity, and other services, business licenses, vehicular registrations, legal, and accounting expenses for your start-up period.
5. Operating Supplies. You will need to purchase an initial inventory of cleaning supplies and other operating supplies.

6. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Franchised Business, your rates may be significantly higher than those estimated above.

~~12.7.~~ Additional Funds. Additional funds may not be necessary since this is a Conversion Franchise. In formulating the amount of Additional Funds, we relied upon our experience offering franchises for 10 years, being involved in overseeing operations of the Franchised Businesses by franchisees, and data from a sampling of recently opened Franchised Businesses. These amounts represent our estimate of the amount needed to cover your expenses for the initial 3-month start-up phase of your Franchised Business. These figures do not include standard pre-opening expenses, Royalty Fees, or Brand Building Fund contributions payable under the Franchise Agreement, or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be 3 months from the date your Franchised Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Franchised Business. You must bear any deviation or escalation in costs from the estimates that we have given. Additional funds for the operation of your Franchised Business will be required after the first three (3) months of operation if sales produced by the Franchised Business are not sufficient to produce positive cash flow.

~~13.1.~~ Design Standards Fee. This fee is described in further detail in Item 5.

~~14.~~ Architectural Services Fee. You will be required to pay various fees to architects and/or design professionals to construct the Franchised Business. These fees consist of site surveys plus travel, architectural design fees and permit submittal/service fees.

~~15.1.~~ Project Management Fee. This fee is described in further detail in Item 5.

~~1.~~ Total. This is an estimate of your initial start up expenses for 1 Franchised Business. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise Business.

## ~~ESTIMATED INITIAL INVESTMENT~~

### ~~YOUR ESTIMATED INITIAL INVESTMENT — CONVERSION LOCATION~~

Type of Expenditure <sup>(1)</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee <sup>(1)</sup>	\$50,000	\$50,000	Lump-sum	Upon signing of Franchise Agreement	Franchisor
<del>Travel and Living Expenses</del>	<del>\$1,000</del>	<del>\$3,000</del>	<del>As-incurred</del>	<del>As-incurred</del>	<del>Airlines, Hotels, Restaurants, etc.</del>
Rent or Real Estate <sup>(2)</sup>	\$13,554	\$41,540	As-determined-by-lessor	Prior to opening	Lessor
Improvements/-Conversions <sup>(3)</sup>	\$43,160	\$80,000	As-incurred	Prior to opening	Vendors
Furniture and Fixtures	\$53,000	\$120,000	As-determined-by-vendors	Prior to opening or as arranged with vendors	Vendors
Signage	\$4,700	\$19,641	As-determined-by-vendors	Prior to opening or as arranged with vendors	Vendors
Miscellaneous Opening Costs <sup>(4)</sup>	\$1,000	\$3,000	As-incurred	Prior to opening	Vendors, Utilities, etc.
Operating Supplies <sup>(5)</sup>	\$1,000	\$5,000	As-incurred	Prior to opening	Approved Vendors
Advertising/-Marketing (3 Months)	\$10,000	\$10,000	As-incurred	Prior to opening	Mailings—Media
Insurance (Annual) <sup>(6)</sup>	\$1,400	\$4,000	As-determined-by-insurance company	Prior to opening or as arranged by vendor	Insurance Company/Agent
Additional Funds—3 Months <sup>(7)</sup>	\$0	\$40,000	As-incurred	As-incurred	Various Third Parties



<del>Design Standards Fee<sup>(8)</sup></del>	<del>\$1,000</del>	<del>\$1,000</del>	<del>Lump-sum</del>	<del>Prior to opening, within 5</del>	<del>Franchisor</del>
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Type of Expenditure <sup>(4)</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
				days of invoice	
Project Management Fee <sup>(9)</sup>	\$2,500	\$2,500	Lump sum	Within 30 days of signing the lease	Franchisor
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(40)</sup></b>	<b>\$182,314</b>	<b>\$379,861</b>			

~~All amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer any financing for any of your initial investment.~~

Notes:

~~109.1. Initial Franchise Fee. You will pay an Initial Franchise Fee of \$25,000, a discount of 50%, if you are a veteran of the U.S. Armed Forces that meets the requirements of the VetFran Program, or if you are a First Responder, as determined by us. The Initial Franchise Fee is non refundable under the terms of the Franchise Agreement. See Item 5 for additional information about your Initial Franchise Fee.~~

~~111.1. Rent or Real Estate. You must lease or otherwise acquire a suitable facility for the operation of your Franchised Business. You will need a facility with approximately 3,715 to 14,250 square feet of space. Your actual rent payments may vary depending upon your location and your market's retail lease rates. If you purchase instead of lease, the premises for your Franchised Business, then the purchase price, down payment, interest rates, and other financing terms will determine your monthly mortgage payments.~~

~~113. Improvements/Conversions. The cost of converting your business to a My Salon Suite business will vary significantly based on the geographic location and square footage of your Franchised Business. Tenant improvement costs typically range between \$150 per square foot and \$180 per square foot. Tenant improvement allowance has ranged from \$0 to \$100 per square foot.~~

~~1.~~

~~115. Miscellaneous Opening Costs. This estimate is for miscellaneous opening costs and expenses such as installation of telephone, deposits for gas, electricity, and other services, business licenses, vehicular registrations, legal, and accounting expenses for your start-up period.~~

~~117.1. Operating Supplies. You will need to purchase an initial inventory of cleaning supplies and other operating supplies.~~

~~118.1. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Franchised Business, your rates may be significantly higher than those estimated above.~~

~~120.1. Additional Funds. Additional funds may not be necessary since this is a Conversion Franchise. In formulating the amount of Additional Funds, we relied upon our experience offering franchises for 8 years, being involved in overseeing operations of the Franchised Businesses by franchisees, and data from a sampling of recently opened Franchised Businesses. These amounts represent our estimate of the amount needed to cover your expenses for the initial 3 month start up phase of your Franchised Business. They include payroll costs during the 3 months of operation, but not any draw or salary for you. These figures do not include standard pre opening expenses, Royalty Fees, or Brand Building Fund contributions payable under the Franchise Agreement, or debt service, and assume that none of your expenses are offset by any sales generated during the start up phase. For purposes of this disclosure, we estimated the start up phase to be 3 months from the date your Franchised Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Franchised Business. You must bear any deviation or escalation in costs from the estimates that we have given. Additional funds for the operation of your Franchised Business will be required after the first three (3) months of operation if sales produced by the Franchised Business are not sufficient to produce positive cash flow.~~

~~122.8. Design Standards Fee.~~ This fee is described in further detail in Item 5.

~~124.9. Project Management Fee.~~ This fee is described in further detail in Item 5.

~~126.10.Total.~~ This is an estimate of your initial start-up expenses for ~~a~~<sup>1</sup> Conversion ~~FranchiseLocation~~. You should review these figures carefully with a business advisor before making any decision to purchase the Conversion ~~FranchiseLocation~~.

**DEVELOPMENT AGREEMENT  
YOUR ESTIMATED INITIAL  
INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Development Fee <sup>(1)</sup>	\$125,000	\$125,000	Lump sum	Upon signing of the Development Agreement	Franchisor
Estimated Initial Investment for Your Initial Franchised Business <sup>(2)</sup>	<del>\$934,332,773</del> 344	<del>\$1,530,569,191,800</del> 91,800	See First Chart Above		
<u>TOTAL<sup>(3)</sup></u>	<u>\$1,059,332</u>	<u>\$1,655,569</u>			

TOTAL <sup>(*)</sup>	\$898,344	\$2,316,800	
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Notes:

1. Development Fee. The Development Fee is described in greater detail in Item 5 of this Franchise Disclosure Document. Once the Development Fee is paid, you will not be required to pay any Initial Franchise Fee in connection with the Franchised Businesses, provided you comply with the development obligations set forth in that Development Agreement.
- ~~3.2.~~ Estimated Initial Investment for Your Initial Franchised Business. This figure represents the total estimated initial investment required to open your initial Franchised Business under the first Franchise Agreement you enter with us, which you will sign along with your Development Agreement. This range does not include an Initial Franchise Fee because you will pay the Development Fee instead. The range listed here does include all other amounts described in the chart for the Franchised Businesses contained above in this Item 7. It does not include any of the costs you will incur in opening a second and third Franchised Business that you obtain the option to open under the Development Agreement; these costs will not likely be incurred during the first ~~three~~ ~~(3)~~ months of operating your first Franchised Business. Once you open additional Franchised Businesses, you will incur the costs listed in this Item 7 (except for the Initial Franchise Fee) at the time you open the additional Franchised Businesses. These costs may increase in the future depending on when you open the additional Franchised Businesses.
- ~~5.3.~~ Total. You should review these figures with a business advisor, financial consultant, or other professional before deciding to purchase the Franchise Business.

## Item 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### Standards and Specifications

To ensure the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications we list in our proprietary and confidential operating manual, which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. The operational and Franchise aspects of a MY SALON ~~My-Salon~~ Suite franchise ~~is~~are contained within our confidential MY SALON ~~My-Salon~~ Suite operations manual (the “**Franchise Operations Manual**”).

You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the Franchise System. Our Franchise Operations Manual states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Franchised Business.

We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Franchise Operations Manual or through written communication (including electronic communication). We will issue electronic copies of our standards and specifications to you and approved and proposed vendors unless these standards and specifications contain our confidential information.

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing.

You must not use, offer, or sell any products or services in connection with your Franchised Business that do not meet our Franchise System standards and specifications, or that we have discontinued or otherwise notified you that you are no longer able to use or offer in connection with your Franchised Business. If you wish to offer any product or service in your Franchised Business other than our approved products and services or use any item in connection with your Franchised Business that does not meet our Franchise System standards and specifications, you must obtain our prior written approval as described more fully in this Item.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Franchised Business. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the vendors we specify. You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your Franchised Business is located and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc. We may periodically increase the amount of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

### Purchases From Approved Vendors

We have the right to require you to purchase any products or services necessary to operate your Franchised Business from a vendor that we approve or designate, which may include us (an “**Approved Vendor**”). We will provide you with a list of our Approved Vendors in writing as part of the Franchise Operations Manual or otherwise in writing, and we may update or modify this list as we deem appropriate. We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s). We have an Approved Vendor of website creation for the Franchised Businesses website.

No officer of the franchisor owns an interest in any Approved Vendor.

We may provide our standards and specifications for those products and services offered by your Franchised Business (“**Approved Products and Services**”) directly to our Approved Vendors, and may provide these standards and specifications to an alternative vendor you propose if: (i) we approve the vendor in writing as set forth more fully in this Item; and (ii) the alternative



vendor agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

### Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Vendor or purchase or lease in accordance with our standards and specifications, are referred to collectively as your “**Required Purchases.**” We estimate that your Required Purchases will account for approximately ~~2445%~~ to ~~3855%~~ of your total costs incurred in establishing your Franchised Business, and approximately ~~7%five percent (5%)~~ to ~~11%ten percent (10%)~~ of your ongoing costs to operate your Franchised Business after the initial start-up phase.

~~During our last fiscal year which ended December 31, 2022, we derived \$1,083,870 in revenue from the sale or lease of products or services to My Salon Suite franchisees, which represents approximately eleven percent (11%) of our total revenue of \$9,636,894.~~

We and our affiliates will receive rebates from vendors based on your purchase of products and services, promotional allowances, volume discounts, and other payments. Certain designated vendors made payments to us based on the percentage of franchisee purchases.

### Purchasing Cooperatives and Right to Receive Compensation

We do not have purchasing and distribution co-operatives as of the Issuance Date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with vendors and distributors of approved products for the benefit of our franchisees, and we may receive rebates on volume discounts from our purchase of products we may resell to you. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved vendors. There are no caps or limitations on the maximum rebates we may receive from our vendors as the result of franchisee purchases.

### Approved Location and Lease

You must obtain our approval of the site for your Approved Location before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Approved

-Location before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of collateral assignment of lease and lease addendum. You must also ensure that you comply with all Franchise System standards and specifications related to the build-out, remodeling, and/or construction of your Franchised Business at the Approved Location(s).

#### Approval of New Vendors

If you desire to have a non-approved vendor of a product or service designated as an approved vendor, you must submit samples of the vendor's products or services to us, along with a written statement describing why such items, services, or vendors should be approved for use in the Franchise System. We may charge a fee to evaluate the proposed vendor of approximately \$100 to \$500 per evaluation (See Item 6). -We do not make our vendor specifications and/or\_

standards generally available to franchisees or vendors. While we will be required to respond to a request within 60 days, we generally respond to a request for an additional approved vendor within ~~seven (7)~~ days. Our written approval must be received before you use products not purchased from an approved vendor. We may revoke our approval at any time if we determine, in our discretion, that the vendor no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved vendor.

## Item 9

### FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the Franchise Agreement 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 Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2. <del>B2</del> and 7 of Franchise Agreement	<del>Items</del> ITEMS 7, 11 and 12
b. Pre-opening purchases/leases	Sections 7. <del>A1</del> , 7. <del>E4</del> , 8. <del>B2</del> and 12. <del>D4</del> of Franchise Agreement	<del>Item</del> ITEMS 7 and 8
c. Site development and other pre-opening requirements	Sections 7 and 12 of <del>Franchise Agreement</del>	<del>Items</del> ITEMS 6, 7, 8 and 11
d. Initial and ongoing training	Section 10 of Franchise <del>Agreement</del>	<del>Items</del> ITEM 6, 7 and 11
e. Opening	Section 7. <del>F6</del> of Franchise Agreement	<del>Item</del> ITEM 11
f. Fees	Sections 3, 4. <del>B.2-11</del> , 9. <del>F6</del> , 10. <del>C3</del> and 16.5 of Franchise Agreement Section 4 of Development <del>Agreement</del>	<del>Items</del> ITEMS 5, 6, 7 and 11
<del>g. Compliance with standards and policies/operations manual</del>	<del>Section 12 of Franchise Agreement</del>	<del>Item 8 and 11</del>
<del>h. Trademarks and proprietary information</del>	<del>Section 5 of Franchise Agreement</del>	<del>ITEMS 13 and 14</del>
<del>i. Restrictions on products/services offered</del>	<del>Sections 12.2, 12.4 and 12.5 of Franchise Agreement</del>	<del>ITEMS 8, 12 and 16</del>
<del>j. Warranty and customer service requirements</del>	<del>Sections 12.1 and 12.17 of Franchise Agreement</del>	<del>ITEM 15</del>
<del>k. Territorial development and sales quotas</del>	<del>Not Applicable in Franchise Agreement</del>	<del>ITEMS 12 and 17</del>

<u>g. Compliance with standards and policies/operations manual</u> <b>Obligation</b>	Section <del>12</del> of Franchise <del>in</del> Agreement	<u>Items 8 and 11</u> <b>Disclosure-Document-Item</b>
<u>h. Trademarks and proprietary information</u>	<u>Section 5 of Franchise Agreement</u>	<u>Items 13 and 14</u>
<u>i. Restrictions on products/services offered</u>	<u>Sections 12.B, 12.D and 12. of Franchise Agreement</u>	<u>Items 8, 12 and 16</u>
<u>j. Warranty and customer service requirements</u>	<u>Sections 12.A and 12.P of Franchise Agreement</u>	<u>Item 15</u>
<u>k. Territorial development and sales quotas</u>	<u>Not Applicable in Franchise Agreement, Section <del>4</del> of Development Agreement</u>	<u>Items 12 and 17</u>
l. Ongoing product/service purchases	Sections 12.2 and 12. <del>D4</del> of <del>-</del> Franchise Agreement	<u>Items</u> <del>ITEMS</del> 8 and 11
m. Maintenance, appearance, and remodeling requirements	Sections 12. <del>N13</del> and 12. <del>R15</del> of Franchise Agreement	<u>Items</u> <del>ITEMS</del> 6, 8 and 11
n. Insurance	Sections 7. <del>2</del> , <del>12.11</del> and 12. <del>21</del> of Franchise Agreement	<u>Items</u> <del>ITEMS</del> 6, 7 and 8
o. Advertising	Sections 3. <del>C3</del> and 9 of Franchise Agreement	<u>Items</u> <del>ITEMS</del> 6 and 11
p. Indemnification	Section 18. <del>D4</del> of Franchise Agreement	<u>Item</u> <del>ITEM</del> 6
q. Owners' participation/management/staffing	Sections 12. <del>A1</del> , 12. <del>B(2-3)</del> through 12. <del>B(2-5)</del> and 18. <del>C3</del>	<u>Items</u> <del>ITEMS</del> 11 and 15
r. Records and reports	Sections 3. <del>E4</del> and <del>11</del> <del>10</del> of Franchise Agreement	<u>Item</u> <del>ITEM</del> 6
s. Inspections and audits	Sections 5. <del>F6</del> , 7. <del>E5</del> , 8. <del>D10</del> , 12. <del>E6</del> and 15.1. <del>A(10)</del> of Franchise <del>-</del> Agreement	<u>Items</u> <del>ITEMS</del> 6 and 11
t. Transfer	Section 16 of Franchise Agreement Section 7 of Development Agreement	<u>Item</u> <del>ITEM</del> 17
u. Renewal	Section 4	<u>Item</u> <del>ITEM</del> 17
v. Post-term obligations	Section 15	<u>Item</u> <del>ITEM</del> 17
w. Noncompetition covenants	Sections 13. <del>B(1)2</del> through 13. <del>B(3)4</del>	<u>Item</u> <del>ITEM</del> 17

x. Dispute Resolution	Section 17	<u>Item</u> <del>ITEM</del> 17
y. Owners Agreement	Section 18. <del>M13</del>	<u>Item</u> <del>ITEM</del> 15

## Item 10

### FINANCING

We do not offer direct (except as described below) or indirect financing for a new MY SALON Suite franchised business. We do offer financing of the conversion franchise fee of \$50,000 as outlined below. We do not guarantee your note, lease, or obligations.

SUMMARY OF FINANCING OFFERED FOR CONVERSION FRANCHISEE										
Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs.)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Fee	Us (note 1)	\$15,000 (Note 1)	\$35,000 (Note 1)	3 (Note 1)	0% (Note 1)	\$972.22 (Note 1)	None (Note 1)	Personal Guarantee (Note 1)	Loss of – franchise – unpaid loan (Note 2)	Waive notice. Confess judgment (Note 3)

#### Notes:

~~(2)~~(1) If you are a Conversion Franchisee and you meet our credit standards and qualify for financing, we may offer you financing for a portion of the initial franchise fee necessary to establish your Conversion Franchise. Franchised Business. If you pay us \$15,000 of the initial franchise fee, we will finance \$35,000 of the initial franchise fee (See Item 5). If you obtain financing from us, you will be required to sign a promissory note in the form attached as **Exhibit FK** to this Disclosure Document (the “Note”). The Note provides for payment to us over a 36–month period at 0% interest per annum paid in monthly installments. There are no additional finance charges. The first payment on the Note is due 30 days after you commence operating your Conversion Franchise. Franchised Business. If you finance the full amount, your monthly installment payment will be \$972.22. We will debit your business checking account automatically for the monthly installment payment on the 25<sup>th</sup> day of each month. We also require that the Note be guaranteed by your principals if you are a corporation or other business entity. We require no other security interest in the Note. You may prepay the Note in whole or in part without penalty.

You may be required to pay a higher down payment than the \$15,000 referenced above or the full initial franchise fee if you do not meet our minimum credit standards.

~~(4)~~(2) The following are events of default under the Note: (1) your failure to pay any principal, or any other charge or expense payable under the Note, (2) any breach or default by you of any warranty, representation, covenant, term or condition stated in the Note, in the franchise agreement, or in any other security instrument, affidavit or other agreement or

instrument between us, (3) if the franchise agreement is terminated for any reason by us, (4) if you are not paying your debts as such debts become due, (5) the commencement of any proceedings under any bankruptcy or insolvency laws by or against you or (6) the sale, assignment, transfer or conveyance of all or substantially all ~~of~~ your assets. If you default, we may terminate the franchise agreement and all outstanding principal under the Note will

be immediately due and payable. Also, you must pay the costs, fees, and expenses we incur in enforcing the Note.

~~(6)(3)~~ Under the Note you waive presentment, demand for payment, protest and notice of non-payment by the makers, endorsers and guarantors of the Note. We receive no consideration for offering you financing.

We do not have any past or present practice, nor do we have any intention, to sell, assign or discount to a third party, in whole or in part, any note, contract or other instrument you execute.

## Item 11

### FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

**Except as listed below, SMF is not required to provide you with any assistance.**

#### Pre-Opening Obligations

Before you open your Franchised Business, we (or our designee) will provide the following assistance and services to you:

~~2.1.~~ Evaluate any proposed locations for the site of your Franchised Business and designate your Approved Location, as described more fully in this ~~Items~~ITEM (Sections 7 and 8.~~A~~1 of the Franchise Agreement).

~~4.2.~~ Designate the Protected Territory for your Franchised Business at our sole discretion (Section 2.~~C~~3 of the Franchise Agreement).

~~4.~~ Provide our then-current Franchise System standards and specifications for the build-out, remodeling, or construction of your Franchised Business, as well as any “template” architectural or design plans that we have previously approved or designated for use in connection with establishing a Franchised Business ~~with a range from at the cost of~~\$1,500 to ~~\$2,500,000~~ per location (to the extent we have any) (Sections 7 and 8.~~A~~1 of the Franchise Agreement).

~~3.~~

~~5.4.~~ Provide you with access to our Franchise Operations Manual in electronic form. You must operate your Franchised Business in accordance with the Franchise Operations Manual and



all applicable laws and regulations. The Franchise Operations Manual may be amended or modified by us to reflect changes in our Franchise System. You must keep the Franchise Operations Manual confidential and current and may not copy any part of the Franchise Operations Manual. We may disclose updates to the Franchise Operations Manual in writing in any manner, including electronic means such as e-mail, SMF's website, and any intranet or extranet that we establish in connection with the Franchise System (Section 6 of the Franchise Agreement). The table of contents to the Franchise Operations Manual, along with the number of pages devoted to each Section, is set forth in **Exhibit G** of this Franchise Disclosure Document. The Franchise Operations Manual has approximately 125120

pages. The exact number of pages is difficult to quantify, as one “page” of interactive material may include multiple “pages” of information.

- ~~7.5.~~ Provide you with assistance with obtaining equipment, signs, fixtures, opening inventory and supplies needed to open your Franchised Business by providing you with our list of all items needed to open your Franchised Business, our specifications, and our proprietary list of Approved Vendors for certain of those items (as applicable). We do not deliver or install items. (Section 8.~~B2~~ of the Franchise Agreement).
- ~~9.6.~~ Provide an e-mail address that you are required to use exclusively in connection with the Franchised Business (Section 12.~~F.(6)7.5~~ of the Franchise Agreement).
- ~~11.7.~~ Approve any advertising and promotional materials or plans that you propose for use in connection with the grand opening of your Franchised Business and assist you, as we deem appropriate in our sole discretion, with your grand opening advertising campaign (Sections 8.~~E5~~, 9.~~D5~~ and 9.~~E6~~ of the Franchise Agreement).
8. Provide you and up to one (1) additional employee with our initial training program (“~~MY SALON Suite University Initial Training Program~~”) tuition-free, provided these individuals attend training at the same time. If you are a partnership, corporation, or limited liability company, at least one ~~12.(1)~~ ~~(1)~~ of the trainees must be your general partner, principal shareholder, or managing member as appropriate. If you have appointed a designated manager to operate the day-to-day operations of the Franchised Business, this designated manager must also attend ~~MY SALON Suite University. MY SALON Suite University~~ ~~your Initial Training Program. The Initial Training Program~~ must be completed to our satisfaction ~~within 60 days before you open the Franchised Business of executing your Franchise Agreement~~ and ~~is will be~~ conducted ~~virtually at our corporate headquarters~~ (Section 10.1 of the Franchise Agreement).

#### Site Selection – New Locations

You must assume all costs, liabilities, expenses, and responsibility for: (i) locating, obtaining, and developing an Approved Location for your Franchised Business; and (ii) constructing, equipping, remodeling, and/or building out the Approved Location for use as a Franchised Business, all in accordance with our Franchise System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we determine is advisable. Our guidelines for site selection require that you conduct, at your expense, an evaluation of the demographics of the market area for the proposed location. We may then use these factors in determining the suitability of your proposed site for the Approved Location of your Franchised Business. —In deciding whether to approve a site, we may also consider, among other

things:

(i) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, the predominant character of the neighborhood surrounding the proposed site; (ii) competition from other businesses selling similar products and services within the area, and the proximity of the site to these businesses, as well as the nature of all other businesses in proximity to the site; (iii) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (iv) the size, appearance, and other physical characteristics of the proposed site (Section 7.1 of the Franchise Agreement).

You must submit information and materials for at least one (1) proposed site to us for approval no later than six (6) months after you have signed your Franchise Agreement. We will have 15 business days after we receive this information and materials from you to approve or disapprove the proposed site as the location for the Franchised Business. If we do not provide our specific approval of a proposed site, the site is deemed not approved. Our approval only means that the site meets our minimum requirements for a Franchised Business. Before you lease or purchase the site for the Franchised Business, you must locate a site that satisfies our site selection guidelines (Sections 7.~~A1.1~~ through 7.~~E1.3~~ of the Franchise Agreement). If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation. This does not apply to a Conversion Franchise.

We may terminate your Franchise Agreement if: (i) you do not propose at least one (1) location for your Franchised Business within six (6) months of executing your Franchise Agreement; or (ii) you are unable to locate and obtain a suitable location and Approved Location (including signing a lease for that location) within nine (9) months after you sign the Franchise Agreement (Sections 7.~~A1.1~~ to 7.~~E3.3~~ of the Franchise Agreement).

If you are granted the right to develop more than one (1)2-additional Franchised Businesses pursuant to the Development Agreement, then we will approve the location of future units and the then-current standards for sites will apply.

#### Lease – New Locations

We must approve any lease for the Approved Location before you enter into such an agreement. We may condition our approval on a number of conditions, including: (i) an agreement by you and the landlord of the Approved Location to enter into our prescribed form of collateral assignment of lease and our then-current form of lease addendum (if any); and (ii) receiving a written representation from the landlord of the Approved Location that you will have the right to operate the Franchised Business, including subleasing/renting certain portions of the Approved Location to different third-party salon professionals, throughout the term of your Franchise Agreement (Section 12.S.7.1.3 of the Franchise Agreement). You will also be required to provide to us computer-aided design (“CAD”) and Portable Document Format (“PDF”) files from the architect or contractor regarding the build-out of the Approved Location.

If you plan to purchase the building where the Approved Location for your Franchised Business will be, then the landlord entity that owns the building must be a separate entity from the franchisee entity. We must approve the lease that you use in connection with the Franchised Business.

## Site Selection and Lease – Conversion Franchises

If you are a Conversion Franchisee, your Conversion Franchise will be located at the location of your existing business unless agreed to otherwise in writing. You will bear the cost and expense for making all alterations, modifications, and improvements necessary to establish the Conversion Franchise at your existing business.

We estimate the time from the date you signed the franchise agreement to the opening of your existing business as a ~~My Salon Suite~~ Conversion Franchise will be 90 days. This time may vary depending on several factors, including the time required for modification and improvements necessary to operate the Conversion Franchise at your existing business.

### Schedule for Opening

We estimate that it will take between 9 to ~~18~~<sup>12</sup> months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, ~~to~~ obtain financing, ~~to~~ obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules, and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment, and signs, and to complete preparation for operating the Franchised Business, including purchasing inventory and supplies (Section 7.~~E.5~~ of the Franchise Agreement).

### Continuing Obligations

During the operation of your Franchised Business, we (or our designee) will provide the following assistance and services to you:

~~2.1.~~ Provide continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, intranet communication, or on-site visits, as we deem advisable and subject to the availability of our personnel (Section 8.~~D.4~~ of the Franchise Agreement).

~~—~~ Approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business, as described more fully below in this Item 11 under the heading “**Advertising**” (Section 8.~~E.5~~ of the Franchise Agreement).

~~2.~~

~~4.3.~~ Continue to loan you or make available to you on our website or intranet, one (1) copy of the confidential Franchise Operations Manual, which may include audio and video media, computer software other electronic media, and/or written materials (Section 6 of the Franchise Agreement).

~~6.4.~~ Approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases

from vendors other than our then-current approved/designated vendors (Section 8.6 of the Franchise Agreement).

### Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

~~2.1.~~ Modify, update, or change the Franchise System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques.

~~4.2.~~ Make periodic visits to the Franchised Business for the purpose of assisting in all aspects of the operation and management of the Franchised Business, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchised Business, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

—— We may offer, and require you and your designated manager to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion (“**Additional Training**”). While you have the option to attend any Additional Training, we offer subject to the availability of our classes, we may require that you and your designated manager attend up to two (2) days of Additional Training each year online and/or On Demand Education at our headquarters or other location we designate. You will be required to pay our then-current training tuition fee for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training (Sections 8.3 and 10.~~B. & C.3~~ of the Franchise Agreement).

~~3.~~  
~~5.~~ We may schedule and hold an annual conference, as we deem advisable in our sole discretion, to discuss the current state of the Franchise System, improvements to the Franchise System, hold discussion forums for Franchise System franchisees, and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to three (3) days each year and pay our then-current registration fee (Section 8.~~H.8~~ of the Franchise Agreement).

~~4.~~  
~~5.~~ We may, as we deem advisable in our sole discretion, establish a website to promote and advertise the Franchised Business brand and Franchise System (Sections 8.9 and 9 of the Franchise Agreement). Please see below in this ~~Item~~~~ITEM~~ 11 under the heading “**Advertising**” for further information.

~~5.~~

6. Maintain and administer the Brand Building Fund. We may dissolve the Brand Building Fund upon written notice (Sections 8.G.7 and 9.C.3 of the Franchise Agreement).

8.7. We may conduct, as we deem advisable in our sole discretion, inspections of the Approved Location and your operations generally to ensure compliance with our Franchise System standards and specifications (Sections 8.J.10 and 12.E.6 of the Franchise Agreement).  
We



may also prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any visit. If we prepare a report, you may request a copy from us.

8. — We may revise the Franchise Operations Manual, as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail, and our system-wide intranet (Sections 6 and 8.~~J.11~~ of the Franchise Agreement).

8. —

9. We may create and develop additional products and services to be offered or provided as Approved Products and Services by Franchised Businesses, including proprietary products and services sold under the trademarks we designate (“**Proprietary Products and Services**”). You must sell all Proprietary Products and Services we designate for use in connection with the Franchise System at your Franchised Business (Section 12.4 of the Franchise Agreement).

### Advertising and Marketing

All advertising and promotion that you use in connection with your Franchised Business must be in such media and of such type and format that we approve and must conform to such standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our Franchise System, provided these activities do not contravene regulations and laws of appropriate governmental authorities (Section 9.~~A.1~~ of the Franchise Agreement).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the material you wish to use to us for our prior written approval at least 20 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time, however, the proposed materials are deemed disapproved, and you may not use such materials. Once approved, you may use the proposed material for a period of 90 days, unless we: (i) prescribe a different period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time (Section 9.~~D.5~~ of the Franchise Agreement).

### Grand Opening Advertisement

You are required to spend a minimum of \$10,000 to promote and advertise the grand opening of your Franchised Business within the 90-day period comprised of the 45 days prior to, and 45 days following, the grand opening of the Franchised Business. You may spend more than this amount on promoting the opening of your Franchised Business (Section 9.E.6 of the Franchise Agreement).

## Local Advertising

Recognizing the importance of promoting your Franchised Business within your Protected Territory, we recommend (but do not require) that you spend a minimum of \$~~300,500~~ a ~~month~~~~quarter~~ on local advertising and marketing for your Franchised Business. You must use only those materials that we have previously approved or designated, and we may require that you provide us with reports and other evidence of your local advertising expenditures (Section 9.~~B.2~~ of the Franchise Agreement).

## Brand Building Fund

The Brand Building Fund was established in 2015. During our last fiscal year, which ended December 31, ~~2023~~~~2022~~, we spent the Brand Building Fund Contributions we collected in the following manner: ~~1424%~~ on public relations, ~~148%~~ on media placement, ~~842%~~ on national content creation expenses, ~~35% on advertising~~ and ~~advertising tools, and 2926%~~ on marketing personnel and other administrative expenses. Unused funds collected but not spent during our last fiscal year were applied to the current year's funds. You must currently pay up to \$200 per month for the Brand Building Fund, though we may increase this up to 2% of your monthly Gross Revenues ("**Brand Building Fund Contribution**"). The Brand Building Fund will be administered by us, or our affiliate or designee, ~~at~~~~in~~ our discretion, and we may use a professional advertising agency or media buyer to assist us. Your contribution to the Brand Building Fund will be in addition to all other advertising requirements set out in this Item 11.

We may reimburse ourselves, our authorized representatives, or our affiliate from the Brand Building Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting, and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Brand Building Fund. We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Building Fund or to maintain, direct, or administer the Brand Building Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we may contribute or loan additional funds to the Brand Building Fund on any terms we deem reasonable. Because this fund would not be audited, audited financial statements will not be available to franchisees. We will provide an annual accounting for the Brand Building Fund that shows how the Brand Building Fund proceeds have been spent for the previous year upon written request.

We may use the Brand Building Fund for the creation, production, and placement of commercial advertising; agency costs and commissions; creation and production of video, audio, and written advertisements; administering multi-regional advertising programs, direct mail, and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; engaging one or more public relations firms or conducting our own public relations campaigns; market research; and other advertising and marketing activities, including

participating at trade shows. Advertising may be placed in local, regional, national, or international media of our choice, including but not limited to, print, direct mail, radio, television or the Internet. We do not guarantee that advertising expenditures from the Brand Building Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of Franchises, but we may include a notation in any advertisement indicating “**Franchises Available**” or similar phrasing.

### Advertising Cooperatives

You are not required to participate in a local or regional advertising cooperative.

### Internet and Website

You must maintain adequate hardware and software to access the Internet throughout all areas of your Franchised Business. Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile, or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on social media websites such as Facebook, ~~X (formerly Twitter)~~, LinkedIn, Instagram, YouTube, ~~TikTok~~ or any other social media and/or networking site. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your Internet site in accordance with Franchise System standards and any other policies we designate in the Franchise Operations Manual or otherwise in writing from time to time; (ii) utilize any templates that we provide to you to create and/or modify such site(s) (Section 9.~~F.7~~ of the Franchise Agreement).

We have the right, but not the obligation, to establish and maintain a website or websites that may, without limitation, promote the Marks and/or the Franchise System (the “**Website**”), including your Franchised Business. We have sole control over all aspects of the Website, including, without limitation, its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the Franchise System. We and our affiliates are the sole registrant of the Internet domain name [www.mysuitesalon.com](http://www.mysuitesalon.com), as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation, or visual variation of those words (Section 9.~~F.7~~ of the Franchise Agreement). You may not use any website for the Franchised Business other than the Website.

### Advisory Council

The Advisory Council (“**Council**”) was established in January 2017 and has been set up to

advise us on operations & advertising policies. Members of the Council consist of both franchisees and corporate representatives. Members of the Council were selected by way of a voting method specified in the Council's bylaws. The purpose of the Council is to provide input regarding the operations and advertising strategy and to promote communication between us and all Franchised Businesses. The Council serves in an advisory capacity only. We will have the power to form, change, or dissolve the Council in our sole discretion.

## Software and Computer Equipment

We may specify or require certain brands, types, makes, and/or models of computer hardware and software that you must use in connection with the Franchised Business. Currently we require: (i) a laptop or desktop computer that runs 64-bit Microsoft Windows 7 or later; (ii) printers and other peripheral hardware/devices; and (iii) equipment necessary to maintain a physical, electronic, or other security system for the Approved Location and Salon Suite Business that we designate (collectively, the “**Computer System**”). We also require you to use designated point-of-sale software in connection with the Computer System and Franchised Business (the “**Required Software**”), as well as the type of tangible media and/or database structure to use part of the Computer System (Section 12.~~E.7~~ of the Franchise Agreement).

If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or Required Software, then you may use these items in connection with your Franchised Business provided you obtain our approval. We estimate the costs to purchase our current Computer System to be between \$0 and \$2,000. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. We estimate that you will spend approximately \$500 annually on maintenance and support contracts for your Computer System, which includes any upgrades.

We may require that: (i) you comply with our standards and specifications for Internet access and speed; and (ii) the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We may also, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System or for any other purpose Franchisor deems necessary. There are no contractual limitations on our right to access the information and data on any component of your Computer System (Section 12.~~E.(7.3)~~ of the Franchise Agreement). The data which must be generated or stored in the Computer System is information related to the operation of the Franchised Business, including customer information and financial information.

You are required to participate in any Franchise System-wide area computer network, intranet system, or extranet system that we implement, and may be required to use such area computer network, intranet system, or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Franchise Operations Manual; (iii) download approved local advertising materials; (iv) communicate with us and other Franchise System franchisees; and (iv) to complete certain components of any ongoing training we designate (Section 12.~~F.(5)7.4~~ of the Franchise Agreement).

## Training

### Initial Training

You and any designated manager or representative must complete MY SALON SuiteFLAIR University, to our satisfaction, before you open your Franchised Business. MY SALON Suite University is intended to protect and maintain the System and the Marks and not to control the day-to-day operation of your Franchised Business. You must sign a Training and Joint Employment Acknowledgment to indicate your understanding of this. This acknowledgment will be in the form contained in Attachment F to the Franchise Agreement. MY SALON SuiteFLAIR University consists of ~~three~~ Initial ~~Training~~ ~~Trainings~~ for new Franchisees; 1. Online Training (New Store Training and Suite Force); ~~and Suite Force~~ 2. On the Job ~~Training (1 Day Mentor Site Visit) and 3. In Classroom~~ Training (at a franchised business we designate or online) ~~.FLAIR Foundation~~). All must be completed to provide the best training possible. After MY SALON Suite UniversityFLAIR UNIVERSITY is completed, it is recommended that all owners attend MY SALON Suite UniversityFLAIR Foundation every 5 years. We provide your initial introduction to MY SALON Suite University FLAIR Foundation in Class Training at no charge for up to two people. You must pay a \$2,000 fee for training each additional person. MY SALON Suite University isFLAIR Foundation Trainings are quarterly to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in MY SALON Suite Universitythe Initial Training Program. We plan to provide the training listed in the table below. We may vary the length and content of MY SALON Suite Universitythe Initial Training Program based upon the experience and skill level of the individual attending MY SALON Suite Universitythe Initial Training Program.

### TRAINING PROGRAM

Subject	<u>On-Demand Education or onlineHours of In-Classroom-Training</u>	Hours of On-The-Job -Training	Location
<u>Welcome and Introductions</u> <del>On-Line-Training</del>	<u>26</u>	0	On Demand Education or online
<u>New Location ProcessDesignated-Mentor Site Visit</u>	<u>30</u>	<u>08</u>	<u>On-Demand Education</u> <del>Location we designate</del> or online
<u>FLAIR Foundation (Should attended every five years)</u>			



<u>Marketing and Recruitment</u> <del>Company Overview</del>	3	0	<u>On Demand Education or online</u> <del>Our training facility in Carrollton, Texas, online, or other location we designate</del>
<u>Retention</u> <del>Leasing</del>	2	<u>03</u>	<u>On Demand Education or online</u> <del>Our training facility in Carrollton, Texas, online, or other location we designate</del>
<u>Run Great Salons</u> <del>Managing the Property</del>	<u>35</u>	0	<u>On Demand Education or online</u> <del>Our training facility in Carrollton, Texas, online, or other location we designate</del>
<u>Revenue</u> <del>Marketing and Promotion</del>	2	<u>01</u>	<u>On Demand Education or online</u> <del>Our training facility in Carrollton, Texas, online, or other location we designate</del>
<u>The Suite Force</u> <del>TO TALS</del>	<u>318 Hours</u>	<u>012 Hours</u>	<u>On Demand Education or online</u>

<u>Mentor Site Visit</u>	<u>0</u>	<u>8-16 hours</u>	<u>Location we designate or online</u>
<u>TOTALS</u>	<u>18 Hours</u>	<u>8-16 Hours</u>	

Notes:

~~2.1.~~ We will use the Franchise Operations Manual as the primary instruction materials during MY SALON Suite University. ~~MY SALON Suite University~~the Initial Training Program. ~~The Initial Training Program~~ is subject to change without notice to reflect updates in the materials, methods, and manuals, and changes in personnel.

The training subjects may vary, and the training may be less than the times indicated above depending on the number and experience of the attendees. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. ~~We~~ We may, as we deem appropriate in our sole discretion, provide certain portions of your ~~MY SALON Suite University Initial Training Program~~ via the Internet or webinar.

~~3.2.~~ Our training managers and their years of experience within the industry and with our Franchise System are listed below.

Instructor	Subjects Taught	Years of Experience -in the Industry	Length of Employment with Us
<u>Michaela McIver</u>	<u>Welcome and Introductions, Revenue</u>	<u>7+</u>	<u>May 2019 - Present</u>
Jill Sullivan	<del>Leasing and</del> Marketing <u>and Recruitment/Promotion</u>	<u>8+</u>	September 2016 - Present
<del>Michaela McIver</del>	<del>Managing the Property</del>	<del>7+</del>	<del>May 2019 - Present</del>
Elizabeth Monaco	<del>Retention</del> <u>Managing the Property</u>	12+	January 2020 - Present
<u>Nicole Reaves</u>	<u>New Location Process and Run Great Salons</u>	<u>20+</u>	<u>July 2020 - Present</u>
<u>Erica Ortiz</u>	<u>The Suite Force</u>	<u>2+</u>	<u>October 2022 - Present</u>

~~4.3.~~ Our training managers may utilize other employees to assist them with all aspects of training. We do not require our training managers or other employees who assist them to have a certain minimum amount of industry experience. Failure to complete initial training to our satisfaction within the applicable time may result in termination of the Franchise Agreement.

~~6.4.~~ The ~~MY SALON Suite University Initial Training Program~~ is offered once a quarter or more frequently as needed. If you, your designated manager (if applicable), or other trainee you designate fails to complete the ~~MY SALON Suite University Initial Training Program~~ to our satisfaction, that person may re-attend, or you may send a replacement (“**Replacement Personnel**”) to our next available ~~MY SALON Suite University Initial Training Program~~ session, provided there is availability. We may charge our then-current training tuition rate for these individuals to attend ~~MY SALON Suite University the Initial Training Program~~ as well. In any event, you are solely responsible for all expenses incurred related to your and your employee’s attendance at ~~MY SALON Suite University your Initial Training Program~~, including transportation to ~~and from the training site, lodging, meals, and employee wages.~~

and from the training site, meals, and employee wages.

7.5. You may only use the training materials we provide you with to train your other employees. We will provide updated training materials to you as we develop them, at your request. All training materials we provide you with will remain our property, and you agree not to challenge our or our affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication, or other unauthorized use of any portion of the training materials (Section 10 of the Franchise Agreement).

#### Ongoing Training

From time to time, we may require that you, designated managers, and other employees attend Franchise System-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. We may charge you for training newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or

training you need or request at the then-current fee plus travel and living expenses. If you appoint a new designated manager, that person must attend and successfully complete MY SALON Suite University~~your Initial Training Program~~ before assuming responsibility for the management of your Franchised Business. If we conduct an inspection of your Franchised Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either online and/or On Demand Education~~at corporate headquarters or at your Franchised Business~~).

## Item 12

### TERRITORY

#### Protected Territory

Under the Franchise Agreement, we grant you an exclusive territory, which is referred to throughout our disclosure document using the defined term “**Protected Territory**”. Your Protected Territory is where we will not open, operate, or license any third party the right to own or operate a Franchised Business utilizing the Marks, and the boundaries of the territory are determined in our sole discretion. Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency. The size of your Protected Territory may vary from other franchisees based on the location and demographics surrounding your Approved Location, but the typical Protected Territory will be a radius of ~~two~~

~~(2)~~ miles from your front door, and your Protected Territory may overlap with another Franchisee’s Protected Territory. Prior to signing a lease on a specific site, we may elect to narrow and/or expand the boundaries of your Protected Territory, which may be described in terms of zip codes, streets, landmarks (both natural and man-made), and state or county lines which may result in a Protected Territory that is larger or smaller than the ~~two (2)~~ mile radius. In certain densely populated metropolitan areas or sparsely populated rural areas, a territory may be considerably smaller or larger (“**Nonstandard Territory**”). We will confirm the size of the Protected Territory when we approve the Approved Location.

The Protected Territory for a Conversion Franchise will be a defined area as determined by us. The Protected Territory will be based on the sales of the existing business and the size of the market. The population may be less for a Conversion Franchise's Protected Territory than the population for a New Location.

You must operate your Franchised Business from the Approved Location. Although we may assist you in selecting a location for your Franchised Business, you are solely responsible for selecting the Approved Location and negotiating the lease or purchase term. You are not guaranteed any specific Approved Location, and you may not be able to obtain your top choice as your Approved Location. If you have not obtained an Approved Location at the time you enter into your Franchise Agreement, then you must enter into our “**Site Selection Addendum**” which is attached to the Franchise Agreement as **Attachment BC** and agree to find an Approved Location within the site selection area we designate. The Site Selection Addendum does not provide you with any territorial rights. We will identify your Approved Location on the Data Sheet to your Franchise Agreement. You may not relocate your Franchised Business without our written consent, which we will not unreasonably withhold provided: (i) the new location is located within\_

the Protected Territory and meets our then-current criteria for an Approved Location; and  
(ii) you pay our then-current relocation fee (if any).

You may solicit customers or advertise your Franchised Business outside of your Protected Territory ~~with prior written approval~~. You are not required to meet any type of performance criteria to maintain your limited territorial rights within your Protected Territory. We will not otherwise modify the size of your Protected Territory or your rights therein unless you mutually agree to do so in writing.

You may experience competition from other franchisees or from outlets that we own with sites in the same general geographic area as your Protected Territory, but not within your Protected Territory. Salon professionals that reside or primarily operate within your Protected Territory may choose to lease salon space from another ~~MY SALON~~~~My Salon~~ Suite location (company-owned or franchised) that is outside your Protected Territory, and these other salon professional businesses may provide our Approved Products and Services to such customers that solicit them without any further obligation to you.

You do not receive the right to acquire additional Franchised Businesses within or outside the Protected Territory unless you sign the Development Agreement. You are not given the right of first refusal on the sale of existing Franchised Businesses. If you are granted the right to develop 2 additional Franchised Businesses pursuant to the Development Agreement, then we will approve the location of future units and the then-current standards for sites will apply.

The continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or quota. We do not pay compensation for soliciting or accepting orders inside your Protected Territory.

### Reservation of Rights

In addition to our rights regarding regional accounts (serving employers or managers of multiple salon professionals located in multiple locations not all within a Protected Territory)

-under the Franchise Agreement and Development Agreement, we and our affiliates reserve the exclusive right to: (i) establish, operate, and license any third party the right to establish and operate Franchised Businesses using the Marks and Franchise System at any location outside of your Protected Territory; (ii) market, offer, and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location within or outside the Protected Territory; (iii) use the Marks and Franchise System to distribute our Approved Products and/or Services (including services such as those performed by the Franchised Business) in any alternative channel of distribution, within or outside the Protected Territory (including the Internet, direct mail, wholesale stores, etc.); (iv) to acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by you under the Franchise System and Marks, within or outside your Protected Territory; and (v) use the Marks and Franchise System, and license others to use the Marks and Franchise System, to engage in any other activities not expressly prohibited in the Franchise Agreement.



The Franchise Agreement does not grant you any right to engage in any of the activities set forth in the preceding paragraph, or to share in any of the proceeds received by us or our affiliates or any third party from these activities, unless we otherwise agree in writing.

### Development Agreement

If, with our approval, you choose to develop 3 Franchised Businesses under a Development Agreement, we will grant you the right to develop those 3 Franchised Businesses within a defined geographic area (“Development Area”). We determine the Development Area based on business density, population distribution, and System market penetration. We typically describe the size of the Development Area by boundary streets, city limits or other methods of delineation. The Development Agreement describes and/or contains a map of the Development Area.

While the Development Agreement is in effect, we will not establish or authorize any other party to establish any ~~MY SALON~~~~My-Salon~~ Suite Businesses in your Development Area, except as provided in your Development Agreement. We may exercise all rights that we now reserve in the Franchise Agreement (as described above). Continuation of territorial exclusivity under the Development Agreement depends on your complying with the development schedule and all other provisions of the Development Agreement. Upon expiration, or earlier termination of the Development Agreement, we have the unrestricted right to establish or authorize any other person to establish ~~MY SALON~~~~My-Salon~~ Suite Businesses anywhere in the Development Area, except as prohibited by the provisions of any Franchise Agreement in effect between us and you.

### Additional Disclosures



We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. Neither we nor any of our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that sell our Approved Products and Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

**Item 13**

**TRADEMAR**

**KS**

The MY SALON~~My Salon~~ Suite trademark is owned by us. We have a registration with the United States Patent and Trademark Office (“USPTO”) for the following Mark:

Registered Mark	Registration Number	Registration Date	Register
 <u>MY SALON Suite</u>	4,105,356	February 28, 2012	Registered on the Principal Register
 <u>MAKE IT YOURS</u>	6,255,058	January 26, 2021	Registered on the Principal Register

MY SUITE STORE	6,247,424	January 12, 2021	Registered on the Principal Register
THE SUITE ELITE	6,456,859	August 17, 2021	Registered on the Principal Register

All required affidavits have been filed. The registration for the registered mark, MY SALON~~My Salon~~ Suite, 4,105,356 has been renewed.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court.

We grant you the right to operate your Franchised Business under all ~~of~~ the applicable Marks and any other trade names, trademarks, service marks, and logos currently used or that may hereafter be used in the operation of a Franchised Business. You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Marks. The goodwill associated with our Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with the Marks during the term of the Franchise Agreement will benefit us. All rights to use our Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of the Franchise Agreement.

You may not use all or any portion of our Marks as part of your company name and, without our prior written consent, as part of your trade name or “d/b/a.” You may not modify the Marks with words, designs, or symbols, except those which we license to you. You may not use our Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement, and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge, or assist in the contesting or challenging of, our, SMI’s or SPES’s right, title, ownership, or interest in the Marks, trade secrets, methods, procedures, and advertising techniques that are part of our Franchise System, or contest our sole right to register, use, or license others to use, our Marks, trade secrets, methods, procedures,

-advertising techniques, and any other mark or name that incorporates the words “MY SALON~~My Salon~~ Suite” or any similar phrase. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your Approved Location that you are an independently owned and operated licensed franchisee of SMF.

As of the Issuance Date of this Franchise Disclosure Document, there is no litigation pending arising out of our Marks, and we are not aware of any superior rights in, or infringing use of, our Marks that could materially affect your right to use these Marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Marks, nor are there any pending infringement, opposition, cancellation proceedings,

or material litigation involving the Marks. Other than the MSS Trademark License and the SP Trademark License, we are not a party to, or bound by, any agreement that significantly limits our

rights to use or license others to use the Marks in any manner material to the Franchised Business we offer.

You must notify us ~~within 10 days of~~immediately when you learn about an infringing or challenging use of the Marks. While we have no obligation, we may, in our sole discretion, defend you against any claim brought against you by a third party that your use of the Marks in accordance with the Franchise Agreement infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we become aware of an infringing user, we will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may acquire, develop, and use additional Marks not listed here, and may make those Marks available for your use and for use by other ~~MY SALON~~My Salon Suite franchisees. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Marks. We will not reimburse you for disputes where we challenge your use of a Mark.

You must modify or discontinue using any of the Marks, and add new names, designs, logos or commercial symbols to the Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change and will be given a reasonable time to conform to our directions (including changing vehicle signage, marketing displays, trade dress, vehicle wraps, and other advertising), at your sole expense.

You are prohibited from using the Marks in any electronic mail address or in any domain name, except those we designate for use by you in connection with your Franchised Business. You may not maintain your own website to promote your Franchised Business. You may not maintain a presence or advertise on the Internet, social media or on any other public computer network, or any other kind of public modality, using the Marks or referencing your franchise brand and Franchise System without our prior written consent, which may be withheld or retracted in our sole judgment. We may identify all operating Franchised Businesses and require you to list your Franchised Business in conjunction with the respective Marks in any traditional and electronic directories that we may designate.

## Item 14

### PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Franchise Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Franchise Operations Manual, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“**Copyrighted Materials**”) for the operation of your Franchised Business, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Materials of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Materials that will or may significantly limit using our Copyrighted Materials. We may revise our Franchise System and any of our Copyrighted Materials ~~at~~<sup>in</sup> our discretion and may require that you cease using any outdated Copyrighted Materials. You will be responsible for printing any revised or new advertising, marketing, or other business materials.

Our Franchise Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our Franchise System, standards, specifications, policies, procedures, information, concepts and Franchise Systems on, knowledge of, and experience in the development, operation and franchising of Franchised Businesses, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of Franchised Businesses, and other related materials are proprietary and confidential (“**Confidential Information**”), and are our property to be used by you only as described in the Franchise Agreement and the Franchise Operations Manual. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Franchised Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using Confidential Information or Trade Secrets in the operation of other MY SALON~~My Salon~~ Suite Franchises, as applicable, during the term of the Franchise Agreement.

You must notify us within three (3) days after you learn about another’s use of language, a

-visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Materials, or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Materials, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Materials, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Materials, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Materials, Confidential Information, or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Materials, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. -We will ~~act~~take action as we deem appropriate regarding any infringement, challenge, or\_



claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Materials, Confidential Information, or Trade Secrets. You must sign ~~any and~~ all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Materials, Confidential Information, or Trade Secrets.

No patents or patents pending are material to us ~~currently at this time.~~

We have the right to inspect, copy, and use all records regarding the customers, vendors, and other service providers of, and related in any way to, your Franchised Business. This includes, without limitation, all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we determine, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all customers, vendors, and other service providers for quality control, market research, and such other purposes as we deem appropriate, at our sole discretion.

You must disclose to us all ideas, techniques, and products concerning the development and operation of your Franchised Business you or your employees conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive, and worldwide right to use these ideas, techniques, and products concerning the development and operation of your Franchised Business you or your employees conceive or develop during the term of the Franchise Agreement. We will have no obligation to make any lump sum or on-going payments to you regarding any idea, concept, method, technique, or product. You must agree you will not use, nor will you allow any other person or entity to use, these ideas, techniques, or products without obtaining our prior written approval.

We may revise any of the Copyrighted Materials at our discretion and may require that you cease using any outdated item or portion of the Franchise Operations Manual.

## Item 15

### OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or one or more of your principals if you are a corporation or partnership or limited liability company) must personally supervise the operations of the Franchised Business. You must devote your best efforts to the management and operation of the Franchised Business. You may, however, delegate operational responsibilities of your Franchised Business to a manager (the “**Designated Manager**”) by signing Attachment G to the Franchise Agreement, Designated Manager Identification,” provided that the Designated Manager successfully completes our MY SALON Suite University~~Initial Training Program~~ before assuming any managerial responsibility and otherwise meets our then-current standards for a Designated Manager. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our Initial Training Program at your expense.

Your Franchised Business must be operated with at least one ~~(1)~~ individual who has successfully completed ~~MY SALON Suite University~~~~your Initial Training Program~~. Your appointment of a Designated Manager must not relieve you of any duties or obligations under the Franchise Agreement. There is no substitute for your supervision of the Franchised Business, so if you employ a manager, you must provide general supervision and be fully aware of the affairs of the Franchised Business.

You will keep us informed at all times of the identity of the Designated Manager of your Franchised Business, and any change in their employment status. Designated Managers are not required to have an equity interest in your Franchised Business. If a Designated Manager resigns or is otherwise terminated, you must hire a replacement that meets our then-current standards for a Designated Manager, and whom we approve in writing before hiring, within ~~thirty~~ ~~(30)~~ days after the resignation or termination of the former Designated Manager. You must train the new Designated Manager within ~~thirty~~ ~~(30)~~ days of hiring. We may, but are not obligated, to train the new Designated Manager directly. Your Designated Manager(s) must have the ability to meet the day-to-day operations and management standards of the Franchised Business, which includes receiving and responding immediately to calls or incoming communications. We may withhold the approval of a Designated Manager, in our sole discretion, that we believe does not have the ability to meet our standards because of other conflicting interests.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the Franchisee entity must sign our Confidentiality and Non-Compete Agreement, the form of which is attached to as **Attachment ~~HJ~~** to the Franchise Agreement. All~~-of~~ your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must also sign our then-current form of confidentiality agreement. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign a Guaranty and Assumption of Obligations Agreement guarantying the obligations of the entity, the form of which is attached to the Franchise Agreement as **Attachment ~~JB~~**. We also require that the spouses of the Franchise owners sign the Guaranty and Assumption of Obligations Agreement.

## Item 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those Approved Products and Services authorized by us, and which meet our standards and specifications. You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of Approved Products and Services specified by us. We may change or add to our Approved Products and Services at our discretion with prior notice to you. If we change or add to our Approved Products and Services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. We may establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

You may not sell products or services, or advertise products or services, within another franchisee's Protected Territory. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, Instagram, TikTok, X (formerly Twitter), or any other social

or professional networking site or blog) or mention or discuss the Franchised Business, us, or our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales. Otherwise, except as provided in ~~Item~~**ITEM** 12, we place no restrictions upon your ability to serve customers provided you do so from the location of your Franchised Business in accordance with our policies.

## Item 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer, and dispute resolution. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

#### FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

Provision	Section in Franchise -Agreement	Summary
a. Term	Section 4. <del>A.1</del> of Franchise Agreement Section 3 of Development Agreement	Ten (10) years.  Term continues until completion of Development Schedule
b. Renewal or extension of term	Section 4. <del>B.2</del> of Franchise Agreement	If you are in good standing and you meet other requirements, you may enter <del>two</del> (2) consecutive renewal terms of <del>ten</del> (10) years.
c. Requirements for you to renew or extend	Sections 4. <del>A.2.1</del> through 4. <del>B.2.11</del> of Franchise Agreement	Your renewal franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must: (i) provide notice of your renewal no fewer than <del>nine</del> (9) months and no greater than one (1) year prior to the end of the term; (ii) demonstrate to our satisfaction that you have the right to operate the Franchised Business at the Approved Location for the duration of the renewal term or, if you are unable to continue operating at the Approved Location, secure a substitute location that is acceptable to us; (iii) complete all maintenance, refurbishing, renovating, updating, <del>and</del> <del>remodeling</del> <del>of</del> <del>the</del>

Provision	Section in Franchise Agreement	Summary
		Franchised Business premises, as well as any updates to required hardware and software, to comply with our then-current Franchise System standards and specifications for new franchisees; (iv) not be in breach of any provision of the Franchise Agreement or any other agreement with us our affiliates, Approved Vendors, and also be in substantial compliance with these agreements during their respective terms; (v) satisfy all monetary obligations you have to us, our affiliates, and approved or designated vendors; <del>(vi)</del> execute our then-current form of franchise agreement and any ancillary documents for the renewal term, and this new franchise agreement may have materially different terms and conditions (including, for example, higher Royalty Fees and Brand Building Fund Contributions) from the Franchise Agreement that covered your initial term; (vii) satisfy our then-current training requirements for renewing franchisees at your sole expense prior to the renewal date; (viii) execute a general release in favor of us and our affiliates in the form we prescribe; and (ix) pay us a renewal franchise fee equal to 15% of our then- current initial franchise fee for <del>a</del> Franchised Business.
d. Termination by you	Section 14. <del>G.8</del> of Franchise Agreement	You do not have the contractual right to terminate the Franchise Agreement, subject to state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable. A termination of the Development <del>__</del> -Agreement <del>__</del> -does <del>__</del> - not <del>__</del> permit the franchisor to terminate the Franchise Agreement.

f. Termination by franchisor with cause	Sections 14. <del>A.1</del> through 14. <del>B.4</del> of Franchise Agreement  Section 6 of Development Agreement	We may terminate your agreement upon your default and, in some instances, failure to cure. Termination is effective upon delivery of written notice, except <del>as</del> otherwise provided in the Franchise
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Provision	Section in Franchise Agreement	Summary
		Agreement. A termination of the Development Agreement does not permit the franchisor to terminate the Franchise Agreement.
g. "Cause" defined - defaults which can be cured	Sections 14. <u>B.3</u> and 14. <u>F.4</u> of Franchise Agreement	<p>The following are curable defaults under the Franchise Agreement, provided you cure the default within 15 days of our notice: (i) nonpayment of any sums due us, our affiliates, or any of our Franchise System vendors; (ii) your failure to immediately endorse and deliver to us any payments due us from any third party that are erroneously made to you; (iii) your failure to maintain sufficient levels of inventory to adequately meet consumer demand;_</p> <p>(iv) failure to commence operations in the time period prescribed in Section 3 of your Franchise Agreement; (v) you fail to maintain the prescribed months, days, or hours of operations at the Franchised Business (unless your failure constitutes abandonment under Section 15(B) of your Franchise Agreement); (vi) if you, in our sole discretion, fail to personally supervise day-_to-day operations of the Franchised Business (unless you have appointed a Designated Manager) or fail to employ a sufficient number of qualified, competent personnel as we prescribe;_</p> <p>(vii) you fail to maintain the strict quality controls reasonably required by this Agreement and/or the Franchise Operations Manual; <del>and</del> (viii) your failure to procure or maintain any licenses, certifications, or permits necessary for the operation of the Franchised Business; <u>and you fail to submit a voided check from your business account and the electronic funds transfer form.-</u></p>

		<del>Limited Services: If you are in default under your Franchise Agreement and you fail to timely cure it, we may, at our option, rather than terminating your</del>
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<del>Provision</del>	<del>Section in Franchise Agreement</del>	<del>Summary</del>
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		<p><del>Franchise Agreement, elect to provide limited services to you. Such limited services include:</del></p> <p><del>1) Franchised Business's web page(s) removed from mysalonsuite.com; 2) no access to Brand Building Fund funded services; 3) removal of you and your employees from the Franchised Business email system; 4) not eligible to attend Franchisor events; 5) no access to Flair Foundations, on line training, refresher courses or advanced training; 6) no access to design services, layout services and real estate services; 7) ineligible to purchase or open additional Franchised Businesses; 8) resign from The Advisory Council (if applicable); 9) Franchised Business visits limited to only what is required by the Franchise Agreement; and 10) no access to the Suite Force support site. If you are in default and receiving limited services, we may terminate the Franchise Agreement at any time if you fail to cure the default.</del></p> <p><del>Non-Compliance Fee: If you are in default of your Franchise Agreement and you fail to timely cure it, we may, at our option charge a non-compliance fee (See Item 6).</del></p> <p><del>Except for the defaults listed above (Section 14.3) and those defaults listed in Sections 14.1 and 14.2 of the Franchise Agreement (see ITEM 17(H) below), you will have 30 days to cure any other default under the Franchise Agreement, or any other agreement between us and our affiliates (unless a shorter cure period is prescribed in that agreement), from the date of our notice. A termination of the Development</del></p>
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Provision	Section in Franchise Agreement	Summary
		<del>Agreement does not permit the franchisor to terminate the Franchise Agreement.</del>
<del>h. "Cause" defined – defaults which cannot be cured</del>	<del>Sections 14.1 and 14.2 of Franchise Agreement</del>	<p><del>The Franchise Agreement will automatically terminate without notice or opportunity to cure upon the occurrence of any of the following: (i) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business; (ii) if proceedings are commenced to have you adjudicated bankrupt or seek your reorganization under any state or federal bankruptcy or insolvency law and such proceedings are not dismissed within 60 days, or a trustee is appointed for you or the Franchised Business without your consent and the appointment is not vacated within 60 days; or (iii) if you attempt to make an unauthorized transfer of the Franchised Business in violation of Section 16 of your Franchise Agreement. We have the right to terminate the Franchise Agreement upon notice and without opportunity to cure upon the occurrence of any of the following defaults: (i) you or one of your principal(s) are convicted of, or plead guilty or no contest to, a felony or other offense related to the operation of the Franchised Business or which we believe, in our sole discretion, is likely to have an adverse effect on our Proprietary Marks or the goodwill</del></p> <p><u>Limited Services: If you are in default under your Franchise Agreement and you fail to timely cure it, we may, at our option, rather than terminating your Franchise Agreement, elect to provide limited services to you. Such limited services include:</u></p> <p><u>1) Franchised Business's web page(s) removed from mysalonsuite.com; 2) no access to Brand Building Fund funded services; 3) removal of you and your</u></p>

		<p><u>employees from the Franchised Business email system; 4) not eligible to attend Franchisor events; 5) no access to MY SALON Suite University, on-line training, on demand education, refresher courses or advanced training; 6) no access to design services, layout services and real estate services; 7) ineligible to purchase or open additional Franchised Businesses; 8) resign from The Advisory Council (if applicable); 9) Franchised Business visits limited to only what is required by the Franchise Agreement; and 10) no access to the Suite Force support site. If you are in default and receiving limited services, we may terminate the Franchise Agreement at any time if you fail to cure the default.</u></p> <p><u>Non-Compliance Fee: If you are in default of your Franchise Agreement and you fail to timely cure it, we may, at our option, charge a non-compliance fee (See Item 6).</u></p> <p><u>Except for the defaults listed above (Section 14.A.(4) through 14.A.(35) of the Franchise Agreement (see Item 17(H) below), you will have 30 days to cure any other default under the Franchise Agreement, or any other agreement between us and our affiliates (unless a shorter cure period is prescribed in that agreement), from the date of our notice. A termination of the Development-associated therewith; (ii) you or your principal(s) commit any fraud or</u></p>
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Provision	Section in Franchise Agreement	Summary
		<u>Agreement does not permit the franchisor to terminate the Franchise Agreement.</u>
<u>h. "Cause" defined - defaults which cannot be cured</u>	<u>Sections 14.A. of Franchise Agreement</u>	<p><del>misrepresentation in the operation of the Franchise, including a misrepresentation (financial or otherwise) made in completing your Franchise application; (iii) if you or any of your principals, guarantors, or agents engage in activity or conduct that materially impairs the goodwill associated with the Franchise System or Marks and fail to correct such activities or conducts within 24 hours of being notified of this breach; (iv) if you fail to complete the Initial Training Program in the time period prescribed in Section 4 or fail to attend our annual conference without our prior written consent; (v) if we send you three (3) or more written notices to cure any of the defaults set forth in Sections 14.3 or 14.4 of the Franchise Agreement in any 12-month period, regardless of whether or not you subsequently cure these defaults; (vi) your material breach under any other agreement with us or our affiliates, or threatened material breach of these agreements or any lease for the Approved Location, and failure to cure such breach within the prescribed time period set forth in that agreement; (vii) your misuse of our Marks or Confidential Information in any manner; (viii) your violation of any law, ordinance, or regulation, as well as your operation of the Franchised Business in a manner that presents a health or safety hazard to your customers or the general public;</del></p> <p><del>(ix) your violation of the any of the restrictive covenants set forth in your Franchise Agreement; (x) if a levy or writ of attachment or execution or any</del></p>

		<p><del>other lien is placed against you or any of your principals or any of their assets</del> <u>The Franchise Agreement will automatically terminate without notice or opportunity to cure upon the occurrence of any of the following: (i) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business; (ii) if proceedings are commenced to have you adjudicated bankrupt or seek your reorganization under any state or federal bankruptcy or insolvency law and such proceedings are not dismissed within 60 days, or a trustee is appointed for you or the Franchised Business without your consent and the appointment is not vacated within 60 days; or (iii) if you attempt to make an unauthorized transfer of the Franchised Business in violation of Section 16 of your Franchise Agreement. We have the right to terminate the Franchise Agreement upon notice and without opportunity to cure upon the occurrence of any of the following defaults: (i) you or one of your principal(s) are convicted of, or plead guilty or no contest to, a felony or other offense related to the operation of the Franchised Business or which we believe, in our sole discretion, is likely to have an adverse effect on our Proprietary Marks or the goodwill associated therewith; (ii) you or your principal(s) commit any fraud or</u></p>
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Provision	Section in Franchise Agreement	Summary
		<p><del>which are not released or bonded against within 30 days;</del></p> <p><del>(xi) insolvency of you or your principals or you otherwise cannot pay its debts generally as they become due, including if you fail to pay when due any amounts owed to vendors, suppliers or lenders;</del></p> <p><u>misrepresentation in the operation of the Franchise, including a misrepresentation (financial or otherwise) made in completing your Franchise application;</u></p> <p><u>(iii) if you or any of your principals, guarantors, or agents engage in activity or conduct that materially impairs the goodwill associated with the Franchise System or Marks and fail to correct such activities or conducts within 24 hours of being notified of this breach; (iv) if you fail to complete MY SALON Suite University in the time period prescribed in Section 4 or fail to attend our annual conference without our prior written consent; (v) if we send you three (3) or more written notices to cure any of the defaults set forth in Sections 14.3 or 14.4 of the Franchise Agreement in any 12-month period, regardless of whether or not you subsequently cure these defaults; (vi) your material breach under any other agreement with us or our affiliates, or threatened material breach of these agreements or any lease for the Approved Location, and failure to cure such breach within the prescribed time period set forth in that agreement; (vii) your misuse of our Marks or Confidential Information in any manner;</u></p> <p><del>(xii)–(viii) your violation of any law, ordinance, or regulation, as well as your operation of the Franchised Business in a manner that presents a health or safety hazard to your customers or the general public; if you voluntarily or otherwise</del></p>



		<p><del>“abandon” the Franchised Business, as that action is defined in the Franchise Agreement; (xiii) if you offer any unauthorized or unapproved products or services at or from the Franchised Business, purchase certain products/services from an unapproved vendor, or purchase items that are not approved; (xiv) you misuse, or make unauthorized use of, any proprietary software that we may develop; (xv) your failure to maintain the required insurance under the Franchise Agreement; (xvi) if you fail, within 15 days after notification of non-compliance by federal/state/local government authorities, to comply with any law or regulation applicable to the Franchised Business; (xvii) if the government takes any action against you that results in an obligation upon us that we believe is uneconomical, not in our best interest, or which would result in having an unintended relationship or obligation; (xviii) if you fail to comply with any applicable anti-terrorism laws; (xix) if you take any assets or property of the Franchised Business for personal use; and (xx) if there is are insufficient funds available in the bank account(s) you authorize us to make withdrawals from in connection with paying the required amounts under the Franchise Agreement three (3) or more times within any 12 month period. —</del></p> <p><u>A(ix) your violation of the any of the restrictive covenants set forth in your Franchise Agreement; (x) if a levy or writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets which are not released or bonded against within 30 days;</u></p>
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Provision	Section in Franchise Agreement	Summary
		<del>termination of the Development Agreement does not permit the franchisor to terminate the Franchise Agreement.</del>
	<del>Section 6 of Development Agreement</del>	<del>Development Agreement failure to meet Development Schedule and defaults under the Franchise Agreement.</del>

<p><del>i. Your obligations on termination or, if applicable, non-renewal</del></p>	<p><del>Section 15 of Franchise Agreement</del></p>	<p><del>Upon termination or expiration of the Franchise Agreement, your obligations include: (i) immediately cease all operations of the Franchised Business; (ii) immediately pay all amounts owed us, our affiliates, and our major vendors; (iii) cease all use of the Marks, de-identify the Franchised Business, and otherwise cease holding yourself or the Franchised Business out as part of our Franchise System; (iv) within ten (10) days, return all proprietary materials, including the Franchise Operations Manual(s) and all clientele information, leasing schedules, and data, Confidential Information, and any other materials displaying our Marks, to us and permanently cease all use of these materials; (v) immediately cease use of all telephone and facsimile numbers and related listings, as well as any permitted domain names, that were used in connection with the Franchised Business (collectively, the “Assigned Property”), and take all necessary steps to assign the Assigned Property to us or our designee; (vi) you must immediately vacate the premises of the Franchised Business and, if we exercise our rights under a Collateral Assignment of Lease, take all necessary steps to assign the lease to us within 15 days of us providing you with notice; (vii) take all actions necessary to amend or cancel</del></p> <p><u>(xi) any assumed name, business name, or insolvency of you or your principals or you otherwise cannot pay its debts generally as they become due, including if you fail to pay when due any amounts owed to vendors, suppliers or lenders;</u></p> <p><u>(xii) if you voluntarily or otherwise “abandon” the Franchised Business, as that action is defined in the Franchise Agreement; (xiii) if you offer any unauthorized or unapproved products or services at or from the Franchised Business, purchase certain products/services from an unapproved vendor, or purchase items that are not</u></p>
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		<p><u>approved; (xiv) you misuse, or make unauthorized use of, any proprietary software that we may develop; (xv) your failure to maintain the required insurance under the Franchise Agreement; (xvi) if you fail, within 15 days after notification of non-compliance by federal/state/local government authorities, to comply with any law or regulation applicable to the Franchised Business; (xvii) if the government takes any action against you that results in an obligation upon us that we believe is uneconomical, not in our best interest, or which would result in having an unintended relationship or obligation; (xviii) if you fail to comply with any applicable anti-terrorism laws; (xix) if you take any assets or property of the Franchised Business for personal use; and (xx) if there are insufficient funds available in the bank account(s) you authorize us to make withdrawals from in connection with paying the required amounts under the Franchise Agreement three (3) or more times within any 12-month period.</u></p>
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Provision	Section in Franchise Agreement	Summary
		<del>equivalent registration that contains any trade name or Mark, and furnish evidence to us that you have complied with this obligation within 15 days; (viii) permit us to make a final inspection of your financial records, books, and other accounting records within one (1) month of the termination/expiration of your Franchise Agreement; (ix) comply with your post-term restrictive covenants set forth in Section 15; and (x) pay us the early termination damages set forth in Section 15.2.</del>
<del>j. — Assignment of contract by company</del>	<del>Section 616.7 of Franchise Agreement</del>  <del>Section 7 of Development Agreement</del>	<del>There are no restrictions on our right to assign the Franchise Agreement. A termination of the Development Agreement does not permit the franchisor to terminate the Franchise Agreement. Development Agreement—failure to meet Development Schedule and defaults under the Franchise Agreement.</del>
<del>k. “Transfer” by you—definition</del>	<del>Section 16.1 of Franchise Agreement</del>	<del>Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.</del>
<del>l. — Company’s approval of transfer by Franchisee</del>	<del>Sections 16.1 and 16.5 of Franchise Agreement</del>  <del>Section 7 of Development Agreement</del>	<del>Any transfer requires our prior written consent.  Transfers require our prior written consent, which we may grant or withhold for any or no reason.</del>
<del>l. — Company’s approval of transfer by Franchisee</del>	<del>Sections 16.1 and 16.5 of Franchise Agreement</del>	<del>Any transfer requires our prior written consent.</del>

<p><del>m. Conditions for Company approval of transfer.</del>  <u>Your obligations on termination or, if applicable, non-renewal</u></p>	<p><del>Section 15</del><u>Sections 16.5.1 through 16.5.17</u> of Franchise Agreement</p>	<p><del>Transferee must satisfactorily demonstrate to us</del><u>Upon termination or expiration of the Franchise Agreement, your obligations include:</u> (i) <u>immediately cease all operations of the Franchised Business;</u> (ii) <u>immediately pay all amounts owed us,</u> <del>in our affiliates sole discretion, that it meets our educational, managerial, and our major vendors;</del> (iii) <u>cease all use of the Marks, de-identify</u><del>business standards to operate</del> <u>the Franchised Business, and otherwise</u> <u>cease holding yourself or the Franchised Business out as part of our Franchise System;</u> (iv) <u>within ten (10) days, return all proprietary materials, including the Franchise Operations Manual(s)</u><del>also possesses good moral character, business reputation, and all</del> <u>clientele information, leasing schedules,</u><del>credit rating; transferee has adequate financial resources and data,</del> <u>Confidential Information, and any other materials displaying our Marks, to us and permanently cease all use of these materials;</u> (v) <u>immediately cease use of all telephone and facsimile numbers and related listings, as well as any permitted domain names, that were used in connection with the Franchised Business (collectively, the “Assigned Property”), and take all necessary steps to assign the Assigned Property</u><del>capital</del> <u>to us or our designee;</u> (vi) <u>you must immediately vacate the premises of the Franchised Business and, if we exercise our rights</u><del>perform</del> <u>under a Collateral Assignment of Lease, take all necessary steps to assign the lease to us within 15 days of us providing you with notice;</u> (vii) <u>take all actions necessary to amend or cancel any assumed name, business name, or</u></p>
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Provision	Section in Franchise Agreement	Summary
		<p><u>equivalent registration that contains any trade name or Mark, and furnish evidence to us that you have complied with this obligation within 15 days; (viii) permit us to make a final inspection of your financial records, books, and other accounting records within one (1) month of the termination/expiration of your Franchise Agreement; (ix) comply with your post- term restrictive covenants set forth in Section 15; and (x) pay us the early termination damages set forth in Section 15.2.the Franchise Agreement;</u></p> <p><del>transferee is not in the same business as us, franchisor, independent operator, or licensee of any other business that is similar to the Franchised Business, except that the transferee may be an existing franchisee; you have paid all amounts owed under any agreement with us or our affiliates, as well as any amounts owed to our Approved Vendors; you have cured all existing defaults under the Franchise Agreement, and any other agreement with us or our affiliates and designated/approved vendors, within the time period permitted for cure, and have substantially complied with these agreements during their respective terms; you and your principals and the transferee (if it had any prior relationship with us or our affiliates) must execute a general release in favor of us and our affiliates in the form we prescribe; you or the transferee has provided us with a copy of the executed purchase agreement for the Franchised Business, as well as all other documents relevant to the transaction; transferee must execute our then current form of franchise agreement for the unexpired term of your Franchise Agreement, which may contain materially different terms than your Franchise Agreement; transferee must satisfactorily complete</del></p>

		<del>our Initial Training Program at its own expense; pay us a transfer fee; you, your principals, and members of their respective immediate families must comply with the post-termination provisions of the Franchise Agreement; you must correct any existing deficiencies of the Franchised Business and/or upgrade, remodel, expand and/or refurbish the Franchised Business and to</del>
<u>j. Assignment of contract by company</u>	<u>Section 16.G. of Franchise Agreement</u>  <u>Section 7 of Development Agreement</u>	<u>There are no restrictions on our right to assign the Franchise Agreement.</u>
<u>k. "Transfer" by you – definition</u>	<u>Section 16.C. of Franchise Agreement</u>	<u>Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.</u>
<u>l. Company's approval of transfer by Franchisee</u>	<u>Section 16.E. of Franchise Agreement</u>  <u>Section 7 of Development Agreement</u>	<u>Any transfer requires our prior written consent.</u>  <u>Transfers require our prior written consent, which we may grant or withhold for any or no reason.</u>
<u>l. Company's approval of transfer by Franchisee</u>	<u>Section 16.E. of Franchise Agreement</u>	<u>Any transfer requires our prior written consent.</u>
<u>m. Conditions for Company approval of transfer</u>	<u>Sections 16.E.(5) and 16.F. of Franchise Agreement</u>	<u>Transferee must satisfactorily demonstrate to us, in our sole discretion, that it meets our educational, managerial, and business standards to operate the Franchised Business, and possesses good moral character, business reputation, and credit rating; transferee has adequate financial resources and capital to perform under</u>



Provision	Section in Franchise Agreement	Summary
		<p><del>add or replace services, equipment or other items required to operate the Franchised Business; if you are operating from a leased location, the lessor of that location must approve the assignment of the lease to the transferee; the purchase price and terms of the proposed transfer must not be so burdensome as to impair or materially threaten the prospective transferee's ability to operate the Franchised Business and perform under the Franchise Agreement; you must request that we provide the prospective transferee with its current form of Franchise Disclosure Document. We may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise. Our approval of your transfer does not constitute a waiver of any claims we might have against you. You are responsible for the payment of all third party broker fees associated with the transfer. You do not need to pay a transfer fee if you are an individual and you wish to transfer the Franchise Agreement to a corporation or limited liability company that is wholly owned by you,</del></p> <p><u>provided the Franchise Agreement; transferee is not in the same business as us, franchisor, independent operator, or licensee of any other business that is similar to the Franchised Business, except that the transferee may be an existing franchisee; you have paid all amounts owed under any agreement with us or our affiliates, as well as any amounts owed to our Approved Vendors; you have cured all existing defaults under the Franchise Agreement, and any other agreement with us or our affiliates and</u></p>

		<p><u>designated/approved vendors, within the time period permitted for cure, and have substantially complied with these agreements during their respective terms; you and your principals and the transferee (if it had any prior relationship with us or our affiliates) must execute a general release in favor of us and our affiliates in the form we prescribe; you or the transferee has provided us with a copy of the executed purchase agreement for the Franchised Business, as well as all other documents relevant to the transaction; transferee must execute our then-current form of franchise agreement for the unexpired term of your Franchise Agreement, which may contain materially different terms than your Franchise Agreement; transferee must satisfactorily complete MY SALON Suite University at its own expense; pay us a transfer fee; you, your principals, and members of their respective immediate families must comply with the post- termination provisions of the Franchise Agreement; you must correct any existing deficiencies of the Franchised Business and/or upgrade, remodel, expand and/or refurbish the Franchised Business and to</u>  <del>certain conditions are met.</del></p>
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<del>n. Company's right of first refusal to acquire your business</del>	<del>Section 16.4 of Franchise Agreement</del>	<del>We have the right to match any bona fide third party offer to buy your Franchise rights, assets, or controlling interest that is the subject of a proposed transfer (other than a transfer from an individual franchisee to a business entity as described in Section 16.6 of the Franchise Agreement). We may exercise this right of first refusal within 30 days of the date you provide us with a copy of the third party offer and any other information that we request. If we</del>
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Provision	Section in Franchise Agreement	Summary
		<del>do not exercise this option, you must complete the transfer to the third party within 60 days, subject to the conditions set forth in Section 16.5. Otherwise, we will once again have our right of first refusal.</del>
<del>o. Company's option to purchase your business</del>	<del>Section 15.3 of Franchise Agreement</del>	<del>Upon termination or expiration, we may purchase personal property used in connection with the operation of the Franchised Business by: (i) providing you with notice of our election to do so within 60 calendar days of the expiration/termination of your Franchise Agreement; and (ii) paying you the book value for such personal property within 60 days of providing you with this notice (as "<b>book value</b>" is defined in the Franchise Agreement).</del>

<p><del>p. Your death or disability</del></p>	<p><del>Sections 16.2.1 and 16.2.2 of Franchise Agreement</del></p>	<p><del>Upon the death, physical, or mental incapacity of any person with an interest in the Franchise Agreement, the Franchisee, or in all or substantially all of the assets of the Franchised Business, the personal representative of such person will have the right to continue operation of the Franchised Business if:</del></p> <p><del>(i) within 90 days from the death/disability/incapacity, the representative has obtained our prior written approval and has executed our then-current form of franchise agreement for the unexpired terms of the Franchise, or has otherwise furnished a personal guaranty of any business entity of franchisee's obligations to us and our affiliates; and (ii) this person successfully completes our then-current Initial Training Program, which will be provided at our then-current training tuition rate.</del></p> <p><del>We may, but are not obligated to, operate the Franchised Business during the 90-day period following your death/incapacity/disability, and we</del> <u>may</u> <del>add or replace services, equipment or other items required to operate the Franchised Business; if you are operating from a leased location, the lessor of that location must approve the assignment of the lease to the transferee; the purchase price and terms of the proposed transfer must not be so burdensome as to impair or materially threaten the prospective transferee's ability to operate the Franchised Business and perform under the Franchise Agreement; you must request that we provide the prospective transferee with its current form of Franchise Disclosure Document. We may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise. Our approval of your transfer does not constitute a waiver of any claims we might have against you. You are responsible for the payment of all third-party broker fees</del></p>
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		<p><u>associated with the transfer.</u></p> <p><u>You do not need to pay a transfer fee if you are an individual and you wish to transfer the Franchise Agreement to a corporation or limited liability company that is wholly owned by you, provided certain conditions are met.</u></p>
<p><u>n. Company's right of first refusal to acquire your business</u></p>	<p><u>Section 16.D. of Franchise Agreement</u></p>	<p><u>We have the right to match any bona fide third-party offer to buy your Franchise rights, assets, or controlling interest that is the subject of a proposed transfer (other than a transfer from an individual franchisee to a business entity as described in Section 16.F. of the Franchise Agreement). We may exercise this right of first refusal within 30 days of the date you provide us with a copy of the third-party offer and any other information that we request. If we</u></p>

Provision	Section in Franchise Agreement	Summary
		<u>do not exercise this option, you must complete the transfer to the third party within 60 days, subject to the conditions set forth in Section 16.5. Otherwise, we will once again have our right of first refusal. pay ourselves a reasonable amount to reimburse us for providing management services and our other costs.</u>
<del>q. Non-competition covenants during the term of the Franchise O.</del> <u>Company's option to purchase your business</u>	Section <del>15.C.13.2.1</del> of Franchise Agreement	<u>Upon termination or expiration, we may purchase personal property used in connection with the operation of the Franchised Business by: (i) providing you with notice of our election to do so within 60 calendar days of the expiration/termination of your Franchise Agreement; and (ii) paying you the book value for such personal property within 60 days of providing you with this notice (as "book value" is defined in the Franchise Agreement).</u> <del>Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have an owning interest in, loan money to, or perform services for a competitive business anywhere; you may not interfere with our or our other franchisees' Franchised Business(es)– subject to state law</del>

~~Non-competition covenants after the Franchise is terminated or expires. Your death or disability~~

~~Section 16.B. Sections 13.2.2~~ of Franchise Agreement

~~Upon the death, physical~~For a period of two (2) years, you may not own, operate, engage in, or mental incapacity of any personotherwise become involved with an interest in the any competing business that offers or grants licenses or franchises to operate businesses that offer products and services similar to those provided by the Franchised Business.

~~For a period of two (2) years, you may not own, operate, engage in, or otherwise become involved with any Competing Business (as defined in your Franchise Agreement.): (i) at the premises of your Franchised Business; (ii) within your Protected Territory; or (iii) within a 20-mile radius surrounding the Franchisee, or in all or substantially all the assets of the Franchised Business, the personal representative of such person will have the right to continue~~perimeter of: (a) your Protected Territory; or (b) any other Protected Territory licensed by us, or other My Salon Suite Business in operation of the Franchised Business if: as of the expiration/termination/transfer of your Franchise Agreement through the date of your involvement in the Competing Business.

~~(i) within 90 days from the death/disability/incapacity, the representative has obtained our prior written approval and has executed our then-current form of franchise agreement for the unexpired terms of the Franchise, or has otherwise furnished a personal guaranty of any business entity of franchisee's obligations to us and our affiliates; and (ii) this person successfully completes our then-current MY SALON Suite University, which will be provided at our then-current training tuition rate.~~

~~We may, but are not obligated to, operate the Franchised Business during the 90-day period following your death/incapacity/disability, and we~~



		<p><del>may</del>For that same two (2) year period, you are also prohibited from: (i) soliciting customers of your former Franchised Business or contacting any of our Approved Vendors for any competitive</p>
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Provision	Section in Franchise Agreement	Summary
		<del>pay ourselves a reasonable amount to reimburse us for providing management services and our other costs.purpose; and (ii) soliciting any employees of us, our affiliate, or any other Franchise System franchisee to discontinue employment- subject to state law</del>
<del>s. Modification of the agreement</del> <u>q. Non-competition covenants during the term of the Franchise</u>	Section <del>13.B.(1)</del> 18.2 of Franchise Agreement	<del>Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have an owning interest in, loan money to, or perform services for a competitive business anywhere; you may not interfere with our or our other franchisees' Franchised Business(es)- subject to state law</del> <del>The Franchise Agreement may not be modified except by a written agreement that both of us sign; however, we can unilaterally modify or change our Franchise Operations Manual and Franchise System, as we deem advisable in our sole discretion.</del>

<p><del>t. Integration/merger-clause. Non-competition covenants after the Franchise is terminated or expires</del></p>	<p>Section <del>13.B.(18-2)</del> of Franchise Agreement- <del>Section 9 of Development Agreement</del></p>	<p><del>For a period of 2 years, you may not own, operate, engage in, or otherwise become involved with any competing business that offers or grants licenses or franchises to operate businesses that offer products and services similar to those provided by</del>Only the <u>Franchised Business</u>.</p> <p><del>For a period of 2 years, you may not own, operate, engage in, or otherwise become involved with any Competing Business (as defined in your terms of the Franchise Agreement): (i) at the premises of your Franchised Business; (ii) within your Protected Territory; or (iii) within a 20-mile radius surrounding the perimeter of: (a) your Protected Territory; or (b) any -and- other Protected Territory licensed by us, or other MY SALON Suite Business in operation as of the expiration/termination/transfer of your related written agreements are binding (subject to applicable state law). Any representations or promises made outside of this Franchise Disclosure Document and Franchise Agreement through the date of your involvement in the Competing Business.</del></p> <p><del>For that same 2-year period, you are also prohibited from: (i) soliciting customers of your former Franchised Business or contacting any of our Approved Vendors for any competitive</del>may not be enforceable.</p>
<p><del>u. Dispute resolution by arbitration</del></p>	<p><del>Sections 17.2 and 17.3 of Franchise Agreement</del></p>	<p><del>Except for certain claims, all disputes must be arbitrated in Dallas, Texas, subject to applicable state law.</del></p>
<p><del>v. Choice of forum</del></p>	<p><del>Section 17.5 of Franchise Agreement</del></p>	<p><del>All disputes must be arbitrated, and if applicable, litigated in Dallas, Texas except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.</del></p>
<p><del>w. Choice of law</del></p>	<p><del>Section 17.1 of Franchise Agreement</del></p>	<p><del>Texas law, subject to any contrary provision contained in the State-Specific Addendum (See <u>Exhibit E</u>), subject to applicable state law.</del></p>

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
		<u>purpose; and (ii) soliciting any employees of us, our affiliate, or any other Franchise System franchisee to discontinue employment- subject to state law</u>
<u>s. Modification of the agreement</u>	<u>Section 18.E. of Franchise Agreement</u>	<u>The Franchise Agreement may not be modified except by a written agreement that both of us sign; however, we can unilaterally modify or change our Franchise Operations Manual and Franchise System, as we deem advisable in our sole discretion.</u>
<u>t. Integration/ merger clause</u>	<u>Section 18.E. of Franchise Agreement</u> <u>Section 9 of Development Agreement</u>	<u>Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.</u>
<u>u. Dispute resolution by arbitration</u>	<u>Sections 17.A. and 17.F. of Franchise Agreement</u>	<u>Except for certain claims, all disputes must be arbitrated in Dallas, Texas, subject to applicable state law.</u>
<u>v. Choice of forum</u>	<u>Section 17.F. of Franchise Agreement</u>	<u>All disputes must be arbitrated, and if applicable, litigated in Dallas, Texas except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.</u>
<u>w. Choice of law</u>	<u>Section 17.G. of Franchise Agreement</u>	<u>Texas law, subject to any contrary provision contained in the State-Specific Addendum (See <b>Exhibit H</b>), subject to applicable state law.</u>

## **Item 18**

### **PUBLIC FIGURES**

We do not currently use any public figure to promote our Franchise.

## Item 19

### FINANCIAL PERFORMANCE REPRESENTATION

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 any reasonable basis for the information, and if the information is included in the Disclosure Document. Financial information that differs from that included in ~~Item~~ITEM 19 may only be given if: ~~(1) a franchisor provides the actual records of an existing outlet you are considering buying; or~~ (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~~ITEM 19, for example, by providing information about possible performance at a particular location or under ~~particular~~ circumstances.

The figures below represent the median and average occupancy and net profit reported in accordance with the typical monthly royalty and occupancy reporting procedure for ~~2023~~2022 by MY SALON Suite franchise locations that satisfied the Reporting Criteria. Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

The following chart includes information regarding the total number of MY SALON Suite franchise locations in the United States that met or exceeded all of the following criteria as of December 31, ~~2023~~2022 ("Reporting Criteria"): (a) operated in the United States under a Franchise Agreement; (b) had been open and continuously operating for at least 12 full months as of December 31, ~~2023~~2022; (c) is at least 3,000 square feet; (d) submitted all required reports under the Franchise Agreement during ~~2023~~2022; and (e) was not under contract for purchase at any time during ~~2023~~2022.

As of December 31, ~~2023~~2022, there were ~~273~~228 MY SALON Suite franchised locations open and operating in the United States under a Franchise Agreement ("Franchise Group"). Of this total, ~~211~~171 locations met the Reporting Criteria and represent the reporting group for ~~2023~~2022 ("Reporting Group").

The median and average information was prepared from the records and reports, as reported by Franchisees of each of the franchise locations satisfying the Reporting Criteria. Franchisor has relied solely on the information reported to Franchisor by Franchisees. We do not know of an instance, nor do we have reason to believe, that any Franchisee would misstate its information. However, these reports have not been audited and we have not independently verified these numbers.

**Some MY SALON Suite Businesses have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

## FINANCIAL RESULTS

The following ~~Tables provide~~Table 1 provides information regarding the average occupancy, square footage, number of suites, income, certain expenses, and net profit, as defined below. Also shown are the percentage of locations that meet or exceed the average for each category.

In addition to the average Gross Sales analysis, certain expenses expressed as a percentage of Gross Sales have been provided based on the experience of certain of the foregoing My SALON Suite Franchised Businesses described below. The expense figures were extracted from the 2023 financial statements submitted by the MY SALON Suite Franchisees included in our 2023 Financial Benchmark Survey. As of the date of this Disclosure Document, we have not been provided with expense data from 62 of the 273 MY SALON Suite Franchised Businesses open and in continuous operation during 2023). This was primarily due to the proximity of year-end to the time of compilation of these numbers and 62 MY SALON Suite Franchised Businesses were not included in the expense figures provided herein. You should note that with respect to the 211 MY SALON Suite Franchised Businesses included in the compilation of the expense figures, the expense data relates to operations conducted during the calendar year 2023.

The information relating to the operations expenses provided by the MY SALON Suite Franchised Businesses and used by us in determining the numerical values provided have not been audited and such information has not necessarily been prepared on a basis consistent with generally accepted accounting principles. We are unable to verify whether the expense data submitted by each MY SALON Suite Franchised Business for each separately provided expense item appropriately reflects the types of expenses which are ordinarily incurred by MY SALON Suite Franchised Businesses, and which should be included in the item according to generally accepted accounting principles.

Each percentage given on this analysis reflects the mean average or the median of the total percentages for the applicable expense item provided by the reporting MY SALON Suite Franchised Businesses (i.e., the aggregate sum of the expense percentages of all reporting MY SALON Suite Franchised Businesses divided by the number of reporting MY SALON Suite Franchised Businesses). The expense percentages for the various expense items provided by each reporting MY SALON Suite Franchised Business reflect MY SALON Suite Franchised Business's expenses as a percentage of its Gross Sales. No percentage given in this analysis is the actual expenses percentage experienced by any one MY SALON Suite Franchised Business and the actual expense percentages for the reporting MY SALON Suite Franchised Business on any expense item may vary significantly.

The following Tables provide information regarding the average occupancy, square footage, number of suites, income, certain expenses, and net profit, as defined below. Also shown are the percentage of locations that meet or exceed the average for each category.





**Table 1**  
**The Reporting Group**

The following is the average P&L for the Top 25% MY SALON Suite Franchised Businesses of the 211 reporting MY SALON Suite Franchised Businesses based on profitability.

<u>Location Details</u>	<u>Top Quartile by Revenue (52 locations)</u>					
	<u>High</u>	<u>Low</u>	<u>Average</u>		<u>Number / % that met or exceeded average</u>	
<u>% of Total Occupancy</u>	<u>100%</u>	<u>66.7%</u>	<u>93.8%</u>		<u>32</u>	<u>61.5%</u>
<u>Square footage</u>	<u>13,172</u>	<u>5,032</u>	<u>7,225</u>		<u>20</u>	<u>38.5%</u>
<u># of Suites</u>	<u>70</u>	<u>27</u>	<u>37.5</u>		<u>17</u>	<u>32.7%</u>
<u>Gross Revenue</u>	<u>\$1,442,432</u>	<u>\$525,967</u>	<u>\$654,538</u>	<u>100.0%</u>	<u>13</u>	<u>25.0%</u>
<u>General Operating Expense</u>	<u>\$189,587</u>	<u>\$50,891</u>	<u>\$101,399</u>	<u>15.5%</u>	<u>25</u>	<u>48.1%</u>
<u>Rent Expense</u>	<u>\$423,448</u>	<u>\$96,300</u>	<u>\$192,382</u>	<u>29.4%</u>	<u>25</u>	<u>48.1%</u>
<u>Royalties</u>	<u>\$79,334</u>	<u>\$28,928</u>	<u>\$36,042</u>	<u>5.5%</u>	<u>12</u>	<u>23.1%</u>
<u>EBITDA*</u>	<u>\$843,865</u>	<u>\$178,220</u>	<u>\$324,715</u>	<u>49.6%</u>	<u>21</u>	<u>40.4%</u>

**Table 2**

<u>Location Details</u>	<u>Second Highest Quarter by Revenue (53 locations)</u>					
	<u>High</u>	<u>Low</u>	<u>Average</u>		<u>Number / % that met or exceeded average</u>	
<u>% of Total Occupancy</u>	<u>100%</u>	<u>60.6%</u>	<u>92.6%</u>		<u>37</u>	<u>69.8%</u>
<u>Square footage</u>	<u>9,278</u>	<u>4,413</u>	<u>5,853</u>		<u>24</u>	<u>45.3%</u>
<u># of Suites</u>	<u>44</u>	<u>22</u>	<u>30.2</u>		<u>19</u>	<u>35.8%</u>
<u>Gross Revenue</u>	<u>\$514,440</u>	<u>\$422,977</u>	<u>\$463,472</u>	<u>100.0%</u>	<u>26</u>	<u>49.1%</u>
<u>General Operating Expense</u>	<u>\$157,910</u>	<u>\$27,944</u>	<u>\$87,041</u>	<u>18.8%</u>	<u>24</u>	<u>45.3%</u>
<u>Rent Expense</u>	<u>\$273,575</u>	<u>\$38,315</u>	<u>\$146,766</u>	<u>31.7%</u>	<u>22</u>	<u>41.5%</u>
<u>Royalties</u>	<u>\$28,294</u>	<u>\$23,264</u>	<u>\$25,491</u>	<u>5.5%</u>	<u>26</u>	<u>49.1%</u>
<u>EBITDA*</u>	<u>\$277,868</u>	<u>\$66,286</u>	<u>\$204,173</u>	<u>44.1%</u>	<u>29</u>	<u>54.7%</u>

**Table 3**

<u>Location Details</u>	<u>Third Highest by Revenue (54 locations)</u>					<u>Number / % that met or exceeded average</u>
	<u>High</u>	<u>Low</u>	<u>Average</u>			
<u>% of Total Occupancy</u>	<u>100%</u>	<u>65.4%</u>	<u>91.3%</u>		<u>32</u>	<u>59.3%</u>
<u>Square footage</u>	<u>8,445</u>	<u>3,940</u>	<u>5,158</u>		<u>22</u>	<u>40.7%</u>
<u># of Suites</u>	<u>37</u>	<u>20</u>	<u>27.0</u>		<u>24</u>	<u>44.4%</u>
<u>Gross Revenue</u>	<u>\$422,747</u>	<u>\$342,329</u>	<u>\$384,633</u>	<u>100.0%</u>	<u>29</u>	<u>53.7%</u>
<u>General Operating Expense</u>	<u>\$161,161</u>	<u>\$35,447</u>	<u>\$73,339</u>	<u>19.1%</u>	<u>22</u>	<u>40.7%</u>
<u>Rent Expense</u>	<u>\$179,104</u>	<u>\$64,172</u>	<u>\$119,518</u>	<u>31.1%</u>	<u>26</u>	<u>48.1%</u>
<u>Royalties</u>	<u>\$23,251</u>	<u>\$18,828</u>	<u>\$21,155</u>	<u>5.5%</u>	<u>29</u>	<u>53.7%</u>
<u>EBITDA*</u>	<u>\$245,156</u>	<u>\$64,308</u>	<u>\$170,621</u>	<u>44.4%</u>	<u>31</u>	<u>57.4%</u>

The following is the average P&L for the Lowest 25% MY SALON Suite Franchised Businesses of the 211 reporting Centers based on profitability.

**Table 4**

<u>Location Details</u>	<u>Bottom Quartile by Revenue (52 locations)</u>				<u>Number / % that met or exceeded average</u>	
	<u>High</u>	<u>Low</u>	<u>Average</u>			
<u>% of Total Occupancy</u>	<u>100%</u>	<u>16.7%</u>	<u>80.6%</u>		<u>28</u>	<u>53.8%</u>
<u>Square footage</u>	<u>9,431</u>	<u>2,880</u>	<u>4,962</u>		<u>22</u>	<u>42.3%</u>
<u># of Suites</u>	<u>49</u>	<u>15</u>	<u>25.4</u>		<u>20</u>	<u>38.5%</u>
<u>Gross Revenue</u>	<u>\$336,823</u>	<u>\$103,683</u>	<u>\$270,918</u>	<u>100.0%</u>	<u>29</u>	<u>55.8%</u>
<u>General Operating Expense</u>	<u>\$132,281</u>	<u>\$16,039</u>	<u>\$69,988</u>	<u>25.8%</u>	<u>25</u>	<u>48.1%</u>
<u>Rent Expense</u>	<u>\$243,920</u>	<u>\$0</u>	<u>\$103,239</u>	<u>38.1%</u>	<u>24</u>	<u>46.2%</u>
<u>Royalties</u>	<u>\$18,525</u>	<u>\$5,703</u>	<u>\$14,942</u>	<u>5.5%</u>	<u>29</u>	<u>55.8%</u>
<u>EBITDA*</u>	<u>\$182,881</u>	<u>-\$62,451</u>	<u>\$82,749</u>	<u>30.5%</u>	<u>32</u>	<u>61.5%</u>

	Franchised Outlets						
	All locations open as of December 31, 2022 (171 Total)						
Location-Details	High	Low	Average		Number that met or exceeded average	Percentage that met or exceeded average	Median
% of Total Occupancy	100%	36.0%	93.5%		119	69.6%	96.7%
Location # of Sq. ft.	13,172	3,760	5,751		69	40.4%	5,500
# of Suites	70	18	30		72	42.1%	28
Gross Revenue	\$1,382,009	\$195,792	\$450,071	100.0%	70	40.9%	\$421,919
General Operating Expense	\$224,709	\$18,407	\$76,983	17.1%	71	41.5%	\$68,300 / 16.2%
Rent Expense	\$381,618	\$49,060	\$139,289	30.9%	68	39.8%	\$126,809 / 30.1%
Royalties	\$76,010	\$10,769	\$24,782	5.5%	70	40.9%	\$23,206 / 5.5%
EBITDA	\$799,727	-\$10,995	\$209,017	46.4%	76	44.4%	\$198,263 / 47.0%

Notes to the Tables Table 1:

1. Occupancy is calculated by dividing the number of suites occupied by the total number of available suites. Occupancy shown is based on reported occupancy as of December 31, 2023.2022.

1. \_\_\_\_\_

2. Square Feet is the square footage of the Franchised Business.

3. Gross Revenues means the total selling price of all services and products sold and accrued at, from, or through the Franchised Business, whether or not sold or performed at or from the Franchised Business, and all income and revenue of every other kind and nature related to the Franchised Business operation, whether for cash, check, debit, or credit, barter, exchange, trade credit, items of financial or non-financial benefit to franchisee, or other credit transactions, and regardless of collection in the case of credit. Gross Revenues does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged, and the franchisee pays such amounts as and when due to

the appropriate taxing authority. Also excluded from Gross Revenues are the amount of any documented refunds, chargebacks, credits, and allowances given to customers in good faith pursuant to Franchisor's standard procedures for issuing such refunds. All barter and exchange transactions for which the franchisee furnishes services or products in exchange for goods or services to be provided.

3.            to the franchisee by a vendor, or customer will be valued at the full retail value of the goods or services provided to Franchisee.
4. General Operating Expenses include professional fees, repair and maintenance, insurance, permit and fees, telephone, water and sewer, garbage, electricity, gas, internet, office expenses, advertising and marketing, technology fee, and security system. You may incur other expenses not included in this definition. General operating expenses are cash expenses only. General operating expenses do not include noncash expenses, such as amortizing equipment.
5. Rent Expense includes the base rent plus an NNN, or CAM expenses being paid to the landlord.
6. EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization. It is calculated by subtracting the General Operating Expense and Rent Expense from Income. The EBITDA number excludes any debt service and interest payments.
7. Percentage (%) that met or exceeded the average is calculated by dividing the number of locations that met or exceeded the average for each category by the total number of locations for that category.

## AVERAGE OCCUPANCY

Table ~~52~~

### The Franchise Group, Company-Owned Locations, and Affiliate Locations

<u>Unit Maturity</u>	<u>Avg. Occupancy of Franchised Businesses</u>	<u>Number of Units</u>	<u>Avg. Occupancy of Company-Owned Locations</u>	<u>Number of Units</u>	<u>Total Avg. Occupancy</u>	<u>Number of Units</u>
<u>Open 0-6 Months</u>	<u>50.5%</u>	<u>27</u>	<u>100.0%</u>	<u>1</u>	<u>52.3%</u>	<u>28</u>
<u>Open 7-12 Months</u>	<u>88.9%</u>	<u>15</u>	<u>0.0%</u>	<u>0</u>	<u>88.9%</u>	<u>15</u>
<u>Open 12+ Months</u>	<u>92.7%</u>	<u>186</u>	<u>95.1%</u>	<u>30</u>	<u>93.1%</u>	<u>218</u>

Table ~~52~~ shows the average Occupancy for ~~the month of~~ December ~~2023~~~~2022~~ by maturity, of the Franchise Group, and company-owned locations that were open and operating as of December 31, ~~2023~~~~2022~~.

<u>Unit Maturity</u>	<u>Avg. Occupancy of Franchised Businesses</u>	<u>Number of Units</u>	<u>Avg. Occupancy of Company-Owned Locations</u>	<u>Number of Units</u>	<u>Total Avg. Occupancy</u>	<u>Number of Units</u>
<u>Open 0-6 Months</u>	<u>48.0%</u>	<u>26</u>	<u>88.2%</u>	<u>13</u>	<u>61.43%</u>	<u>39</u>
<u>Open 7-12 Months</u>	<u>84.7%</u>	<u>17</u>	<u>0.0%</u>	<u>0</u>	<u>84.7%</u>	<u>17</u>
<u>Open 12+ Months</u>	<u>89.1%</u>	<u>228</u>	<u>91.4%</u>	<u>31</u>	<u>89.4%</u>	<u>259</u>

## MEDIAN PERFORMANCE

Table ~~63~~

### ~~The Reporting Group~~

<del>Franchised Outlets</del>
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The Reporting Group

# of Locations	171
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	Median	
<b>Occupancy</b>	96.7%	
<del>Square Feet</del>	<del>5,500</del>	
<b>Suites</b>	28	
<b>Income</b>	\$421,919	100.0%
<b>General Operating Expense</b>	\$68,300	16.2%
<b>Rent Expense</b>	\$126,809	30.1%
<b>Royalties</b>	\$23,206	5.5%
<b>Net Profit*</b>	<b>\$198,263</b>	<b>47.0%</b>

Table ~~63~~ shows the median performance of stores within the Reporting Group open and operating as of December 31, 2023~~2022~~.

<u>Franchised Outlets</u>	
<u># of Locations</u>	<u>211</u>
	<u>Median</u>
<u>Occupancy</u>	<u>94.1%</u>

<del>We compiled this data- using</del> <u>Square Feet</u>	<u>5,500</u>	
<u>Suites</u>	<u>29</u>	
<u>Income</u>	<u>\$422,747</u>	<u>100.0%</u>
<u>General Operating Expense</u>	<u>\$78,572</u>	<u>18.6%</u>
<u>Rent Expense</u>	<u>\$133,314</u>	<u>31.5%</u>
<u>Royalties</u>	<u>\$23,251</u>	<u>5.5%</u>
<u>Net Profit*</u>	<u>\$186,306</u>	<u>44.1%</u>

The Franchisor is unable to verify the accuracy of the expense information provided~~submitted to us~~ by MY SALON Suite ~~our~~ franchisees and makes no representations or warranties regarding the same.

The amount of gross sales realized, and expenses incurred will vary from unit to unit. Gross sales and expenses at Franchisee's MY SALON Suite Franchised Business will be directly affected by many additional factors. ~~We did not~~ noted above, including, without limitation, the Center's geographic location, competition in the market, the presence of other MY SALON Suite businesses, the quality of management, the effectiveness of sales and marketing and the prices charged for products and services sold at the Franchised Business. Further, the franchise agreement to which each franchisee included in this analysis is subject is different from the Franchise Agreement attached to this Franchise Disclosure Document as Exhibit C. Among other terms, the Franchise Agreement attached to this Franchise Disclosure Document requires an initial franchise fee of \$50,000 and a continuing Service Fee of 5.5%. This analysis, therefore, should only be used as a reference for you to use in conducting its own analysis.

Finally, you should particularly note the following:

You are urged to consult with appropriate financial, business and legal advisors in connection with the ~~audit or otherwise verify the accuracy of the~~ information set forth in this analysis~~submitted~~.

Some SALON Suite Franchised Businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Substantiation of the data used in preparing this analysis will be made available upon reasonable request.

Except for the representations above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also

~~We~~ do not authorize our employees or representatives to make any such representations; either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Franchise Development Department at~~Stacy Eley, our Brand President,~~ 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5600(855)-677-3726, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

MY SALON SUITES

Table No. 1: Franchise System-Wide Outlet Summary Years ~~2021~~2020 to ~~2023~~2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchises	<del>2021</del> 2020	<del>163</del> 115	<del>290</del> 163	+ <del>27</del> 48
	<del>2022</del> 2021	<del>190</del> 163	<del>232</del> 190	+ <del>42</del> 27
	<del>2023</del> 2022	<del>232</del> 190	<del>273</del> 232	+ <del>41</del> 42
Company-Owned and Affiliates	<del>2021</del> 2020	<del>30</del> 29	<del>32</del> 30	+2
	<del>2022</del> 2021	<del>32</del> 30	32	+ <del>0</del> 2
	<del>2023</del> 2022	32	<del>44</del> 32	+ <del>12</del> 0
Total Outlets	<del>2020</del> 2021	<del>193</del> 144	<del>222</del> 193	+ <del>29</del> 49
	<del>2022</del> 2021	<del>222</del> 193	<del>264</del> 222	+ <del>42</del> 29
	<del>2023</del> 2022	<del>264</del> 222	<del>317</del> 264	+ <del>53</del> 42

**Table No. 2: Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For ~~MY SALON~~My Salon Suite locations - Years ~~2021~~2020 to ~~2023~~2022**

State	Year	Number of Transfers
California	2020	0
	2021	1
	2022	0
Florida	2020	0
	2021	0
	2022	1
Connecticut	2020	0
	2021	3
	2022	0
Louisiana	2020	0
	2021	3
	2022	0
Maryland	2020	0
	2021	2
	2022	0
Michigan	2020	0
	2021	0
	2022	3
Texas	2020	2
	2021	0
	2022	2
All Other States	2020	0
	2021	0
	2022	0
TOTALS	2020	2
	2021	9
	2022	6

Table 3: Status of Franchised Outlets Years ~~2021~~2020 to ~~2023~~2022

State	Year	Outlets at Start of the Year	Outlets Opened	<del>Terminations</del> <del>Terminations</del>	Non- Renewals	Reacquired by Franchisor	Ceased Operations —Other Reasons	Outlets at End of the Year
Alabama	<del>2021</del> 2020	<del>10</del>	<del>0</del>	0	0	0	0	1
	<del>2022</del> 2021	1	0	0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
Arizona	<del>2021</del> 2020	<del>63</del>	<del>03</del>	0	0	0	0	6
	<del>2021</del>	<del>6</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>6</del>
	2022	6	1	0	0	0	0	7
Arkansas	<del>2021</del> 2020	<del>10</del>	<del>0</del>	0	0	0	0	1
	<del>2022</del> 2021	1	0	0	0	0	0	1
	<del>2023</del> 2022	1	0	0	0	0	0	1
California	<del>2021</del> 2020	<del>74</del>	<del>23</del>	0	0	0	0	<del>97</del>
	<del>2021</del>	<del>7</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>9</del>
	2022	9	4	0	0	0	0	13
Colorado	<del>2021</del> 2020	<del>5</del>	<del>0</del>	0	0	0	0	5
	<del>2021</del>	<del>5</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>5</del>
	2022	5	4	0	0	0	0	9
Connecticut	<del>2021</del> 2020	<del>3</del>	<del>0</del>	0	0	0	0	3
	<del>2021</del>	<del>3</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
	2022	3	0	0	0	0	0	3
Delaware	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Florida	2020	25	5	0	0	0	0	30
	2021	30	2	0	0	0	0	32
	2022	32	6	0	0	0	0	38
Georgia	2020	10	2	0	0	0	0	12
	2021	12	2	0	0	0	0	14
	2022	14	0	0	0	0	0	14
Illinois	2020	4	2	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	3	0	0	0	0	9
	<del>2023</del> 2020	<del>31</del>	<del>10</del>	0	0	0	0	<del>41</del>
	<del>2021</del>	<del>1</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
Iowa	2022	3	0	0	0	0	0	3
	2020	0	1	0	0	0	0	1
Iowa	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations <del>Terminations</del>	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
<u>Delaware</u>	<del>2021</del> 2022	<u>21</u>	<u>01</u>	0	0	0	0	2
	<del>2022</del> 2020	<u>21</u>	<u>01</u>	0	0	0	0	2
	<del>2023</del> 2021	2	<u>01</u>	0	0	0	0	<u>23</u>
	2022	3	1	0	0	0	0	4
<u>Florida</u> <u>Louisiana</u>	<del>2021</del> 2020	<u>310</u>	<u>20</u>	0	0	0	0	<u>330</u>
	2021	0	0	0	0	0	0	0
	2022	<u>330</u>	<u>61</u>	0	0	0	0	<u>391</u>
	<del>2023</del> 2020	<u>390</u>	<u>52</u>	0	0	0	0	<u>442</u>
<u>Georgia</u>	2021	<u>122</u>	2	0	0	0	0	<u>144</u>
	2022	<u>144</u>	0	0	0	0	0	<u>144</u>
	<del>2023</del> 2020	<u>141</u>	<u>31</u>	0	0	0	0	<u>172</u>
<u>Illinois</u>	2021	<u>62</u>	<u>01</u>	0	0	0	0	<u>63</u>
	2022	<u>63</u>	<u>32</u>	0	0	0	0	<u>95</u>
	<del>2023</del> 2020	<u>911</u>	<u>04</u>	0	0	0	0	<u>915</u>
<u>Indiana</u>	2021	<u>115</u>	<u>20</u>	0	0	0	0	<u>315</u>
	2022	<u>315</u>	<u>03</u>	0	0	0	0	<u>318</u>
	<del>2023</del> 2020	<u>32</u>	<u>02</u>	0	0	0	0	<u>34</u>
<u>Iowa</u>	2021	<u>14</u>	0	0	0	0	0	<u>14</u>
	2022	<u>14</u>	<u>12</u>	0	0	0	0	<u>26</u>
	<del>2023</del> 2020	<u>20</u>	<u>01</u>	0	0	0	0	<u>21</u>
<u>Kentucky</u>	2021	<u>21</u>	1	0	0	0	0	<u>32</u>
	2022	<u>32</u>	1	0	0	0	0	<u>43</u>
	<del>2023</del> 2020	<u>43</u>	<u>01</u>	0	0	0	0	4
<u>Louisiana</u>	2021	<u>04</u>	<u>01</u>	0	0	0	0	<u>05</u>
	2022	<u>05</u>	<u>10</u>	0	0	0	0	<u>15</u>
	<del>2023</del> 2020	<u>10</u>	0	0	0	0	0	<u>10</u>
<u>Maryland</u>	2021	<u>20</u>	<u>20</u>	0	0	0	0	<u>40</u>
	2022	<u>40</u>	<u>01</u>	0	0	0	0	<u>41</u>
	<del>2023</del> 2020	<u>42</u>	0	0	0	0	0	<u>42</u>
<u>Massachusetts</u>	2021	2	<u>10</u>	0	0	0	0	<u>32</u>
	2022	<u>32</u>	<u>21</u>	0	0	0	0	<u>53</u>
	<del>2023</del> 2020	<u>50</u>	<u>23</u>	0	0	0	0	<u>73</u>
<u>Michigan</u>	2021	<u>153</u>	<u>03</u>	0	0	0	0	<u>156</u>
	2022	<u>156</u>	3	0	0	0	0	<u>189</u>
	<del>2023</del> 2020	<u>182</u>	<u>21</u>	0	0	0	0	<u>203</u>
	2021	3	1	0	0	0	0	4

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations <del>Terminations</del>	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
<u>Minnesota</u>	<del>2021</del> 22	4	<del>0</del> 4	0	0	0	0	<del>4</del> 8
	<del>2022</del> 20	4	<del>2</del> 4	0	0	0	0	<del>6</del> 8
	<del>2023</del> 21	<del>6</del> 8	<del>0</del> 4	0	0	0	0	<del>6</del> 9
<u>Mississippi</u>	<del>2021</del> 22	<del>1</del> 9	1	0	0	0	0	<del>2</del> 0
	<del>2022</del> 20	<del>2</del> 3	<del>1</del> 3	0	0	0	0	<del>3</del> 6
	<del>2023</del>	<del>3</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
<u>Missouri</u>	2021	<del>4</del> 6	<del>1</del> 2	0	0	0	0	<del>5</del> 8
	2022	<del>5</del> 8	<del>0</del> 4	0	0	0	0	<del>5</del> 9
	<del>2023</del> 20	<del>5</del> 0	0	0	0	0	0	<del>5</del> 0
<u>Nebraska</u>	2021	0	<del>0</del> 4	0	0	0	0	<del>0</del> 4
	2022	<del>0</del> 4	<del>1</del> 0	0	0	0	0	1
	<del>2023</del> 20	<del>1</del> 4	<del>0</del> 4	0	0	0	0	<del>1</del> 5
<u>Nevada</u>	2021	<del>2</del> 5	<del>0</del> 4	0	0	0	0	<del>2</del> 9
	2022	<del>2</del> 9	<del>1</del> 0	0	0	0	0	<del>3</del> 9
	<del>2023</del> 20	<del>3</del> 4	<del>1</del> 0	0	0	0	0	<del>4</del> 4
<u>New Hampshire</u>	2021	<del>0</del> 4	0	0	0	0	0	<del>0</del> 4
	2022	<del>0</del> 4	0	0	0	0	0	<del>0</del> 4
	<del>2023</del> 20	<del>0</del> 3	<del>1</del> 3	0	0	0	0	<del>1</del> 6
<u>New Jersey</u>	2021	<del>3</del> 6	<del>3</del> 0	0	0	0	0	6
	2022	6	<del>3</del> 0	0	0	0	0	<del>9</del> 6
	<del>2023</del> 20	<del>9</del> 43	2	0	0	0	0	<del>11</del> 45
<u>New York</u>	2021	<del>3</del> 45	<del>1</del> 0	0	0	0	0	<del>4</del> 45
	2022	<del>4</del> 45	<del>4</del> 2	0	0	0	0	<del>8</del> 47
	<del>2023</del> 20	<del>8</del> 4	<del>2</del> 0	0	0	0	0	<del>10</del> 4
<u>North Carolina</u>	2021	<del>8</del> 4	<del>1</del> 0	0	0	0	0	<del>9</del> 4
	2022	<del>9</del> 4	<del>1</del> 0	0	0	0	0	<del>10</del> 4
	<del>2023</del> 20	<del>10</del> 5	<del>3</del> 0	0	0	0	0	<del>13</del> 5
	2021	<del>0</del> 5	0	0	0	0	0	<del>0</del> 5

	2022	<u>05</u>	0	0	0	0	0	<u>05</u>
<b>Washington</b>	<u>2020</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u> <u>20</u> <u>21</u>	<u>02</u>	<u>20</u>	0	0	0	0	2
	2022	2	0	0	0	0	0	2
<b>Wisconsin</b>	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
<b>All Other</b>	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0



State	Year	Outlets at Start of the Year	Outlets Opened	<del>Terminations</del> Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
<u>Ohio</u>	<u>2021</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2022</u>	<u>80</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90</u>
	<u>2023</u>	<u>915</u>	<u>148</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1063</u>
<u>Oregon</u>	<u>2021</u>	<u>163</u>	<u>127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>190</u>
	<u>2022</u>	<u>190</u>	<u>042</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>232</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Pennsylvania</u>	<u>2021</u>	<u>5</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2022</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2023</u>	<u>9</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
<u>South Carolina</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Tennessee</u>	<u>2021</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2022</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2023</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
<u>Texas</u>	<u>2021</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
	<u>2022</u>	<u>15</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>14</u>
	<u>2023</u>	<u>14</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
<u>Utah</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Virginia</u>	<u>2021</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Washington</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Wisconsin</u>	<u>2021</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Total Outlets</u>	<u>2021</u>	<u>162</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>188</u>
	<u>2022</u>	<u>188</u>	<u>42</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>230</u>
	<u>2023</u>	<u>230</u>	<u>43</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>273</u>

**Table No. 4**  
**Status of Company-Owned and Affiliate Outlets Years ~~2021~~2020 to ~~2023~~2022**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired -from- Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	<del>2021</del> 2020	2	0	0	0	0	2
	<del>2022</del> 2021	2	0	0	0	0	2
	<del>2023</del> 2022	2	0	0	0	0	2
Louisiana	<del>2021</del> 2020	3	0	0	0	0	3
	<del>2022</del> 2021	3	0	0	0	0	3
	<del>2023</del> 2022	3	0	0	0	0	3
Maryland	<del>2021</del> 2020	<del>16</del> 15	0	1	0	0	<del>17</del> 16
	<del>2022</del> 2021	<del>17</del> 16	0	<del>0</del> 1	0	0	17
	<del>2023</del> 2022	17	0	0	0	0	17
<u>Nevada</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
North Carolina	<del>2021</del> 2020	1	0	0	0	0	1
	<del>2022</del> 2021	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Pennsylvania</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<del>0</del> 1	<del>1</del> 0	0	0	0	1
	<del>2023</del> 2020	<del>1</del> 8	0	0	0	0	<del>1</del> 8
<u>South Carolina</u>	2021	<del>0</del> 8	<del>0</del> 1	0	0	0	<del>0</del> 9
	2022	<del>0</del> 9	0	0	0	0	<del>0</del> 9
	<del>2023</del> 2020	0	<del>6</del> 0	0	0	0	<del>6</del> 0
<u>Virginia</u>	2021	<del>8</del> 0	0	0	0	0	<del>9</del> 0
	2022	<del>9</del> 0	0	0	0	0	<del>9</del> 0
	<del>2023</del> 2020	<del>9</del> 29	<del>1</del> 0	<del>0</del> 1	0	0	<del>10</del> 30
<b><u>Totals</u></b>	2021	30	1	1	0	0	<del>31</del> 32
	2022	<del>31</del> 32	0	0	0	0	<del>31</del> 32
	<u>2023</u>	<u>31</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>

Table No. 5: Projected Openings ~~as~~<sup>As</sup> of December 31, ~~2023~~<sup>2022</sup>

State	Franchise Agreements Signed <del>but</del> <sup>But</sup> Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Arizona	1	<del>0</del> <sup>2</sup>	0
<del>Arkansas</del>	<del>0</del>	<del>0</del>	<del>0</del>
California	<del>3</del> <sup>2</sup>	<del>2</del> <sup>4</sup>	0
Colorado	3	<del>3</del> <sup>2</sup>	0
Connecticut	<del>0</del> <sup>2</sup>	<del>1</del> <sup>0</sup>	0
Delaware	1	1	0
Florida	<del>6</del> <sup>1</sup> <del>3</del>	<del>6</del> <sup>5</sup>	0
Georgia	<del>4</del> <sup>3</sup>	<del>1</del> <sup>3</sup>	0
<del>Idaho</del>	<del>0</del>	<del>0</del>	<del>0</del>
Illinois	<del>2</del> <sup>0</sup>	<del>3</del> <sup>2</sup>	0
Indiana	1	<del>1</del> <sup>0</sup>	0
Iowa	0	<del>0</del> <sup>1</sup>	0
<del>Kentucky</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>Louisiana</del>	<del>0</del>	<del>1</del>	<del>1</del>
Maryland	<del>2</del> <sup>1</sup>	<del>1</del> <sup>0</sup>	<del>2</del> <sup>0</sup>
Massachusetts	<del>2</del> <sup>5</sup>	<del>2</del> <sup>4</sup>	0
Michigan	<del>2</del> <sup>3</sup>	<del>2</del> <sup>5</sup>	0
<del>Minnesota</del>	<del>2</del>	<del>2</del>	<del>0</del>
<del>Mississippi</del>	<del>1</del>	<del>0</del>	<del>0</del>
Missouri	1	0	0
<del>Nebraska</del>	<del>1</del>	<del>0</del>	<del>0</del>
Nevada	1	<del>0</del> <sup>5</sup>	0
New Hampshire	<del>0</del> <sup>1</sup>	<del>0</del> <sup>1</sup>	0
New Jersey	<del>6</del> <sup>2</sup>	<del>5</del> <sup>4</sup>	0
New York	3	<del>0</del> <sup>3</sup>	0
North Carolina	<del>4</del> <sup>6</sup>	<del>3</del> <sup>0</sup>	0
North Dakota	<del>0</del> <sup>1</sup>	0	0
Ohio	<del>5</del> <sup>2</sup>	2	0
Oklahoma	0	<del>0</del> <sup>2</sup>	0
Pennsylvania	8	<del>1</del> <sup>3</sup>	<del>2</del> <sup>1</sup>
South Carolina	2	1	<del>1</del> <sup>0</sup>
Tennessee	<del>3</del> <sup>4</sup>	<del>1</del> <sup>2</sup>	0
Texas	<del>1</del> <sup>4</sup>	<del>1</del> <sup>2</sup> <del>5</del>	0
Virginia	<del>2</del> <sup>3</sup>	<del>1</del> <sup>2</sup>	<del>2</del> <sup>0</sup>
<del>Wisconsin</del>	<del>1</del>	<del>0</del>	<del>0</del>
<b>TOTAL</b>	<del>7</del> <sup>2</sup> <del>7</del> <sup>3</sup>	<del>5</del> <sup>2</sup> <del>5</del> <sup>9</sup>	<del>8</del> <sup>1</sup>

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as **Exhibit I**. The name and last known address and telephone number of every current franchisee and every franchisee who has had a MY SALON~~My Salon~~ Suite Franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one (1) year period ending December 31, 2023~~2022~~, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document, is listed in **Exhibit I**. If you buy a MY SALON~~My Salon~~ Suite Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the MY SALON~~My Salon~~ Suite Franchise System. You may wish to speak with current and former franchisees but know that not all such franchisees can communicate with you. During the last three (3) fiscal years, we have had franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the MY SALON~~My Salon~~ Suite Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific Franchise organizations.

ITEM

**Item 21**

**-FINANCIAL STATEMENTS**

**Exhibit JF** contains the audited financial statements for Propelled Brands Franchising, LLC, including an audited balance sheet as of December 31, ~~2023~~~~2022~~, ~~2021~~, and ~~2022~~, ~~2020~~ ~~and~~ related statement of income, changes in members' equity, and cash flows for the years then ended.

Propelled Brands Franchising, LLC absolutely and unconditionally guarantees the performance of all the obligations of Suite Management Franchising, LLC under any fully-executed franchise agreement and related agreements referred to in this Franchise Disclosure Document. Propelled Brands Franchising, LLC's guarantee of performance is attached to this Franchise Disclosure Document as **Exhibit JF-1**.

ITEM

~~Item~~ 22

~~-CONTRACTS~~

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1. ~~Exhibit C~~ Franchise Agreement Exhibit "C"

2. Conversion Addendum Exhibit "D"

3. Development Agreement Rider

Exhibit "E"

4. Conversion Promissory Note Exhibit "F"

5. State Addenda to Disclosure  
Document and Franchise Agreement Exhibit "H"

6. Sample Form of General Release Exhibit "K"

7. Summary of Acknowledgment Exhibit "L"

~~Exhibit J — Franchise Owner Disclosure Questionnaire~~  
~~Exhibit K — Conversion Promissory Note~~

## Item 23

### RECEIPTS

The last pages of this Franchise Disclosure Document, **Exhibit ~~NL~~**, are detachable documents, in duplicate. Please detach, sign, date, and return one (1) copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.



**EXHIBIT A**

**LIST OF STATE ADMINISTRATORS**

## STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR
<b>CALIFORNIA</b>	California Department of Financial Protection and Innovation <del>320 West 4<sup>th</sup> One Sansome</del> Street, Suite <del>750</del> <del>Los Angeles</del> <del>600 San Francisco</del> , CA <del>90013-2344</del> <del>94104 415-</del> <del>972-8559</del> 1-866-275-2677
<b>HAWAII</b>	Department of Commerce and Consumer Affairs Business Registration Division -Commissioner of Securities <del>King Kalakaua Building</del> 335 Merchant Street, Room <del>205203</del> Honolulu, HI 96813 808-586-2722
<b>ILLINOIS</b>	Franchise <del>Bureau</del> <del>Division</del> Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465
<b>INDIANA</b>	Securities Commissioner <del>Indiana</del> Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 -317-232-6681
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202- <del>2021</del> 410-576-6360
<b>MICHIGAN</b>	Michigan Department of Attorney General -Consumer Protection Division Antitrust and Franchise <del>Section</del> <del>Unit</del> 525 W. Ottawa Street G. Mennen Williams Building, <del>4<sup>th</sup></del> <del>Floor</del> Lansing, MI 48913 -517- <del>335-7622</del> <del>373-7117</del>
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite <del>280</del> <del>500</del> St. Paul, MN 55101- <del>2198</del> -651-539-1500
<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty Street, <del>15<sup>th</sup></del> <del>21st</del> Floor New York, NY 10005 212-416- <del>8236</del> <del>8285</del>
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Boulevard Avenue -State Capitol, <del>14<sup>th</sup></del> <del>Fifth</del> Floor Bismarck, ND 58505-0510 701-328-4712; <del>Fax: 701-328-0140</del>

STATE	STATE ADMINISTRATOR
<b>OREGON</b>	Department of Insurance and Finance Corporate Securities Section -Labor and Industries Building Salem, OR 96310 503-378-4387
<b>RHODE ISLAND</b>	Rhode Island Department of Business Regulation 1511 Pontiac Avenue, Building <del>68-2</del> <u>69-1</u> Cranston, RI 02920 401- <del>462-9500</del> <u>222-3048</u>
<b>SOUTH DAKOTA</b>	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid Avenue, <u>Second Floor</u> <del>Suite 104</del> <u>Pierre, SD 57501</u> <del>Pierre, SD 57501</del> 605-773-3563
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising <del>Tyler Building,</del> 9 <sup>th</sup> Floor 1300 E. Main Street -Richmond, VA 23219 804-371-9733
<b>WASHINGTON</b>	Department of Financial Institutions Securities Division -150 Israel Rd S.W. - <u>3<sup>rd</sup> Floor</u> Tumwater, WA 98501 360-902-8760
<b>WISCONSIN</b>	Wisconsin Dept. of Financial Institutions Division of Securities <u>4822 Madison Yards, North Tower-</u> <u>345 W. Washington Avenue, 4th Floor</u> Madison, WI <u>53705</u> <del>53703</del> 608-266- <del>0448</del> <u>8557</u>

**EXHIBIT B**

**LIST OF STATE AGENTS FOR SERVICE OF PROCESS**





STATE	AGENT FOR SERVICE OF PROCESS
<b>CALIFORNIA</b>	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
<b>HAWAII</b>	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities <u>Business Registration Division Securities</u> <u>King Kalakaua Building</u> <del>Compliance Branch</del> 335 Merchant Street, Room <u>205203</u> Honolulu, HI 96813
<b>ILLINOIS</b>	Illinois <u>Office of</u> Attorney General Franchise Division <del>Office of the Attorney General</del> 500 South Second Street Springfield, IL <u>6270162706</u> 217-782-4465
<b>INDIANA</b>	Indiana Secretary of State, 201 State House 200 West Washington Street <del>Indianapolis, IN 46204</del>
<b>MARYLAND</b>	Maryland Securities Commissioner Office of the Attorney General Securities Division <del>200 St. Paul Place</del> Baltimore, MD 21202 410-576-6360
<b>MICHIGAN</b>	Michigan Department of Commerce Corporations and Securities Bureau Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit <del>525 W. Ottawa Street</del> <u>525 W. Ottawa Street</u> G. Mennen Williams Building, <del>4<sup>th</sup></del> <del>Floor</del> Lansing, MI 48913 <del>517-335-7622373-7117</del>
<b>MINNESOTA</b>	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite <u>280500</u> St. Paul, MN 55101 651-539-1500
<b>NEW YORK</b>	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
<b>NORTH DAKOTA</b>	North Dakota Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue <del>State Capitol, 14<sup>th</sup> Fifth</del> Floor Bismarck, ND 58505- 0510 701-328-4712; <del>Fax: 701-328-0140</del>

STATE	AGENT FOR SERVICE OF PROCESS
<b>OREGON</b>	Director Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387
<b>RHODE ISLAND</b>	Director, Rhode Island Department of Business Regulation 1511 Pontiac Avenue, Building <del>69-168-2</del> Cranston, RI 02920 401- <del>462-9500</del> <del>222-3048</del>
<b>SOUTH DAKOTA</b>	Director of the South Dakota South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-3563
<b>VIRGINIA</b>	Clerk of the State Corporation Commission <del>Tyler Building,</del> 1st Floor 1300 E. Main Street -Richmond, VA 23219 804-371- <del>9733</del> <del>9051</del>
<b>WASHINGTON</b>	Director, Dept. of Financial Institutions Securities Division -150 Israel Rd S.W. Tumwater, WA 98501
<b>WISCONSIN</b>	Wisconsin Commissioner of Securities Wisconsin Dept. of Financial Institutions Division of Securities <del>4822</del> <del>345 W. Washington Avenue, 4th Floor</del> Madison <del>Yards Way,</del> <del>North Tower</del> <del>Madison,</del> WI <del>53705</del> <del>53703</del> 608-266- <del>0448</del> <del>5557</del>



**EXHIBIT C**  
**FRANCHISE AGREEMENT**

**Suite Management Franchising, LLC**  
**FRANCHISE AGREEMENT**

**Franchisee:** \_\_\_\_\_

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

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**SUITE MANAGEMENT FRANCHISING, LLC.**  
**FRANCHISE AGREEMENT**

This Franchise Agreement (“**Franchise Agreement**”) is made and entered into by and between Suite Management Franchising, LLC, a Florida limited liability company (“**Franchisor**”), and that certain Franchise Owner identified on **Attachment A** to this Franchise Agreement (“**Franchisee**”), as of the date signed by Franchisor and set forth below Franchisor’s signature on this Franchise Agreement (“**Effective Date**”).

**BACKGROUND**

A.—As the result of the expenditure of time, skill, effort and money, Franchisor and its Affiliate (as defined below) have developed and own the rights to franchise a unique and distinctive system (“**System**”) relating to the establishment and operation of facilities at an Approved Location (defined in Section 1 below) that provide turnkey salon suite studios and ancillary services to salon professionals under the trademarks “MY SALON~~My-Salon~~ Suite” (individually the “**Franchised Business**”). “MY SALON~~My-Salon~~ Suite” Franchised Businesses provide a luxury environment. Unless otherwise noted in this Franchise Agreement, all references to “**Franchised Business**” means the MY SALON~~My-Salon~~ Suite business designated by Franchisor in **Attachment A**.

A.

B. The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings of a Franchised Business; proprietary services and products that are offered to clientele of a Franchised Business; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the “MY SALON~~My-Salon~~ Suite” trademarks and such other trade names, service marks, and trademarks as are now designated for use in connection with the System (hereinafter referred to as “**Proprietary Marks**”). The Proprietary Marks are licensed to Franchisor so that Franchisor may use and sublicense the right to use the Proprietary Marks.

D. Franchisor and its Affiliate continue to develop, use, and control the use of such Proprietary Marks ~~in order~~ to identify for the public the source of marketed services and products marketed and under the System, and to represent the System’s high standards of quality, appearance and service.

E. Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality, cleanliness, appearance and service and the necessity of operating the Franchised Business (“**System Standards**”). Franchisee must comply with this Franchise Agreement and the System Standards and other requirements that Franchisor or its Affiliate may periodically prescribe for operating a Franchised Business.

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F. Franchisee has applied for a franchise to own and operate a single Franchised Business.

G. Franchisor hereby grants Franchisee the right to own and operate a Franchised Business or using its Proprietary Marks and System, in reliance upon all ~~of~~ the representations made in Franchisee's application and in this Franchise Agreement.

## **AGREEMENT**

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

### **1. DEFINITIONS**

Whenever used in this Franchise Agreement, the following words and terms have the following meanings:

**"Affiliate"** means any entity that controls, is controlled by, or is under common control with Franchisor;

**"Approved Location"** means the site for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor;

**"Designated Manager"** means the person designated by Franchisee that Franchisor approves and who has primary responsibility for managing the day-to-day affairs of the Franchised Business, and if Franchisee is an individual and not a business entity, the Designated Manager shall be Franchisee;

**"Franchise"** means the right granted to Franchisee by Franchisor to use the System and Proprietary Marks;

**"Gross Revenues"** means the total selling price of all services and products sold at and accrued at, from, or through Franchisee's Franchised Business, whether or not sold or performed at or from Franchisee's Franchised Business, and all income and revenue of every other kind and nature related to the Franchised Business operation, whether for cash, check, debit, credit, barter exchange, trade credit, items of financial or non-financial benefit to Franchisee, or other credit transactions-or-credit, and regardless of collection in the case of credit. "Gross Revenues" does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged, and Franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Revenues are the amount of any documented refunds, chargebacks, credits, and allowances given to customers in good faith pursuant to Franchisor's standard procedures for

issuing such refunds. All barter and exchange transactions for which Franchisee furnishes services or products in exchange for goods or services to be provided to Franchisee by a vendor or customer will be valued at the full retail value of the goods or services provided to Franchisee;



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**“Incapacity”** means the inability of Franchisee to operate or oversee the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

**“Internet”** means any one or more local or global interactive communications media that is now available, or that may become available, and includes websites and domain names on the World Wide Web;

**“Manual”** means the Franchisor’s proprietary franchise operations manual, and any other items as may be provided, added to changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and manager’s manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

**“Proprietary Marks”** means the trademark **“MY SALONMy-Salon Suite”** in both word and design mark form, and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols related to the **“MY SALONMy-Salon Suite”** trademark as Franchisor may designate to be used in connection with Franchised Business and/or the System;

**“System”** means the uniform standards, methods, procedures and specifications developed by Franchisor and as may from time to time be added to, changed, modified, withdrawn or otherwise revised by Franchisor, in its sole discretion, for the operation of a Franchised Business;

**“System Standards”** means all mandatory and suggested specifications, policies, standards, safety requirements, operating procedures, and rules periodically prescribed by Franchisor concerning the operation of a Franchised Business, and any information on Franchisee’s other obligations under the Franchise Agreement to maintain the high and consistent quality critical to attracting and keeping clients of Franchised Businesses and preserving the goodwill of the Proprietary Marks; and

**“Trade Secrets”** means information, without regard to form including, but not limited to, technical or non- technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or vendors which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## **2. GRANT OF FRANCHISE: APPROVED LOCATION**

**A. Grant and Acceptance.** Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Franchise Agreement, and Franchisee hereby accepts, a non-

exclusive license to establish and operate one (1) Franchised Business utilizing the System and the “MY SALON~~My Salon~~ Suite” Proprietary Marks. Franchisor has the right to periodically supplement,

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improve or otherwise modify the System and System Standard. Franchisee agrees to comply with all changes that may include, without limitation, the offer and sale of new or different products or services through the Franchised Business as Franchisor may specify.

**B. — Approved Location.**

**B.**

Franchisee may operate the Franchised Business only at the Approved Location identified in **Attachment A (“Data Sheet”)**. Franchisee may not relocate the Franchised Business without Franchisor’s prior written consent, and Franchisee must reimburse Franchisor for Franchisor’s cost in reviewing, evaluating, approving, and assisting in any relocation as set forth in Section 7 of this Franchise Agreement. In the event Franchisee has not secured an Approved Location prior to the Effective Date, then the parties will enter into Franchisor’s prescribed form of site selection addendum attached to this Franchise Agreement as **Attachment ~~BC~~ (“Site Selection Addendum”)**, and Franchisee must locate and secure an Approved Location within the “**Site Selection Area**” defined therein. For the avoidance of doubt, the Site Selection Area is non-exclusive and does not provide Franchisee with any territorial protection. Franchisee is not entitled to any territorial protection until an Approved Location has been approved by Franchisor and a Protected Territory (defined below) is granted. If Franchisee is seeking to locate the Approved Location in an area where a Franchised Business exists, Franchisee’s proposed location may be subject to a right of first refusal to the existing franchisee.

**C. Protected Territory.** Except as otherwise provided in this Franchise Agreement and for so long as Franchisee is not in default of this Franchise Agreement, Franchisor will not establish and operate, nor license any other third party the right to establish and operate, a Franchised Business within the standard geographical area (“**Protected Territory**”) during the term of this Franchise Agreement. Unless the Approved Location is: (i) in a densely populated area or sparsely populated area (“**Nonstandard Territory**”); and (ii) Franchisee has signed a territory change addendum; the Protected Territory will be a radius of two (2) miles from the Approved Location that may overlap with another Franchisee’s Protected Territory. A territory change addendum (“**Territory Change Addendum**”) will be created ~~at~~ the sole discretion of the Franchisor based on the location and demographics surrounding Franchisee’s Approved Location. If Franchisee has chosen an Approved Location that qualifies for a Nonstandard Territory, Franchisee must sign the Territory Change Addendum as a condition to receive approval for the proposed Approved Location. Franchisor and its Affiliates retain all other rights, including without limitation, those rights set forth in this Section 2.

**D. Rights Within and Outside Protected Territory.** Franchisee may market and promote the Franchised Business and the authorized products and services through its Franchised Business outside of the Protected Territory, provided the Franchisee first obtains Franchisor’s prior written consent. Franchisee may not solicit business in any other franchisee’s protected territory without first obtaining the consent of Franchisor. All sales and other activity must be conducted in accordance with the terms of this Franchise Agreement and System Standards. Franchisee may accept customers from outside Franchisee’s Protected Territory, provided Franchisee did not solicit such customers by advertising outside of Franchisee’s Protected Territory. If Franchisee wishes to advertise outside of the Protected Territory, Franchisor may condition its consent upon Franchisee’s agreement to offer other franchisees operating in territories encompassed by the circulation base of Franchisee’s proposed advertising the opportunity to

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~~circulation base of Franchisee's proposed advertising the opportunity to~~ participate in, and share the expense of, such solicitation and/or advertising.

**E. Reserved Rights.** Franchisor and/or its Affiliates expressly reserve all rights not expressly granted to Franchisee under this Franchise Agreement, including, among other things, the right to: (i) establish and operate, and license any third party the right to establish and operate, other Franchised Businesses using the Proprietary Marks and System at any location outside of the Protected Territory; (ii) market, offer and sell products and services that are similar to those products and services offered by the Franchised Business under a different trademark(s) at any location, within or outside the Protected Territory; (iii) use the Proprietary Marks and System to distribute Franchisor's approved products and/or services (including services such as those performed by the Franchised Business) in any alternative channel of distribution within or outside the Protected Territory, including via the Internet, mail order catalog, direct mail marketing and the sale of products in retail or wholesale store locations; (iv) to acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by Franchisee under the System and Proprietary Marks, within or outside the Protected Territory; (v) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in this Franchise Agreement. Franchisee understands that this Franchise Agreement grants Franchisee no rights: (i) to distribute such products or services as described in this Section; or (ii) to share in any of the proceeds received by any such party unless Franchisor otherwise agrees in writing.

### **3. FEES**

**A. Franchise Fee.** Franchisee shall pay to Franchisor, upon execution of this Franchise Agreement, a non-refundable initial franchise fee in the amount identified on **Attachment A ("Initial Franchise Fee")**. The entire Initial Franchise Fee is deemed fully earned upon ~~payment~~ ~~and~~ ~~is~~ ~~not~~ ~~refundable~~ ~~under~~ ~~any~~ ~~circumstances~~, ~~in~~ ~~consideration~~ of:

- (i) administrative, legal, and other expenses incurred by Franchisor in granting this franchise; and
- (ii) Franchisor's lost or deferred opportunity to enter into this Franchise Agreement with others.

**B. Royalty Fee.** Franchisee shall, on or before the tenth (10th) day of each month, pay to Franchisor a monthly royalty fee ("**Royalty Fee**") equal to five and one-half percent (5.5%) of Gross Revenues for the previous month for the first twelve (12) months that the Franchised Business is open. Beginning the thirteenth (13th) month following the opening of the Franchised Business through the end of the Term of this Franchise Agreement, Franchisee shall, on or before the tenth (10th) day of each month, pay to Franchisor the greater of One Thousand Dollars (\$1,000) or five and one-half percent (5.5%) of Gross Revenues.

**C. Brand Building Fund Contribution.** Franchisor has established a System-wide marketing and brand building fund (the "**Brand Building Fund**") as set forth more fully in Section

9 of this Franchise Agreement. Franchisor requires Franchisee to currently contribute a minimum of Two Hundred Dollars (\$\$200) per month to the Brand Building Fund but reserves the right to ~~increase the required contribution up to two percent (2%) of Gross Revenues (the “Fund Contribution”), which will~~



increase the required contribution up to two percent (2%) of Gross Revenues (the “Fund Contribution”), which will

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be due and payable ~~on a monthly basis~~ at the same time and in the same manner as the Royalty Fee.

**D. Technology Fee.** Franchisee agrees to pay Franchisor a Technology Fee of currently One Hundred Seventy Dollars (\$170) (“**Technology Fee**”) per month through the end of the term of the Agreement. The Technology Fee for additional franchised businesses is currently Seventy Dollars (\$70) per month per franchise through the end of the Franchise Agreement. Franchisor reserves the right to increase the Technology Fee at any time upon thirty (30) days’ notice to Franchisee. Franchisor may provide such notice via the Manual or any other manner that Franchisor deems appropriate.

**E. Gross Revenues Reports.** Upon thirty (30) days written notice by Franchisor, Franchisee must begin sending Franchisor a signed Gross Revenues report (the “**Gross Revenues Report**”) on or before the 5th of each month detailing the following information from the preceding calendar month: (i) Gross Revenues of the Franchised Business; (ii) Franchisee’s calculated Royalty Fee and Fund Contribution based on such Gross Revenues; and (iii) any other information Franchisor may require for that reporting period. Franchisor may periodically change the form and content of the Gross Revenues Reports.

~~F.~~ Method of Payment.

F.

~~(1)~~ EFT Program. Except for the Initial Franchise Fee, Franchisee shall pay all fees due to Franchisor under this Franchise Agreement through an electronic funds transfer (“**EFT**”). At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee’s bank name, address, and account number; and

(1) (ii) a voided check from such bank account. Contemporaneous with the execution of this Franchise Agreement, Franchisee shall sign and provide to Franchisor and Franchisee’s bank, all documents, including Franchisor’s form of EFT Authorization Form attached to this Franchise Agreement as Attachment C ~~the franchise disclosure document~~, necessary to effectuate Franchisor’s ability to withdraw funds from such bank account via EFT. Franchisee shall immediately notify Franchisor of any change in Franchisee’s banking relationship, including changes in account numbers. Franchisor shall have the right to periodically specify (in the Manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly/biweekly payment, payment by auto-draft, and payment by check. Franchisor reserves the right to charge a service fee of up to four percent (4%) for any payment paid to it or its Affiliates by credit card.

(2) *Non-Submission of Gross Revenues Reports.* If the Gross Revenues Report has not been received as required by this Franchise Agreement, then Franchisor may process an EFT for the month based on the most recent Gross Revenues Report provided by Franchisee to Franchisor, provided, that if a Gross Revenues Report for the month is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee’s designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of

Franchisee’s future obligations.

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(3) *Right to Modify Payment Interval or Method.* Franchisor reserves the right to modify

(3) -its method or interval for collecting any fees Franchisee must pay under this Franchise Agreement upon notice to Franchisee, and Franchisor may provide such notice via the Manual or any other manner that Franchisor deems appropriate.

**G. Late Payments and Interest.** Any amounts due to the Franchisor under this Franchise Agreement, including without limitation, Royalty Fees and Fund Contributions and amounts due for purchases made by Franchisee from Franchisor or its Affiliates, that are not received by Franchisor (or, if appropriate, its Affiliate) by the due date for said payment will bear interest until it is paid in full at the lesser of the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law. If any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event, Franchisee shall pay Franchisor One Hundred Dollars (\$100) per occurrence. In addition, if Franchisee fails to remit to Franchisor any Royalty Fee payment when due as provided in Section 3.~~B.2~~ or any Fund Contribution when due as provided in Section 3.C, or Technology Fee when due as provided in 3.D., Franchisor has the right, in addition to any other remedy available, to charge Franchisee a late fee of fifty dollars (\$50) for each day such Royalty Fee payment or Fund Contribution is late. Franchisee must also pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and outstanding amounts due Franchisor (or its Affiliate), including without limitation, reasonable accounting, and legal fees. The foregoing remedy shall be in addition to any other remedies the Franchisor may possess, as permitted by law. Franchisee acknowledges that this paragraph shall not constitute agreement by the Franchisor to accept such payments after they are due or a commitment by the Franchisor to extend credit to, or otherwise finance Franchisee's operation of Franchised Business. Further, Franchisee acknowledges that its failure to pay all amounts when due will constitute grounds for termination of this Franchise Agreement; if non-payment is not timely cured as set forth in this Franchise Agreement.

**G.**

**H. Late Fee for Submission of Late Report.** If Franchisee fails to submit to Franchisor any required reports when due, including, without limitation, Gross Revenue reports required under Section 3.3 or financial statements required under Section 11.~~B.2~~, Franchisor has the right, in addition to any other remedy available, to charge Franchisee (i) One Hundred Dollars (\$100) per occurrence and (ii) a late fee of Fifty Dollars (\$50) for each day such report is late, reduced, if necessary, to the extent such payment exceeds the amount permitted by applicable law. Franchisor may debit Franchisee's bank account for these amounts.

**I. Non-Compliance Fee.** If Franchisee is in default of any provision of this Franchise Agreement and Franchisee fails to timely cure the default following Franchisor's notice to Franchisee, Franchisor may, at its option, elect to charge a non-compliance fee of two and one half percent (2.5%) of Franchisee's Gross Revenues, two percent (2%) of which payable to Franchisor in the same manner as the Royalty Fee and one half percent (0.5%) payable to the Brand Building Fund in the same manner as the Fund Contribution, until Franchisee cures the default. The non-compliance fee shall be in addition to any other applicable fees or penalties set forth in this Franchise Agreement. Franchisor will provide written notice to Franchisee before charging the non-compliance fee.

**J. Franchisor's Right to Apply Franchisee Payments.** Notwithstanding any designation by Franchisee, the Franchisor shall have the sole discretion to apply any payments by

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Franchisee to any past due indebtedness of Franchisee in connection with payments due under this Franchise Agreement, amounts due in connection with purchases from the Franchisor and any of its Affiliates, interest, or any other indebtedness.

**K. No Right to Off Set.** Franchisee cannot set off any payments required to be made to Franchisor under this Franchise Agreement against any monetary claim it may have against Franchisor.

**L. Taxes.** Franchisee shall be responsible for paying all taxes and sales taxes collected in connection with the Franchised Business to the appropriate government entity.

**M. Definition of Good Standing.** The term “Good Standing” means that you do not owe any Royalty Fees, ~~or~~ Brand Contributions or Technology Fees, or any other monetary obligations to Franchisor more than in excess of thirty (30) days and Franchisee is in compliance with all of Franchisee’s other obligations under the Franchise Agreement and any other agreement with us, including timely reporting of Gross Sales. You are not in “Good Standing” if you make partial payments to us, but still have amounts outstanding more than in excess of thirty (30) days.

#### **4. TERM AND RENEWAL**

**A. Initial Term.** This Franchise Agreement shall be effective and binding from the date of its execution by Franchisor and will expire on the earlier of the date that is ten (10) years from the date the Franchisee first opens the Franchised Business at the Approved Location, or the date the initial term of the Franchisee’s lease expires, unless earlier terminated by Franchisor under this Franchise Agreement (“ten (10) years from that date (the “Initial Term”).

**B. Renewal Term.**

Franchisee shall have the right to renew this Franchise Agreement for two (2) additional, successive terms of ten (10) years (each a “**Renewal Term**,” and together with the Initial Term, the “**Term**”), if all ~~of~~ the following conditions have been fulfilled:

(1) Franchisee has, during the entire term of this Franchise Agreement, substantially complied with all material provisions;

(2) Franchisee has access to and, for the duration of the Renewal Term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by Franchisor, which must be in full compliance with Franchisor’s System Standards;

(3) Franchisee has at its expense, made such capital expenditures as were necessary to maintain uniformity with any System modifications such that the Franchised Business reflects the System Standards prior to the effective date of the Renewal Franchise Agreement (as defined below);



(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate) and has timely met these obligations throughout the term of this Franchise Agreement;

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(5) Franchisee is not in default of any provision of this Franchise Agreement or any other agreement between Franchisee and Franchisor, its Affiliates or any of Franchisor's Approved Vendors (as defined in this Franchise Agreement);

(6) Franchisee has given written notice of its intent to renew no less than nine (9) months, and no more than twelve (12) months, prior to the expiration of the then-current term;

(7) Franchisee has executed Franchisor's then-current form of the Franchise Agreement (~~“(the “Renewal Franchise Agreement,”)~~ and “Renewal Addendum” in the form of Attachment D to this Agreement,”); the terms of which: (i) will supersede this Franchise Agreement in all respects, and (ii) may materially differ from the terms of this Franchise Agreement by requiring, among other things, a different percentage Royalty Fee or Fund Contribution (provided, however, that Franchisee shall not be required to pay Franchisor's then-current Initial Franchise Fee under such a Renewal Franchise Agreement);

(8) Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with Franchisor's then-current training requirements for renewing franchisees; and

(9) Franchisee has executed a general release of ~~any and~~ all claims against Franchisor, its Affiliate(s) and against their respective officers, directors, shareholders and employees;

(10) Franchisee has obtained and maintained all licenses, permits and approvals required by federal and state law applicable to providing the Franchisor's authorized products and services at the Approved Location and operated in the Franchise Business within the Protected Territory; and

(11) Franchisee has paid to Franchisor, at the time Franchisee executed the Renewal Franchise Agreement, a renewal franchise fee (“**Renewal Franchise Fee**”) in an amount equal to fifteen percent (15%) of the then-current Initial Franchise Fee being charged to new franchisees under the System.

## 5. **MARKS**

A. **Ownership.** Franchisee's right to use the Proprietary Marks is derived solely from this Franchise Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Franchise Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. The parties agree and acknowledge that any unauthorized use of the Proprietary Marks by Franchisee constitutes both a breach of this Franchise Agreement and intentional infringement of Franchisor's trademark rights in and to the Proprietary Marks. Franchisee's use of the Proprietary Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any

time acquire an ownership interest in the Proprietary Marks by virtue of any use it may make of the Proprietary Marks. This Franchise Agreement does not confer any goodwill, title, or interest in the Proprietary Marks to Franchisee. Franchisee shall not, at any time during the term of this

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Franchise Agreement or after its termination or expiration: (i) challenge or contest the validity or ownership of any of the Proprietary Marks; or (ii) assist any other person in challenging or contesting the validity or ownership of any of the Proprietary Marks in any manner.

**B. Limitations on Use.** Franchisee shall not use any portion of the Proprietary Mark or trade name as part of any corporate or trade name, including without limitation, any use of such name or Proprietary Mark with any prefix, suffix or other modifying words, terms, designs, or symbols or in any other modified form, without the prior written consent of Franchisor. In the event a modification is approved by Franchisor, such modification will be considered the property of Franchisor and Franchisor may license such modification to third parties. Franchisee may not use any trade name or any Proprietary Mark in connection with the sale of any unauthorized products or services, or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give ~~such~~ notices of trademark and service mark registrations as Franchisor specifies and provide Franchisor with a copy of any fictitious or assumed name registrations that Franchisor permits Franchisee to obtain. Franchisee shall not register or seek to register as a trademark or service mark, with either the United States Patent and Trademark Office or any state or foreign country, any of the Proprietary Marks or a trademark or service mark that is confusingly similar to any Proprietary Mark licensed to Franchisee. Franchisee must display a prominent notice stating that the Franchised Business is an “**Independently Owned and Operated Franchise**” of Franchisor on all letterhead, forms, cards and other such identification, and Franchisee must also display such a notice at the Approved Location.

**C. Notification of Infringements and Claims.** Franchisee must notify Franchisor within ~~ten (10seven-7)~~ business days of obtaining notice or knowledge of any claim, demand or cause of action based upon, or arising from, any attempt by any other person or business to use the Proprietary Marks or any colorable imitation thereof notify Franchisor of such claim, demand, or cause of action. Franchisee must notify Franchisor of any action, claim or demand against Franchisee relating to the Proprietary Marks within ~~ten (10seven-7)~~ business days after Franchisee receives notice of said action, claim or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Proprietary Marks, Franchisor has the right, at its option, to control the defense of any such action. Franchisor has the exclusive right to contest or bring action against any third party regarding that third party’s use of any of the Proprietary Marks and shall exercise such right in its sole discretion. Franchisee shall not communicate with any person other than Franchisor and Franchisor’s counsel in connection with any such infringement, challenge, contest, action, or claim; provided, however, Franchisee may communicate with its counsel at its own expense. In any defense or prosecution of any litigation relating to the Proprietary Marks or components of the System undertaken by Franchisor, Franchisee must use its best efforts to fully cooperate with Franchisor and execute all documents and take all actions as may be desirable or necessary, in the opinion of Franchisor’s counsel, to carry out such defense or prosecution. Both parties shall make every effort consistent with the foregoing to protect, maintain and promote the Proprietary Marks as identifying the System.

**D. Indemnification for Use of Proprietary Marks.** Franchisor may, as it deems appropriate in its sole discretion, indemnify, defend, and hold Franchisee harmless for any

third- party claims brought against Franchisee that solely arise out of Franchisee's expressly authorized use of the Proprietary Marks in connection with the Franchised Business, but Franchisor shall not be obligated to do so under any circumstances. In the event Franchisor does elect to indemnify

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~~be obligated to do so under any circumstances.~~



~~In the event Franchisor does elect to indemnify~~ Franchisee under this Section, Franchisee must have strictly complied with all notice and other requirements under this Section and must continue to do so until the matter is resolved.

**E. Discontinuance of Use.** If Franchisor determines in its sole discretion that it is advisable or necessary to discontinue, supplement or otherwise modify any of the Proprietary Marks used in connection with the Franchised Business and/or System, including using one or more substitute or additional marks, trade names or other commercial symbols, Franchisor will provide Franchisee with written notice of this determination and directives for implementing any such change in the Proprietary Marks. Franchisee agrees and acknowledges that it must comply with Franchisor's directives within ten (10) business days of receiving notice from Franchisor, unless Franchisor directs Franchisee that the change must be made immediately to resolve any third-party claim or dispute regarding the Proprietary Marks. Franchisor will not be required to reimburse Franchisee for any expenses it incurs in connection with: (i) modifying or discontinuing the use of a Proprietary Mark; (ii) any alleged loss of goodwill associated with any modified or discontinued Proprietary Mark; or (iii) for any expenditures made by Franchisee to promote a modified or substitute trademark or service mark.

**F. Right to Inspect.** Franchisor and/or its designees will have the irrevocable right to enter and inspect the Franchised Business and the Approved Location at all reasonable times in order to: (i) ensure that Franchisee is properly using and displaying the Proprietary Marks in the operation of the Franchised Business; (ii) observe the manner in which Franchisee is rendering its services and conducting its activities and operations to ensure compliance with System Standards and specifications; and (iii) inspect facilities, financials, equipment, supplies, reports, forms and documents and related data to ensure that Franchisee is otherwise operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and/or its designee also have the right, at any reasonable time, to remove sufficient quantities of any item used in the rendering of services, to test whether such item ~~meets~~ Franchisor's then-current standards. Franchisor may conduct such inspections during any regular business hours of the Franchised Business (as prescribed herein or the Manual) without notice to the Franchisee, provided Franchisor has a good faith belief that its inspection will not substantially disrupt the operations of the Franchised Business. Otherwise, Franchisor may provide twenty- four (24) hours' notice of such inspection.

~~G.~~ **Franchisor's Sole Right to Domain Name.** Franchisee hereby acknowledges that Franchisor and its Affiliates are the owners or all rights, title, and interest in the registration of the domain name www.mysalonsuite.com and any other domain used for the System ("**Domain Name**"). During the term of this Franchise Agreement and thereafter, Franchisee agrees not establish, create, traffic in, or operate an Internet site or website using a domain name or uniform resource locator containing any of the Proprietary Marks, including "~~MY SALON~~ **My Salon Suite**" or any portion or variation thereof. Franchisee agrees and acknowledges that

Franchisor, its Affiliate and any licensor of Franchisor or its Affiliate retain the exclusive right to advertise on the Internet and create websites using the “MY SALON~~My Salon~~ Suite” name and any other domain name(s) that Franchisor\_

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may specify in the Manual or other writing. Franchisor is the sole owner of all right, title, and interest in and to such domain names, as Franchisor shall designate in the Manual.

**G.**

**H. Improvements.** Any improvements or additions to the System, patents, copyrighted materials, the Domain Name, website, or any other documents or information

~~H.~~ -pertaining to or relating to the System or the Franchised Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Franchised Business or any advertising and promotional ideas or inventions related to the Franchised Businesses (collectively, “**Improvements**”) conceived or developed by Franchisee shall become Franchisor’s property. Franchisee agrees to assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor’s written approval prior to using such Improvements. Any Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchisor may apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor in securing such rights. Franchisor may also consider such Improvements as the property and trade secrets of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by Franchisee, or any other person or entity retained or employed by Franchisee is Franchisor’s property, and Franchisor shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the Improvements are not works made for hire or rights in the Improvements do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Improvements, which Franchisee and the author of such Improvements warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure Franchisor’s right in the Improvements as required in this Section.

~~I.~~ Photo/Video Release. Franchisee ~~or Franchisee’s Owners acknowledge~~acknowledges and ~~authorize~~authorizes Franchisor to use its likeness in a photograph in all of Franchisor’s publications, including printed and digital publications and on websites. Franchisee ~~or Franchisee’s Owners agree~~agrees and ~~understand~~understands that any photograph using ~~Franchisee or Franchisee’s Owner’s~~ likeness will become Franchisor’s property and will not be returned. Franchisee ~~or Franchisee’s Owners agree~~agrees and irrevocably ~~authorize~~authorizes Franchisor to edit, alter, copy, exhibit, publish or distribute any photograph of Franchisee ~~or Franchisee’s Owners~~ for any lawful purpose. Franchisee ~~or Franchisee’s Owners agree~~agrees and ~~waive~~waives any rights to royalties, or any other compensation related to Franchisor’s use of any photograph of Franchisee ~~or Franchisee’s Owners.~~

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I. Franchisee agrees to hold harmless and forever discharge Franchisor from all claims, demands, and causes of action which Franchisee may have in connection with this authorization.

~~6.~~ MANUAL

~~6.~~

A. **Loan by Franchisor.** During the term of this Franchise Agreement, Franchisor shall loan to Franchisee one (1) copy of the Manual ~~electronically.~~ Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual shall, always, remain the sole property of Franchisor and Franchisee must promptly return the Manual upon expiration or termination of this Franchise Agreement.

B. **Revisions to the Manual.** Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures, and rules prescribed by Franchisor. Franchisor may make and provide Franchisee with such changes or modifications to the Manual without any prior notice to Franchisee, and Franchisee must immediately adopt such changes upon receipt thereof.

C. **Confidentiality of Manual.** The Manual contains certain Trade Secrets and other Confidential Information (defined below) of Franchisor and shall be kept confidential by Franchisee both during the Term of the Franchise Agreement and subsequent to the expiration or termination of this Franchise Agreement. Franchisee must always ensure that ~~its~~ copy of the Manual is available at the Approved Location in a current and up-to-date manner. Franchisee may not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner. Franchisee must maintain the Manual in a locked receptacle at the Approved Location and shall only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling. At Franchisor's option, Franchisor may post some or all of the Manual, as well as updates thereto, on a restricted website or extranet to which Franchisee and others in the System will have access. If Franchisor chooses to do so, Franchisee agrees to monitor and access such website or extranet for any updates to the Manual or System Standards. All passwords or other digital identifications necessary to access the Manual on a website or extranet are deemed "**Confidential Information**" as defined in this Franchise Agreement.

~~7.~~ SITE SELECTION AND FRANCHISED BUSINESS CONSTRUCTION

~~7.~~

A. **Site Selection.**

~~(1)~~ Franchisee is solely responsible for locating an Approved Location for the Franchised Business and securing a lease for such location. Franchisor will provide

Franchisee with its site selection criteria for the Franchised Business, to the extent such criteria have been developed, either as part of the Manual or otherwise in writing after this Franchise Agreement has been executed. Franchisor may, as it deems appropriate in its sole discretion, assist Franchisee in evaluating a potential location and reviewing the terms of any lease for such location. -If Franchisor deems necessary, Franchisor will send a\_

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(1) representative to travel to any proposed location for the Franchised Business and provide an on-site evaluation of the premises, and Franchisee must reimburse Franchisor for the reasonable expenses incurred in connection with such an evaluation.

(2) Franchisee must provide Franchisor with all information Franchisor reasonably requires with respect to any proposed location for the Franchised Business, including a copy of the lease and/or the purchase agreement for such location. Franchisee must propose at least one (1) location within six (6) months of the Effective Date, or Franchisor may immediately terminate this Franchise Agreement upon notice.

(3) Franchisor will use commercially reasonable efforts to approve or reject any proposed location within fifteen (15) business days of receiving all the information. Franchisor will not unreasonably withhold its approval of a proposed location provided the information provided by Franchisee for the location demonstrates that it meets Franchisor's standards. Franchisor may condition its approval of the lease for any proposed location on Franchisee and landlord's agreement to enter into a collateral assignment of lease for the premises and a lease addendum in substantially the same form as **Attachment E1**. Franchisor may terminate this Franchise Agreement upon notice to Franchisee if Franchisee fails to obtain an Approved Location within nine (9) months of the Effective Date unless Franchisor agrees to a longer period.

(4) If you plan to purchase the building where the Approved Location for your Franchised Business will be, then the landlord entity that owns the building must be a separate entity from the franchisee entity. We must approve the lease.

(4)(5) Franchisee understands and acknowledges that: (i) the location of the Franchised Business is one of many considerations in the potential success of the Franchised Business; and (ii) Franchisor's approval of any proposed location does not constitute any type of representation or guarantee by Franchisor with respect that Franchisee will succeed at the selected Approved Location or constitute an expression of Franchisor's opinion regarding the terms of the Lease. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business adviser to assist Franchisee in selecting a location and negotiating a lease for the Franchised Business. Once Franchisee secures an Approved Location, the information must be updated on the Data Sheet.

**B. Zoning Clearances, Permits and Licenses.** Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary due to any restrictive covenants relating to the Franchised Business and/or the Approved Location. Prior to beginning the construction of the Franchised Business, Franchisee shall: (i) obtain all permits, licenses and certifications required in connection with the lawful construction or remodeling, as well as the operation of, the Franchised Business at the Approved Location; and (ii) certify in writing to Franchisor that the insurance coverage specified in this Franchise Agreement is in full force and effect, and that all required approvals, clearances, permits and certifications have been obtained. Upon written

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**B.** request, Franchisee must provide to Franchisor additional copies of Franchisee's insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

**C. Design Standards Fee and Architectural Requirements.** Franchisee shall pay to Franchisor, within five (5) days of Franchisor's invoice, a design standards fee ("Design Standards Fee"), in the amount of One Thousand Fifteen Hundred Dollars (\$1,~~500~~) to Two Thousand Five Hundred Dollars (\$2,500).~~000~~. The Design Standards Fee is for access to Franchisor's

~~-then-~~current “**Franchise System Standards and Specifications for the Build-Out, Remodeling or Construction of your Franchised Business**” information. Franchisor will also provide Franchisee with any template architectural or designed plans, if any, previously approved or designated by Franchisor upon request of Franchisee. The Design Standards Fee is deemed fully earned upon payment and is not refundable under any circumstances. Franchisee must obtain any architectural, engineering and design services it deems necessary for the construction of the Franchised Business at its own expense from an architectural design firm that Franchisor approves. Franchisee will be required to provide Franchisor with both CAD and PDF files of the architectural designs for the build out of the Approved Location. Franchisor may provide prototypical architectural and design plans and specifications for construction and/or build-out of a Franchised Business. Franchisee must ensure that such plans, if provided, are complied with in the build- out of the Franchised Business, unless Franchisee adapts such plans and submits them to Franchisor for review. If Franchisor determines, in its reasonable discretion, that any such plans are not consistent with the best interests of the System, Franchisor may prohibit the implementation of such plans, and in this event will notify Franchisee of any objection(s) within 10 business days of receiving such plans. If Franchisor fails to notify Franchisee of an objection to the plans within this ~~time~~ period, Franchisee may use such plans. If Franchisor objects to any such plans, it shall provide Franchisee with a reasonably detailed list of changes necessary to make the plans acceptable. Franchisor shall, upon a re-submission of the plans with such changes, notify Franchisee within ten

~~€.~~ (10) days of receiving the resubmitted plans whether the plans are acceptable. If Franchisor fails to notify Franchisee in writing of any objection within such ~~time~~ period, Franchisee may use the resubmitted plans. Franchisee acknowledges that Franchisor’s review of such plans relates only to compliance with the System and that acceptance by Franchisor of such plans does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor that such plans are accurate or free of error concerning their design or structural application. Franchisee will be required to obtain a site survey and architectural site inspection of the build-out of the Franchised Business.

**D. Project Management Fee.** Franchisee must pay Franchisor a project management fee (“**Project Management Fee**”) of ~~FiveTwo~~ Thousand ~~Five Hundred~~ Dollars (\$~~5,0002,500~~) for Franchisor’s assistance with design, service bids, bid process, service management, and a total of two (2) site assistance visits from Franchisor. If Franchisee requires more than two (2) site assistance visits or requires that any site assistance visit last longer than two (2) days, Franchisee will pay Franchisor’s ~~then-~~current fee plus any reasonable travel and living expenses incurred by Franchisor. The Project Management Fee and any additional site assistance fees are due within five (5) days of invoice and are deemed fully earned by Franchisor once paid and are non- refundable.

~~E.~~ **Build-Out of Franchised Business.** Franchisee must commence and diligently pursue construction or remodeling (as applicable) of the Franchised Business once Franchisor



E. approves the design plans as set forth in Section 7.3. During the time of construction or remodeling, Franchisee shall provide Franchisor with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by Franchisor. In addition, Franchisor may make onsite inspections as it may deem reasonably necessary to evaluate such progress. Franchisee must notify Franchisor of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, Franchisor may, at its option, conduct an inspection of the completed Franchised Business. Franchisee acknowledges and agrees that it may not open the

-Franchised Business for business without the written authorization of Franchisor, and that Franchisor's authorization to open will be conditioned upon Franchisee's strict compliance with this Franchise Agreement.

**F. Opening Date: Time is of the Essence.** Franchisee acknowledges that time is of the essence with respect to all obligations under this Franchise Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business and commence business within twelve (12) months of the Effective Date, or Franchisor may terminate this Franchise Agreement immediately upon notice to Franchisee, unless Franchisee obtains an extension of such time from Franchisor in writing. The date the Franchised Business opens for business to the public is herein called the "**Opening Date**". If Franchisee fails to comply with any of the obligations set forth in this Section, except for delay caused by a *force majeure* act, Franchisor may prohibit Franchisee from commencing business.

## **8. FRANCHISOR'S OBLIGATIONS**

### **8.**

**A. Site Selection and Build-Out Assistance.** Franchise will provide assistance, as it deems appropriate in its sole discretion, in connection with selecting the Approved Location and constructing and/or building out the Franchised Business, as described more fully in Section 7.

**B. List of Approved Vendors and Approved Products.** Prior to the opening of the Franchised Business, Franchisor will provide Franchisee with a list of: (i) those items and services that Franchisee is required to purchase in connection with the establishment and operation of the Franchised Business, including specific salon equipment, beauty supplies and other purchases that must be made according to the System Standards and/or from Franchisor's approved/designated vendors (collectively, the "**Required Purchases**"); and (ii) Franchisor's approved/designated vendors for these Required Purchases (the "**Approved Vendors**"). These lists may be contained in the Manual or otherwise provided to Franchisee in writing, and Franchisor may modify or supplement these lists as it deems advisable in its sole discretion.

**C. Training Programs.** Franchisor shall provide the MY SALON Suite University~~Initial Training~~ Program and any additional/ongoing training as set forth in Section 10 of this Franchise Agreement subject to the availability of Franchisor's training staff, and at Franchisor's sole discretion.

**~~D.~~ Ongoing and On-Site Assistance.** Franchisor may provide Franchisee continuing consultation and advice, as Franchisor deems necessary and appropriate in its sole discretion, regarding the management and operation of the Franchised Business. Franchisor will provide ~~such assistance, in Franchisor's discretion, by telephone, facsimile, intranet communication,~~



electronic mail and on-site visits. If Franchisee requires and requests additional onsite assistance from\_

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**D.** Franchisor, subject to the availability of Franchisor's personnel, Franchisor may provide Franchisee with such assistance at Franchisor's then-current training fee, plus reasonable expenses, including Franchisor's travel and lodging expenses.

**E.     Advertising Approval; Prescribed Advertising Materials.**

Franchisor will approve or disapprove any marketing that Franchisee wishes to use to promote and/or advertise the Franchised Business as set forth more fully in Section 9 hereof. In some instances, Franchisor may provide certain advertising materials and promotional campaigns to

-Franchisee that Franchisee must use in connection with its Franchised Business, as Franchisor deems necessary in its sole discretion. All advertising and promotional items provided, or approved, by Franchisor ~~are~~ Franchisor's proprietary property and must be used in the manner and form prescribed by Franchisor.

~~F.~~ Alternate Vendor Approval.

~~F.~~ \_\_\_\_\_

Franchisor will approve or disapprove Franchisee's requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from vendors that are not one of Franchisor's then-current Approved Vendors.

~~G.~~ Brand Building Fund. Franchisor may, if and as it deems appropriate in its sole discretion, establish the Brand Building Fund, as described more fully in Section 9.~~C.3~~ of this Franchise Agreement. If Franchisor establishes the Brand Building Fund, Franchisor may begin collecting Franchisee's Fund Contribution via EFT as described more fully in Section 3.~~C.3~~.

~~G.~~ \_\_\_\_\_

~~H.~~ Annual Conference. Franchisor may, as it deems necessary in its sole discretion, hold an annual conference at a location to be selected by Franchisor ("**Annual Conference**"). Franchisor shall determine the topics and agenda for such conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding Franchised Business operations and programs, and recognizing franchisees for their achievements. Franchisor may require Franchisee to: (i) attend the Annual Conference for up to three (3) days per year; and (ii) pay Franchisor's then-current registration fee for such attendance. The registration fee will be due regardless of whether or not Franchisee attends the Annual Conference. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are Franchisee's sole responsibility. Franchisor may use expenditures from the Brand Building Fund for purposes related to the Annual Conference, including costs related to productions, programs, and materials.

~~I.~~ Website. Franchisor may, but is not obligated to, establish an Internet website that provides information about the System and the products and services offered by Franchised Business locations, as described more fully in Section 9 of this Franchise Agreement. Franchisee\_

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**I.** \_\_\_\_\_ may not establish, register, or use any other independent website or splash page on the Internet in connection with the Franchised Business without Franchisor's prior written consent.

**J.      Modification of System.** Franchisor may revise, update, supplement or otherwise modify the Manual, System and System Standards.

**K.      Purchasing Arrangements.** Franchisor reserves the right to implement a centralized purchasing system for franchisees and negotiate prices and terms with vendors and to receive rebates from such franchisee purchases. Franchisor may utilize such rebated funds in any manner it chooses.

**L.      Delegation of Performance.** Franchisee agrees that Franchisor has the right to delegate any duty or obligation imposed on Franchisor by this Franchise Agreement to a designee of Franchisor, including a third-party designee, whether these designees are Franchisor's agents or

~~L.~~ independent contractors with whom Franchisor has contracted (1) the performance of any portion or all of Franchisor's obligations under this Franchise Agreement, and (2) any right that Franchisor has under this Franchise Agreement. If Franchisor does so, such third-party designees will be obligated to perform the delegated functions for Franchisee in compliance with this Franchise Agreement.

## ~~9.~~ ADVERTISING AND MARKETING

### ~~9.~~ \_\_\_\_\_

A. **Participation in Advertising.** Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Business operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon Franchisee.

B. **Local Advertising.** During the term of this Franchise Agreement, Franchisor strongly recommends that Franchisee expend a minimum of ~~Three~~Five Hundred Dollars (~~\$300) per month~~500)-each-quarter in connection with the promotion and advertisement of the Franchised Business within the Protected Territory (the "**Local Advertising Expenditures**"). Franchisee may spend any additional sums Franchisee wishes on local advertising, but Franchisee must use only such advertising and promotional materials that have been previously approved or prescribed by Franchisor. Franchisee must use only ~~such~~ advertising and promotional materials as have been previously approved by Franchisor. Franchisee shall pay to Franchisor a fee of Five Hundred Dollars (\$500) per occurrence of Franchisee's unauthorized advertising, including any unauthorized website or social media created or used by Franchisee. Upon Franchisor's request, Franchisee must submit a report of Franchisee's monthly expenditures on local advertising and marketing on or before the 10th day of each calendar month, along with any invoices or other proof of such expenditures.

~~C.~~ **Brand Building Fund.** Franchisor reserves the right to establish and administer a Brand Building Fund for the purpose of advertising the System on a regional or national basis. \_

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C. Franchisee agrees to contribute to the Brand Building Fund as described in Section 3.~~C.3~~ of this Franchise Agreement. Franchisee agrees that the Brand Building Fund shall be maintained and administered by Franchisor, or its designee as follows:

(1) Franchisor shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Building Fund is intended to maximize public recognition and acceptance of the Proprietary Marks and enhance the collective success of all Franchised Businesses operating under the System. In administering the Brand Building Fund, Franchisor and its designees undertake no obligation to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution or to ensure that any franchisee benefits directly or *pro rata* from the placement of advertising. Franchisor shall be entitled to reimburse itself from the Brand Building Fund for its reasonable expenses in managing ~~the Brand Building Fund.~~

the Brand Building Fund.

(2) Franchisee agrees that the Brand Building Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; in-store or point of purchase marketing materials; public relations activities; employing advertising agencies to assist therein; development and maintenance of Franchisor's website; and costs of Franchisor's personnel and other departmental costs for advertising that is internally administered or prepared by Franchisor). All sums paid by Franchisee to the Brand Building Fund shall be maintained in a separate account by Franchisor and may be used to defray Franchisor's expenses, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Brand Building Fund and advertising programs for franchisees and the System. The Brand Building Fund and its earnings shall not otherwise inure to the benefit of Franchisor. The Brand Building Fund is operated solely as a conduit for collecting and expending the advertising fees as outlined above. Franchisor will not use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the right to include a notation in any advertisement or website indicating "**Franchises Available**" or similar phrasing.

(3) A statement of the operations of the Brand Building Fund will be prepared annually by Franchisor and shall be made available to Franchisee upon Franchisee's written request. This statement of operations may be unaudited, but Franchisor reserves the right to use the Brand Building Fund Contributions to engage an accountant to audit the financial statements of the Brand Building Fund.

~~(4)~~—Any monies remaining in the Brand Building Fund at the end of any year will carry over to the next year. Although the Brand Building Fund is intended to be of perpetual duration, Franchisor may terminate the Brand Building Fund. The Brand Building Fund will not be terminated, however, until all monies in the Brand Building Fund have been expended for advertising or promotional purposes or returned to contributing



~~(4) Franchised Businesses or those operated by Franchisor, without interest, based on their~~ respective contributions.

(5) If Franchisor elects to terminate the Brand Building Fund, Franchisor may, in its sole discretion, reinstate the Brand Building Fund at any time. If Franchisor~~se~~ chooses to reinstate the Brand Building Fund, the reinstated Brand Building Fund shall be operated as described herein.

**D. Conduct of Advertising: Franchisor's Approval.** All advertising and promotion by Franchisee in any medium shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee must obtain Franchisor's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the three months prior to their proposed use. Franchisee shall submit such unapproved plans and materials to Franchisor at least twenty (20) days prior to the intended date of use, and Franchisor shall have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If

~~D.~~ Franchisor does not provide its specific approval of the proposed materials within the fifteen (15) day period, the proposed materials are deemed not approved. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Franchisee shall not advertise or use the Proprietary Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without the express written consent of Franchisor. Franchisor may revoke ~~its~~ approval of any previously approved advertising or marketing materials proposed by Franchisee, and Franchisee must cease use of such materials upon receiving notice of revocation from Franchisor. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee, including, but not limited to, "**Franchises Available**" and reference to Franchisor's telephone number and/or website.

**E. Grand Opening Advertising.** In addition to the ongoing advertising contributions set forth herein, Franchisee shall be required to spend a minimum of Ten Thousand Dollars (\$10,000) on a grand opening advertising campaign to advertise the opening of the Franchised Business. The grand opening advertising campaign shall be conducted in the ninety (90) day period comprising forty- five (45) days prior to, and forty-five (45) days following, the grand opening of the Franchised Business. All advertisements proposed to be used in the grand opening advertising campaign are subject to Franchisor's review and approval in the manner set forth in this Section 9.

**F. Websites and Social Media.** As used in this Franchise Agreement, the term "**Website**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

~~(1)~~ Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, Franchised Businesses and any or all ~~of~~ the products offered at these salons, the franchising of Franchised Businesses and/or the System. Franchisor shall have the sole right to control

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(1) all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage. Franchisor shall also have the right to discontinue operation of the Website.

(2) Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Business, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance, and content of any such web pages; and Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

(3) Franchisee shall not establish a separate Website without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards, and specifications with respect to the creation, maintenance, and content of any such Website. Franchisee specifically acknowledges and agrees that any Website owned or maintained by or for the benefit of Franchisee shall be deemed "**advertising**" under this Franchise Agreement and will be subject to (among other things) Franchisor's approval under this Section 9.

Agreement and will be subject to (among other things) Franchisor's approval under this Section 9.

(4) — Franchisee shall not promote or otherwise list its Franchised Business or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, ~~MySpace~~, LinkedIn, Plaxo, X (formerly Twitter) or YouTube, TikTok without Franchisor's prior written consent.

(4)

(5) Franchisor shall have the right to modify the provisions of this Section 9.6 relating to Websites and social media, as Franchisor shall solely determine is necessary or appropriate. Franchisor may update these provisions through the Manual or otherwise in writing.

## 10. **TRAINING**

A. **Initial Training Program.** Franchisee, as well as any individual Franchisee designated to manage the day-to-day operations of the Franchised Business (the “**Designated Manager**”), must attend, and complete to Franchisor's satisfaction, Franchisor's initial training program (the “MY SALON Suite University”) ~~Initial Training Program~~) ~~within sixty (60) before opening days of the Franchised Business~~ Effective Date. If Franchisee is a partnership, corporation, or limited liability company (“**Entity**”), at least one (1) of the trainees must be Franchisee's general partner, principal shareholder or manager, as applicable. Franchisor will provide the MY SALON Suite University ~~Initial Training Program~~ to this individual and ~~an~~ additional individual tuition-free. All trainees that Franchisee designates prior to opening must attend MY SALON Suite University ~~the Initial Training Program~~ at the same time. MY SALON Suite University ~~The Initial Training Program~~ will be conducted ~~at Franchisor's then-current training facility~~, online, on demand education or another location Franchisor designates. Franchisor ~~provides~~ ~~may provide certain~~ components of MY SALON Suite University ~~the Initial Training Program~~ by webinar or ~~otherwise~~ via the Internet, as Franchisor deems appropriate in its sole discretion. All training related expenses, including Franchisee and other trainees' transportation to and from the training site, ~~lodging, meals, and salaries during training~~, are Franchisee's sole responsibility. MY SALON Suite University is intended to protect and maintain the System Standards and the Proprietary Marks and not to control the day- to-day operation of Franchisee's Franchised Business. Franchisee must sign a Training and Joint Employment Acknowledgment to indicate Franchisee's understanding of this. This acknowledgment will be in the form contained in Attachment “F” to the Franchise Agreement. Initial Training (“MY SALON SUITE University”), must be completed in the following order:

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~~meals, and salaries during training, are Franchisee's sole responsibility. Initial Training (FLAIR University, must be completed in the following order:~~

1. Online Training or On Demand Education Completion
2. Designated Mentor Location Visit
3. ~~FLAIR Foundation~~

(1) *Replacement Personnel.* In the event Franchisee or Designated Manager fails to complete MY SALON Suite University~~the Initial Training Program~~ to Franchisor's satisfaction, that person may repeat the course, or, in the case of an employee, Franchisee may send a replacement (collectively, the "**Replacement Personnel**") to the next available training session. Franchisor may charge its then-current training tuition fee for Franchisee to re-attend, or have Replacement Personnel attend, MY SALON Suite University~~the Initial Training Program~~. Failure by Franchisee, an employee, or any Replacement Personnel to complete MY SALON Suite University~~the initial training program~~ to Franchisor's satisfaction within the time prescribed in this Franchise Agreement shall constitute default of this Franchise Agreement and Franchisor may terminate the Franchise ~~Agreement~~.

Agreement.

~~(2)~~ *Additional Employees.* In the event Franchisee wishes for more than one (1) additional person to participate in MY SALON Suite University~~the Initial Training Program~~ (other than Franchisee or Franchisee's partner, principal shareholder or manager or Designated Manager), Franchisor may provide MY SALON Suite University~~the Initial Training Program~~ to such additional persons, subject to the availability of Franchisor's personnel. Franchisee will be required to pay Franchisor Two Thousand Dollars (\$2,000) for each additional person who attends MY SALON Suite University~~the Initial Training Program~~. In addition, all training related expenses for Franchisee's additional personnel, including transportation to and from the training site, ~~lodging~~, meals, and salaries during training, are Franchisee's sole responsibility.

(2)

(3) *Training Materials.* Franchisor will provide Franchisee with training materials for Franchisee to use in training Franchisee's personnel. Updated training materials will be provided to Franchisee by Franchisor upon written request. All training materials provided to Franchisee by Franchisor shall ~~always at all times~~ remain Franchisor's property, and Franchisee agrees not to challenge Franchisor's or Franchisor's Affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication, or other unauthorized use of any portion of the training materials. Only Franchisor's provided training materials may be used by Franchisee in training Franchisee's personnel.

(4) *Training Instructors.* Franchisor has the right to substitute certain instructors of, or other personnel involved with, MY SALON Suite University~~the Initial Training Program~~ with other individuals that have similar experience with the System or have otherwise been properly trained by Franchisor's personnel to be ~~a MY SALON Suite University~~an Initial Training Program instructor.

~~(5)~~ *Failure to Complete* MY SALON Suite University~~Initial Training Program~~. In the event Franchisee or its Designated Manager fail to complete MY SALON Suite University~~the Initial Training Program~~ within the prescribed ~~time~~ period, Franchisor may terminate this Franchise Agreement immediately upon notice.

to Franchisee and Franchisee is not entitled to any refund of the Initial Franchise Fee or other expenses incurred with MY SALON Suite University.~~the Initial Training Program.~~

~~**B. Staff Training: Staffing Requirement.** Franchisee's employees that Franchisor does not require to attend the Initial Training Program as set forth in Section 10.1 shall be trained by Franchisee, or its owner or Designated Manager that has successfully completed the Initial Training Program to Franchisor's satisfaction. The training of regular employees must be completed prior to the opening of the Franchised Business for those who are employed initially by Franchisee, and prior to the employee commencing its duties for those hired by Franchisee after the opening of the Franchised Business. Franchisee's Designated Manager shall have the skill level, training, and experience commensurate with the demands of the position. At all times during the term of this Franchise Agreement, Franchisee shall employ an adequate staff of employees working at the Franchised Business who shall have been fully and adequately trained, in Franchisor's judgment, and all such employees shall have completed all training certification(s) required by any governmental authority and applicable law.~~

~~FLAIR Culture & Purpose is required for all staff. This training will consist of 1.5 days of in person training with a required attendance fee of \$1,250 per person. This training may be hosted regionally, twice a year.~~

(5)

~~**C.B. Additional Training.** To assist Franchisee in the operation of the Franchised Business, Franchisor may offer, and require Franchisee and other personnel Franchisor designates to attend, additional training programs and/or refresher courses, as Franchisor deems necessary. Franchisor may require Franchisee and its Designated Manager (if applicable) to attend up to two (2) days of additional training under this Section each year, and Franchisee will be required to pay Franchisor's training tuition fee for such additional training upon Franchisor's request. If such training is conducted at the Approved Location, Franchisee shall also be required to pay Franchisor's reasonable travel and accommodation expenses. Additional training courses and programs may be required by Franchisee and/or its staff as dictated in the ~~Operations~~ Manual. Franchisee shall be required to comply with any updates to the training program within sixty (60) days of receiving updates to the ~~Operations~~ Manual.~~

~~**D.C. Costs and Expenses.** With respect to all training described in this Section, Franchisee is solely responsible for the expenses of Franchisee, Franchisee's management, and Franchisee's employees, including transportation to and from the training site and lodging, meals, and salaries, incurred in attending and completing such training.~~



and salaries, incurred in attending and completing such training.

11. **ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS**

~~A.~~ **Bookkeeping.** Franchisee must maintain, for at least seven (7) fiscal years from their preparation, complete financial records for the operation of the Franchised Business. Franchisee agrees to prepare all financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) using Franchisor’s recommended chart of accounts using the \_

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A. accrual basis of accounting and to verify and sign each report and financial statement in the manner Franchisor prescribes.

**B. Reporting.** Upon Franchisor's request, Franchisee agrees to submit the following information and reports to Franchisor in a form Franchisor periodically prescribes (which may include computer diskette, electronic mail and/or facsimile transmission) and consistent with GAAP and the System Standards:

(1) within thirty (30) days after the end of each calendar quarter, a balance sheet, income statement and profit and loss statement for that quarter and Franchisee's fiscal year to date;

(2) within sixty (60) days after the end of Franchisee's fiscal year, a balance sheet, income statement, and statement of cash flow of the Franchised Business for that fiscal year, prepared in accordance with GAAP consistently applied and in the format Franchisor periodically prescribes; and

(3) any other data, information and supporting records that Franchisor designates, including all reports set forth in the Manual.

Any quarterly and annual financial information that Franchisee submits must be certified as correct by Franchisee or, if Franchisee is an Entity, by one (1) of Franchisee's principal officers. If Franchisee fails to submit any required report, Franchisor may charge Franchisee late fees as set forth in Section 3.G.,7, and Franchisor may debit Franchisee's bank account for these amounts. Franchisor may require that any quarterly or annual financial reports be audited at Franchisee's expense if Franchisor previously conducts an audit that revealed Franchisee was underreporting in any manner. Franchisee's fiscal year shall be the calendar year unless Franchisee obtains Franchisor's prior written consent to have a different fiscal year end. Franchisor shall have full access to all of Franchisee's data, system, and related information by means of direct access, whether in person, or by telephone/modem installed and maintained at Franchisee's sole expense.

**C. Tax Returns and Fiscal Year.** In addition to the information and materials set forth in Section 11.B.,2, Franchisee agrees to maintain, and furnish to Franchisor complete copies of all federal, state, and local tax returns, including those detailing income, sales, value added, use and service taxes, as well as employee withholding, worker's compensation, and similar reports filed by Franchisee reflecting financial activities of the Franchised Business, on or before April 15th of each year for the preceding fiscal year. Franchisee's fiscal year must be on a calendar year ending on December 31st and commencing on January 1st of each year.

**D. Right to Disclose Information.** Franchisor has the right to disclose data derived from the reports Franchisee furnishes without identifying Franchisee or the location of the Franchised Business.

**~~E.~~ Right to Inspect and Conduct Audit.** Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records at any time during normal business hours, to determine whether Franchisee is current with vendors and are otherwise operating in compliance with the terms of this Franchise Agreement and the Manual. If any audit reveals that\_

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E. Franchisee has understated Franchisee's royalty or advertising payments, or Franchisee's local advertising expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or remittances for any two reporting periods within any twelve (12)-month period, Franchisee must pay the reasonable cost of such audit and/or inspection, including the cost of outside attorneys and independent certified public accountant(s) (to the extent Franchisor incurs such costs), together with amounts due for royalty and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Franchise Agreement.

## 12. **FRANCHISEE'S OBLIGATIONS AND DUTIES**

A. **Best Efforts and Promote Integrity of the System.** Franchisee must use best efforts to promote and increase the demand for the authorized products and services offered by the Franchised Business within the Protected Territory, and otherwise devote its best efforts to the operation of the Franchised Business. Franchisee covenants to deal fairly and honestly with all customers and Franchisor, and that all of Franchisee's advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the Franchised Business, or the goodwill associated with the Proprietary Marks and System.

~~B.~~ Operations.

B.

(1) *Hours of Operation.* Franchisee must operate the Franchised Business for at least those days and number of hours Franchisor specifies in the Manual or otherwise in writing.

(2) *Maintenance of Premises.* Franchisee must maintain the Franchised Business in a clean, safe, and attractive manner, and in accordance with all applicable requirements of law, including all federal, state, and local health laws, as well as this Franchise Agreement and the Manual. Franchisee and Franchisee's employees must give prompt, courteous and efficient service to the public and otherwise operate the Franchised Business to preserve, maintain and enhance the reputation and goodwill of the System.

(3) *Staffing.* If required, Franchisee must hire and supervise efficient, competent, and courteous persons as Franchisee's employees for the operation of the Franchised Business and set and pay their wages and incentives with no liability on Franchisor. Franchisee must require its employees to work and abide by the Manual.

~~(3)~~ Franchisee understands and acknowledges it is Franchisee's responsibility to hire and supervise a satisfactory number of employees to efficiently operate the Franchised Business and meet Franchisee's obligations under this Franchise Agreement. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employers or subject to Franchisor's control. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee alone is responsible for all employment decisions and functions of the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision,

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and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisor will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and Franchisee agrees to indemnify Franchisor for any such liabilities Franchisor incurs. The Manual is to protect and maintain the System Standards and the Proprietary Marks and not to control the day-to-day operation of Franchisee's Franchised Business. Franchisee must sign a Training and Joint Employer Acknowledgment to indicate Franchisee's understanding of this. This acknowledgment will be in the form contained in Attachment F to this Franchise Agreement.

(4) — *Compliance with Manual and Training of Employees.* Franchisee agrees to conduct the Franchised Business in accordance with the Manual. Franchisee shall immediately train and instruct Franchisee's employees in accordance with this Franchise Agreement and the Manual and shall continue such training and instruction as long as each employee is employed. Any required standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. To protect Franchisor's interests in the System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines. The Manual is to protect and maintain the System Standards and the Proprietary Marks and not to control the day-to-day operation of Franchisee's Franchised Business. Franchisee must sign a Training and Joint Employer Acknowledgment to indicate Franchisee's understanding of this. This acknowledgment will be in the form contained as Attachment F to this Franchise Agreement.

(4) \_\_\_\_\_

(5) — *Management Participation and Designated Manager.* Franchisee (or at least one of Franchisee's principals if Franchisee is an Entity) must personally supervise the day-to-day operations of the Franchised Business. Franchisee (or at least one (1) of Franchisee's principals if Franchisee is an Entity) must devote Franchisee's best efforts to the management and operation of the Franchised Business and ensure that customers have access to the Franchised Business at all days and times set forth in the Manual. Franchisee may, however, delegate the day-to-day operation of the Franchised Business to a Designated Manager; provided the Designated Manager: (i) is approved by Franchisor in writing prior to hiring; and (ii) successfully completes Franchisor's MY SALON Suite University initial training program before assuming any managerial responsibility. This designation will be

(5) — in the form attached as Attachment G to this Franchise Agreement.

Franchisee's Franchised Business must always, at all times, be staffed with at least one €

individual who has successfully completed Franchisor's MY SALON Suite University. Initial Training Program. If ~~Franchisee~~ ~~operates~~ ~~more~~ than one (1) Franchised Business franchise, Franchisee shall have a properly trained Designated Manager who has been approved by Franchisor at each location. Franchisee shall keep Franchisor informed at all times of the identity of any employee acting as Designated Manager of a Franchised Business by providing Franchisor with an executed copy of the Designated Manager identification form attached hereto as Attachment E. If a Designated Manager resigns or is otherwise terminated from the Franchised Business, Franchisee shall hire a replacement approved of in writing by Franchisor who meets Franchisor's then current standards for Designated Managers within thirty (30) days after termination or resignation of the prior Designated Manager. Franchisee must train the new Designated Manager within thirty (30) days of hiring. Franchisor reserves the right, without ~~the~~

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obligation, to train the new Designated Manager directly. Any Designated Manager(s) shall devote full time and best efforts to the day-to-day operation and management of the Franchised Business and must not engage in any other business activity without Franchisor's prior written consent.

(6) *Working Capital.* Franchisee must ~~always at all times~~ maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities hereunder and to operate the business in a businesslike, proper and efficient manner.

(7) *Inventory.* Franchisee must ~~always at all times~~ maintain sufficient equipment and levels of inventory and supplies as required by Franchisor to adequately meet consumer demand and operate the Franchised Business at maximum capacity and efficiency.

(8) *Mystery Shopper.* To ensure uniformity and compliance with the System, Franchisor may send a mystery shopper or similar third party to the Franchised Business. Franchisor may, but is not obligated to, share the results of the mystery shopper with Franchisee.

~~C.~~ Purchasing Requirements and Sources of Supply.

C.

(1) *Compliance with Standards.* Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Franchise Agreement and the Manual are reasonable and necessary for the operation of the Franchised Business and to maintain uniformity throughout the System. Franchisee shall adhere to the standards and specifications set forth in this Franchise Agreement and the Manual and any revisions or amendments to same. Franchisee shall use signs, furnishings, supplies, fixtures, equipment, inventory, and printing services that comply with Franchisor's then-current standards and specifications, which Franchisor establishes from time to time. Franchisor has the right to change Franchisor's standards and specifications in Franchisor's discretion. Franchisee acknowledges that Franchisee may incur an increased cost to comply with such changes at Franchisee's expense.

(2) *Designated and Approved Vendors.* Recognizing that preservation of the System depends upon product and service uniformity and the maintenance of Franchisor's trade dress, Franchisee agrees to purchase certain inventory and services, as well as certain signs, furnishings, supplies, fixtures, computer hardware and software, and other equipment from Franchisor or from another Approved Vendor that Franchisor designates in the Manual or otherwise in writing (each an "**Approved Vendor**"). Franchisee hereby acknowledges that Franchisor, Franchisor's Affiliate and/or any other third party may be one of several, or the only, Approved Vendor of any item. Franchisee further acknowledges and agrees that Franchisor and/or



~~(2)~~ Franchisor's Affiliates have the right to realize a profit on any products or services that Franchisor, Franchisor's Affiliates or Franchisor's Approved Vendors supply and/or provide to Franchisee.

~~(3)~~ ~~Unapproved Item and/or Alternate Vendor Approval.~~ In the event Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire.

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(3) approved items from an unapproved vendor, Franchisee must provide Franchisor the name, address and telephone number of the proposed vendor, a description of the item Franchisee wishes to purchase, and the purchase price of the item, if known. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. Nothing in the foregoing shall be construed to require Franchisor to approve any vendor. Franchisor may base Franchisor's approval of any such proposed item or vendor on considerations relating not only directly to the item or vendor itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from vendors on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the vendor) for any purposes Franchisor deems appropriate. Nothing herein shall require Franchisor to approve an unreasonable number of vendors for a given item, which approval might, in Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved vendors. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved vendor at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or vendor. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether Franchisee's request is approved or denied within thirty (30) days of:

(i) ~~(i)~~ Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed vendor with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each vendor that Franchisor approves of must comply with Franchisor's usual and customary requirements regarding insurance, indemnification, and non-disclosure. If Franchisor approves any vendor, Franchisee may enter supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of products or vendors when Franchisor determines, in Franchisor's sole discretion, that such products or vendors no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such vendor.

**D. Authorized Products and Services.** Franchisee shall offer for sale all products and services which Franchisor prescribes and only those products and services which Franchisor prescribes. Franchisee may not offer any other products for sale without having received Franchisor's prior written authorization. Franchisee shall ~~always at all times~~ maintain sufficient levels of inventory as specified in the Manual, to adequately satisfy consumer demand.

**E. Premises Inspection.** Franchisee agrees that in order to maintain the high quality and uniform standards associated with the System and to protect its goodwill and

reputation,

~~E.~~ Franchisee will permit Franchisor during business hours, to inspect the Franchised Business, confer with Franchisee and Franchisee's employees and customers, check inventories, methods\_

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and perform any other inspection which Franchisor deems necessary to protect the standards of quality and uniformity of the Franchise system and Franchisee's performance under this Franchise Agreement. Franchisee is obligated to make changes to Franchisee's operations based upon any inspections by Franchisor. Except as otherwise provided in this Franchise Agreement, Franchisor is not required to provide Franchisee with any notice prior to conducting such an inspection.

~~F.~~ Computer Software and Hardware.

F.

(1) *Computer System and Required Software.* Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of computer hardware and software that Franchisee must use in connection with the Franchised Business, including without limitation (i) a laptop or other computer that meets Franchisor's then- current specifications and is capable of running accounting software such as QuickBooks and/or tenant scheduling software; (ii) a customized point of sale system ("**POS System**"), in the event Franchisor makes such a POS System part of its proprietary operating system in the future; (iii) Square card reader for payment integration and processing; (iv) printers and other peripheral hardware/devices; and (v) equipment necessary to maintain a physical, electronic or other security system for the Approved Location and Franchised Business that Franchisor may designate (collectively, the "**Computer System**"). Franchisor may also require Franchisee to use designated software in connection with the Computer System and Franchised Business (the "**Required Software**"), as well as the type of tangible media and/or database structure to use part of the Computer System. Franchisor reserves the right to charge Franchisee a monthly fee for any custom or proprietary software for use in the Franchised Business. In the event Franchisee already has computer hardware and/or software that meets the System Standards for a Computer System and/or Required Software, then Franchisor may allow Franchisee to use its existing equipment/software in connection with the Franchised Business.

(2) *Compliance with Requirements.* At Franchisor's request, Franchisee will purchase or lease, and thereafter maintain, the Computer System and, if applicable, any Required Software at Franchisee's sole expense. Franchisee expressly agrees to strictly comply with the System Standards for all items associated with the Computer System and any Required Software. Franchisee agrees, at its own expense, to keep its Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to Franchisee's Computer System or Required Software as Franchisor directs from time to time in writing.

~~(3)~~ *Internet and Franchisor's Access.* Franchise must take whatever steps necessary to ensure that the Franchised Business has an accessible Wi-Fi internet access that can be used by Franchisee's clientele and must do so at Franchisee's sole expense. Franchisor may require: (i) Franchisee to comply with its standards and specifications for Internet access and speed; and (ii) that Franchisee's Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to Franchisor. Franchisor will also have the right to, at any time without notice, electronically

and independently connect with the Computer System to monitor or retrieve data stored on the Computer System or for any other purpose Franchisor deems necessary. There are no

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(3) \_\_\_\_\_ contractual limitations on Franchisor’s right to access the information and data on any component of the Computer System. At Franchisor’s request, Franchisee shall deliver to Franchisor all access codes, static internet protocol (“IP”) addresses and other information to facilitate Franchisor’s access to the data described in this Section within thirty (30) days of opening the ~~Franchised Business~~.

#### Franchised Business.

(4) *Proprietary Software.* Franchisor has a proprietary interest in all databases, lists, templates, programs, and any other software components that have been created and/or customized by Franchisor using the Computer System and/or Required Software (the “**Proprietary Software**”). Any Proprietary Software, if developed, will be Franchisor’s proprietary product and the information collected will be deemed Franchisor’s Confidential Information.

(5) *Area Computer Network.* Upon Franchisor’s request, Franchisee will be required to participate in any System-wide area computer network, intranet system, or extranet system that Franchisor implements and may be required by Franchisor to use such area computer network, intranet system, or extranet system to, among other things:

- (i) submit Franchisee’s reports due under this Franchise Agreement to Franchisor on-line;
- (ii) view and print portions of the Manual, including any updates or modifications thereto;
- (iii) download approved local advertising materials; (iv) communicate with Franchisor and other System franchisees; and (iv) to complete any initial or ongoing training, in the event Franchisor makes such training accessible through this medium. Franchisee agrees to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that Franchisor included in the Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory, or defamatory statements. Franchisee understands and agrees that it is solely responsible for any licensing and/or maintenance fee(s) associated with any intranet or extranet described in this Section.

(6) *E-mail Address.* Franchisee agrees that it will only use the e-mail address provided by Franchisor in connection with the Franchised Business, and that Franchisee will not use such email address for any other purpose.

**G. Personal Conduct.** Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring Franchisor’s Proprietary Marks into disrepute.

**H. Telephone Number.** Franchisee must obtain its own local telephone number for use in connection with the Franchised Business, which must be listed under the Proprietary Mark “**MY SALONMy Salon Suite**” or other listing designated by Franchisor when displayed in any traditional or electronic directory. This telephone number must be used exclusively in

connection with Franchisee's operation of the Franchised Business. Any telephone listing Franchisee has in any directory must be approved by Franchisor prior to publication. Upon the expiration, transfer, or termination of this Franchise Agreement for any reason, Franchisee must cease all such use of such\_

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**H.** telephone number(s) and listings, at Franchisor's option, listing(s) and assign same to Franchisor or Franchisor's designee.

**I. Payment of Debts.** Franchisee is solely responsible for selecting, retaining, and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the Franchised Business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the Franchised Business. Franchisee agrees to pay all current obligations and liabilities to vendors, lessors, and creditors on a timely basis. Franchisee agrees to indemnify Franchisor if Franchisor is held responsible for debts owed by Franchisee if Franchisor elects to pay any of Franchisee's obligations to preserve the relationship between vendors and franchisees. Franchisee agrees to make prompt payment of all federal, state, and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property and real estate taxes arising from Franchisee's operation of the Franchised Business. Franchisee agrees to indemnify Franchisor if Franchisor is held responsible for these taxes.

**J. Compliance with Applicable Laws.** Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Franchised Business (including, without limitation, all government regulations relating to commercial leasing and hair salon operations and the products and services provided by the Franchised Business, occupational hazards and health, trademark and copyright infringement, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of Federal and State income taxes and social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Franchised Business). Franchisee must also obtain and maintain all permits, licenses, and registrations required for the lawful operation of the Franchised Business and comply with all health and safety codes.

**K. Trade Secrets and Confidential Information.** Franchisee must maintain the confidentiality of all Franchisor's proprietary and Confidential Information as set forth in this Franchise Agreement.

**L. Image.** Franchisee agrees to offer all Franchisor's authorized products and services and to conduct the Franchised Business in such a manner which will serve to emulate and enhance the image Franchisor intended for the System. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee, but also to Franchisor and to other System franchisees to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the products sold and services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor set forth to uniformly convey the distinctive image of a Franchised Business. Franchisee shall, in the operation of the Franchised Business, use only displays, bags, labels, forms, ~~stationery~~stationary and other products bearing the Proprietary Marks that Franchisor designates or approves.



**M. Pending Actions.** Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt

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**M.** of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

**N. Remodeling/Updating Franchised Business Premises.** To assure the continued success of the Franchised Location, Franchisee must, upon the request of Franchisor, remodel and/or redecorate the premises of the Franchised Business, which may include equipment, signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Franchised Business, to the System Standards. Franchisor agrees that it shall not request such remodeling and/or redecorating more frequently than every five

~~N.~~ (5) years during the term of this Franchise Agreement, except that if the Franchised Business or Franchisee is transferred pursuant to Section 16, in which case Franchisor may request that the transferee remodel and/or redecorate the Franchised Business premises as described herein.

**O. Health and Safety Standards.** Franchisee shall meet and maintain the highest health and safety standards and ratings applicable to the operation of the Franchised Business. Franchisee shall furnish to Franchisor within two days of its receipt thereof, a copy of all health inspection reports and any violation or citation which indicates Franchisee's failure to maintain federal, state, or local health or safety standards in the operation of the Franchised Business. Franchisee's failure to cure such violations within twenty-four (24) hours shall constitute grounds for immediate termination under the Franchise Agreement.

**P. Customer Service and Warranty.** Franchisee and its employees shall be prompt, courteous, honest, and respectful to all customers and prospective customers, and must adhere to Franchisor's customer service procedures as set forth in the Manual or otherwise in writing. In the event there is a consumer complaint, Franchisee must answer and schedule a response to the complaint within forty-eight (48) hours of its receipt of the complaint. If a complaint is filed with the Better Business Bureau, Franchisee must respond appropriately within twenty-four (24) hours. Franchisee must provide Franchisor with a copy of Franchisee's response to either type of complaint, which must be sent to Franchisor within twenty-four (24) hours of sending such response. Franchisee acknowledges and agrees that it will honor, and provide the services dictated by, the warranty programs established by Franchisor as part of the System. Franchisor may in Franchisor's discretion provide a refund or other value to customers of the Franchised Business, in which event Franchisee must reimburse Franchisor for Franchisor's reasonable cost incurred in responding to the customer complaint.

**Q. Compliance with Lease and Other Agreements.** Franchisee shall comply with all the terms of its lease or sublease and all other agreements affecting the operation of the Franchised Business and shall promptly furnish Franchisor a copy of its lease upon request. Franchisee shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Approved Location.

**R. Changes to the System.** Franchisee shall not implement any change, amendment, or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment, or improvement in the System which Franchisee proposes to make and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges.

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**R.** and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, including any intellectual property rights thereto.

**S. Use of Proper Lease/Sublease Agreements and Compliance with All Relevant Laws.** Franchisee is solely responsible for preparing a form of lease or sublease (whichever is appropriate) for use in connection with leasing/subleasing the individual suites in the Franchised Business facility to third-parties and is solely responsible for ensuring that the form of lease/sublease used fully complies with all landlord-tenant, real estate, leasing, and other applicable laws. If required by the lessor of the Approved Location, Franchisee must timely submit the form of sublease to the landlord for approval and otherwise comply with any of landlord's requirements with respect to subleasing portions of the Approved Location facility to third parties. Franchisor may provide Franchisee with its then-current form of "template" lease/sublease for reference purposes only, but Franchisee will be solely responsible for modifying any such form of lease/sublease to ensure that it complies with this Section. Franchisor's provision of such documents, if Franchisor determines to do so in its sole discretion, is not a representation, warranty, or guaranty that such documents comply with the applicable laws discussed in this Section. Franchisee is strongly encouraged to engage independent legal counsel to assist in preparing a form of lease/sublease that complies with this Section.

**~~T.~~ Insurance.** Franchisee must procure and maintain, at its sole expense, such insurance covering the operation and location of the Franchised Business as Franchisor may designate from time to time from Franchisor's designated vendor for such insurance. Franchisee must procure the insurance Franchisor then requires for the establishment and operation of a Franchised Business as designated in the Manual or otherwise in writing by Franchisor at least twenty (20) days prior to opening the Franchised Business or upon signing a lease agreement for the premises of the Franchised Business, whichever comes first. All insurance carriers must be approved by Franchisor in advance and in writing. All insurance policies must be issued by insurance companies with a rating of A or better as reported in the most recent edition of A.M. Best's Insurance Reports. Franchisor's approval of an insurance carrier does not constitute Franchisor's representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee agrees to carry such insurance as may be required by the lease of the Franchisee Location or by any of Franchisee's lenders or equipment lessors and such workers compensation insurance as may be required by applicable law. Franchisee, at its sole expense, shall add Franchisor and any other parties Franchisor may designate to all insurance contracts as additional insureds under the insurance policies (except Worker's Compensation Insurance). All insurance policies will contain a waiver of subrogation in favor of Franchisor and any parties Franchisor designates. Franchisee must provide Franchisor with copies of any insurance claims or insurance cancellations within twenty-four (24) hours. Franchisee has a twenty-four (24) hour opportunity to cure any lapses in insurance coverage. No insurance policy must be subject to cancellation, termination, non-renewal, or material modification, except upon at least thirty (30) calendar days prior written notice from the insurance carrier to Franchisor. Franchisee must submit a ~~certificate~~certification of insurance that demonstrates compliance with this Section on an annual basis, or if Franchisee

changes insurance carriers within ten (10) days of expiration or of any change. If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee shall pay Franchisor, on demand, the premiums, costs~~premium cost thereof~~ and expenses~~an administrative fee equal to~~

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~~T. twenty percent (20%) of the premium cost incurred in connection with~~ Franchisor ~~incurs in obtaining and maintaining the insurance, plus a reasonable fee for Franchisor's time incurred in obtaining such insurance.~~ Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon thirty (30) days prior written notice to Franchisee, and Franchisee shall comply with any such modification within the time specified in said notice.

U. **Privacy Laws.** In the operation of the Franchised Business, Franchisee will receive "Customer Data." "Customer Data" is information, records, lists or data that contains "Personal Information." "Personal Information" includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local statutes, regulations, ordinances, and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information is collected, maintained, or generated in the operation of the Franchised Business, including ~~using through the use of~~ a point-of-sale system.

Franchisee agrees, at its sole cost and expense, to ~~always at all times:~~

(1) comply with the data protection, collection, maintenance and use requirements for Customer Data set out in the ~~Operations~~-Manual and this Franchise Agreement, including all policies, procedures and controls that Franchisor implements now or in the future;

(2) comply with all applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act, relating to the data protection, collection, maintenance and use of Customer Data (collectively, "Privacy Laws");

(3) assist and otherwise cooperate with Franchisor to ensure Franchisor's and Franchisee's compliance with applicable Privacy Laws;

~~(4)~~ promptly notify Franchisor in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. Franchisee will assist and otherwise cooperate with Franchisor to investigate any such Security Incident and will take all required steps, as determined by Franchisor, to remedy Franchisee's noncompliance with applicable Privacy Laws, this Agreement or the ~~Operations~~-Manual. For purposes of this Section 12, "Security Incident" means any actual or suspected accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement or the ~~Operations~~-Manual;

~~(4)~~ \_\_\_\_\_

(5) promptly provide Franchisor with the ability to delete, access or

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copy Customer Data in Franchisee's possession or control;

(6) promptly notify Franchisor of any request regarding Customer Data received by the Franchisee from a "consumer" as defined by applicable Privacy Laws;

(7) adopt policies, procedures, and controls, including those set out in the ~~Operations~~ Manual, if any, that enable Franchisee to respond, and to cause its agents and

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employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request, or opt-out request;

(8) adopt policies, procedures, and controls, including those set out in the ~~Operations~~ Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job function or role. Franchisee will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Agreement and the ~~Operations~~ Manual; and

(9) maintain Customer Data in confidence in accordance with Section 13 of this Franchise Agreement.

### 13. **CONFIDENTIALITY AND COVENANTS AGAINST COMPETITION**

#### ~~A.~~ Confidentiality.

#### ~~A.~~

(1) *Nondisclosure.* During the term of this Franchise Agreement, Franchisee will receive information which Franchisor considers a Trade Secret and Confidential Information, including but not limited to: the Manual, Franchisor's proprietary training, marketing and other instructional materials, Trade Secrets, information related to any proprietary methodology or aspects of the System or the establishments and continued operation of the Franchised Business, financial information, and vendor prices and matrices, and any and all clientele lists and data obtained through the operation of the Franchised Business (collectively, the "**Confidential Information**"). Franchisee shall not, during the term of this Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or Entity, any Confidential Information including, without limitation, Trade Secrets, copyrighted materials, as well as any methods and other techniques and know-how concerning the operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation of the Franchised Business. Franchisee may divulge such Confidential Information only to such of Franchisee's employees as must have access to it to operate the Franchised Business. All information, knowledge, know-how, techniques, and other data which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Franchise Agreement, but Franchisor is not required to expressly designate certain material as confidential ~~in order~~ for it to be considered Confidential Information if the material is, by its very nature, proprietary and confidential. Upon termination or expiration of this Franchise Agreement, regardless of reason, Franchisee shall return all copies of such Confidential Information to Franchisor immediately, and Franchisee may not use the Confidential Information for any purpose other than operating the Franchised Business in accordance with the



System Standards.

~~(2)~~ *Employees.* Franchisee must require all of Franchisee's officers, directors, managers, and other employees to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business premises. ~~Such covenants shall be in a form.~~

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(2) satisfactory to Franchisor and substantially similar to the Confidentiality and Non- Competition Agreement attached as **Attachment HJ**. These agreements must include, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with independent rights to enforce them.

**B. Non-Competition**

**B.**

(1) *In-Term*. Franchisee specifically acknowledges that, pursuant to this Franchise Agreement, Franchisee and its owners and personnel will receive valuable training, Trade Secrets, and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System which are beyond the present skills and experience of Franchisee, its principals and Franchisee's managers and employees. Franchisee acknowledges that such specialized training, Trade Secrets, and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, Trade Secrets and confidential information is, therefore, a primary reason why they are entering into this Franchise Agreement. In consideration for receiving such specialized training, Trade Secrets and Confidential Information and being granted the right to operate the Franchised Business utilizing the System and Proprietary Marks, Franchisee covenants that, during the term of this Franchise Agreement, neither Franchisee nor any of its owners, principals, shareholders, members or partners (as applicable) shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), Entity:

(i) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

(ii) Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business that: (i) is the same as, or substantially similar to the Franchised Business; (ii) engages in the rental of salon studio spaces or that offers or provides any of the other products/services that are offered by the Franchised Business; or

(iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business (collectively, a "**Competing Business**"); provided, however, that this Section does not apply to Franchisee's operation of a Franchised Business pursuant to a valid franchise agreement with Franchisor.

(2) *Post-Term.* For a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of, or transfer of all of Franchisee's interest in, this Franchise Agreement, neither Franchisee, nor any of its owners/principals/members/partners (as applicable), may directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person(s) or Entity:

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(i) Franchising or Licensing Activities. Be involved with any business competing in whole or in part with Franchisor in granting franchises or licensing, or establishing joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business;

(ii) Other Competing Businesses. Own, maintain, engage in, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business within the following areas: (i) at the location of the Franchised Business; (ii) within the Protected Territory; (iii) within a radius of twenty (20) miles of the perimeter of the Protected Territory granted hereunder; or

~~(ii)~~ (iv) within a radius of twenty (20) miles of the perimeter of any other protected territory licensed by Franchisor to any third party or any Franchised Business that is in operation or under development, as of the date of expiration, transfer or termination of this Franchise Agreement through the date of Franchisee's involvement in the Competing Business; or

(iii) Vendor Usage. Contact any of Franchisor's vendors for any competitive business purpose.

(3) *Acknowledgment.* The parties acknowledge and agree that each of the covenants contained in this Section 13.B.2 are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Franchise Agreement. If all or any portion of a covenant in this Section 13.B.2 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Controlling Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 13.2.

(i) Franchisee understands and acknowledges that Franchisor shall have the right, in its sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 13.B.2, or any portion thereof, without Franchisee's consent, effective immediately upon notice to Franchisee. Franchisee further agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding any other provision of this Section.

(ii) Section 13.B.(2)(ii)-2 shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any

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publicly held corporation.

~~€.~~ **Non-Compete Agreements from Certain Personnel.** Franchisee shall, unless prohibited by local or state laws specific to where Franchisee's Franchised Business is located, require and obtain execution of Franchisor's then-current form of Confidentiality and Non-Compete Agreement (**Attachment ~~HJ~~**) from its Designated Manager (if permitted by Franchisor) and all other personnel of Franchisee who have received or will have access to training from Franchisor.

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C. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the period ~~of time~~ or geographic scope of the non-competition covenant set forth in **Attachment J** or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Section 13.

**D. Enforcement.** Franchisee acknowledges that any failure to comply with the requirements of ~~this~~ Section 13 shall constitute a material event of default under this Franchise Agreement. Franchisee further acknowledges that a violation of the terms of this Section 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee (or other restricted parties) in violation of the terms of this Section. Franchisee must pay all court costs and reasonable attorney fees incurred by Franchisor in connection with the enforcement of this Section 13, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in Section 13.

#### ~~14.~~ **TERMINATION**

#### 14.

**A. Automatic Termination.** This Franchise Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

(1) *Voluntary Bankruptcy.* If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

(2) *Involuntary Bankruptcy.* If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty

~~(2)~~ (60) days, or a trustee or receiver is appointed for Franchisee or the Franchised Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

(3) *Unauthorized Transfer.* Franchisee purports to sell, transfer or otherwise dispose of Franchise or any interest in the franchise business in violation of Section 16 hereof.

(4) *With Notice and Without Opportunity to Cure.* Franchisor has the right to terminate this Franchise Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

~~(5)~~ *Criminal Acts.* If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to a felony or other offense related to the operation of the \_

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(5) Franchised Business or that Franchisor believes, in its sole discretion, is likely to have an adverse effect on the Proprietary Marks or the goodwill associated therewith.

(6) *Fraud.* If Franchisee or Franchisee's principals commit any fraud or misrepresentation in the operation of the Franchised Business, including but not limited to, any misrepresentation made in Franchisee's franchise application.

~~(7)~~ *Other Actions.* If Franchisee or Franchisee's principals, including any shareholder, guarantors, or agents, engage in activity or conduct which materially impairs that goodwill associated with the System or the Proprietary Marks and fails to cease and correct such activities or conduct within twenty-four (24) hours of Franchisee's receipt of written notice of a breach under this Section.

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(8) *Misrepresentation.* If Franchisee or Franchisee's principals make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

(9) *Failure to Complete Training or Attend Annual Conference.* If Franchisee fails to: (a) complete MY SALON Suite University~~the Initial Training Program~~; or (b) attend the Annual Conference as required under this Franchise Agreement, unless excused by prior written consent of Franchisor.

(10) *Repeated Breaches.* If Franchisor sends Franchisee three (3) or more written notices to cure pursuant to Sections 14.A.3 or 14.B.4 hereof in any 12-month period, regardless of whether the defaults set forth in the notices were subsequently cured.

(11) *Breach of Other Agreements.* If Franchisee or Franchisee's principals materially breach any other agreement with Franchisor or any of Franchisor's Affiliates, or threaten any material breach of any such agreement, or any lease for the Approved Location, and fails to cure such breach within any permitted period for cure.

(12) *Misuse of the Proprietary Marks or Confidential Information.* If Franchisee or Franchisee's principals violate any provision hereof pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information.

(13) *Violation of Law.* If Franchisee violates any law, ordinance, or regulation in the operation of the Franchised Business, including the leasing of any space to a third party at the Approved Location, or operates the Franchised Business in



a manner that presents a health or safety hazard to customers, or the public.

~~(14)~~ *Violation of In-term Restrictive Covenant.* If Franchisee violates the in-term restrictive covenant contained in Section 13.~~B.(2.1)~~ or any of the other restrictive covenants set forth in this Franchise Agreement.

~~(14)~~ \_\_\_\_\_

(15) *Liens.* If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within thirty (30) days.

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~~(16)~~ *Insolvency.* If Franchisee or any of Franchisee's principals become insolvent or Franchisee otherwise cannot pay its debts generally as they become due, including if Franchisee fails to pay when due any amounts owed to vendors, suppliers, or lenders.

(16)

(17) *Abandonment.* If Franchisee voluntarily or otherwise abandons the Franchised Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the franchisee business in accordance with the terms of this Franchise Agreement and shall apply in any event Franchisee fails to: (i) operate the Franchised Business and actively lease portions of the facility at the Approved Location for a period of five or more consecutive days without Franchisor's prior written approval;  
(ii) submit the required Gross Revenues Reports for three consecutive reporting periods.

(18) *Unauthorized Products or Services.* If Franchisee offers any unauthorized and unapproved products or services at or from the Franchised Business.

(19) *Unapproved Purchases.* Franchisee orders or purchases supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved vendor or which Franchisor has not approved.

(20) *Proprietary Software.* Franchisee misuses or makes unauthorized use of any Proprietary Software Franchisor may develop for use in connection with the System.

~~(21)~~ *Insurance.* Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise ~~fails~~fail to adhere to the insurance requirements under this Franchise Agreement and the Manual.

(21)

(22) *Government Regulations.* Franchisee fails, within fifteen (15) calendar days after notification of non-compliance by federal, state, or local government authorities to comply with any law or regulation applicable to the Franchised Business.

(23) *Government Actions.* Any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

(24) *Personal Use of Franchised Business Property.* If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance, or benefits.

(25) *Insufficient Funds.* If there are insufficient funds in the bank account(s) Franchisee authorized Franchisor to make withdrawals from in connection with paying the required amounts under this Franchise Agreement three or more times within any twelve (12) month period.

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~~(26)~~ *Upon 15 Days' Notice to Cure.* Franchisor has the right to terminate this Franchise Agreement if any of the following defaults remains uncured after Franchisor provides Franchisee with written notice of such default(s) and 15 days to cure:

~~(26)~~ \_\_\_\_\_

(27) *Nonpayment.* If Franchisee fails to pay Franchisor as and when due any sums owed to Franchisor, any of Franchisor's Affiliates, or any of Franchisor's system vendors.

(28) *Endorsement of Checks.* Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously made to Franchisee.

(29) *Failure to Maintain Sufficient Inventory Level.* If Franchisee fails to maintain sufficient levels of inventory to adequately meet consumer demand.

(30) *Failure to Open.* If Franchisee fails to commence operations of Franchisee's Franchised Business within the time prescribed in this Franchise Agreement.

~~(31)~~ *Interruption of Service.* If Franchisee fails to maintain the prescribed months, days, or hours of operation at the Franchised Business, unless such failure constitutes abandonment under Section 14.A.(17)~~2.13~~ of this Franchise Agreement.

~~(31)~~ \_\_\_\_\_

(32) *Failure to Personally Supervise Franchised Business Operations or Employ Adequate Personnel.* If Franchisee or Franchisee's Designated Manager fails, in Franchisor's sole discretion, to personally supervise day-to-day operation of the Franchised Business or fails to employ enough qualified, competent personnel as Franchisor requires from time to time.

(33) *Quality Control.* If Franchisee fails to maintain the strict quality controls reasonably required by this Franchise Agreement and/or the Manual.

(34) *Licenses and Permits.* Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of Franchisee's Franchised Business.

~~(35)~~ *EFT Information.* Franchisee fails to provide a voided check and the EFT Authorization Form to allow Franchisor to debit your business account automatically for the Royalty Fee, the Brand Building Fund Contribution, the Technology Fee, and other amounts due under this Franchise Agreement.

**B. Upon Thirty Days' Notice to Cure.** Franchisor has the right to terminate this Franchise Agreement if Franchisee fails to perform or comply with any other term or condition of this Franchise Agreement, or any ancillary agreements between Franchisee and Franchisor or Franchisor's Affiliates, if Franchisee fails to cure such default(s) within thirty (30) days after being provided with notice thereof.

**~~C.~~ Step In Rights.** In addition to Franchisor's right to terminate this Franchise Agreement, and not in lieu of such right, or any other rights, Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to enter, or to have its designee enter, upon the Franchised Business premises and exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines, in Franchisor's sole discretion that the default has been cured, and Franchisee is otherwise in compliance with this Franchise Agreement. In the \_

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**C.**            event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of Franchisee's Franchised Business including, without limitations, costs of personnel for supervising and staffing the Franchised Business and their travel and lodging accommodations. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's, designee(s), representative(s) and/or employees) harmless from and against any fines, claims, suits, or proceedings which may arise out of Franchisor's or its designee's operation of the Franchised Business.

**D.        Non-waiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Franchise Agreement or Franchisor's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

**E.        Cross Default.** If there are now, or hereafter shall be, other franchise agreements in effect between Franchisor and Franchisee, a default by Franchisee under the terms and conditions of this or any other of such agreements, shall at the option of Franchisor, constitute a default under all such agreements.

**F.        Interim Remedies.** If Franchisee is in default of this Franchise Agreement, Franchisor may, at Franchisor's option, elect to impose interim remedies and/or limited services on the Franchised Business ("**Limited Services**") rather than terminate the Franchise Agreement. Franchisor will provide written notice to Franchisee before placing Franchisee on Limited Services. If Franchisee is in default and receiving Limited Services, Franchisor may terminate this Franchise Agreement at any time if Franchisee fails to cure the default. Limited Services may include:

~~(a)~~(1)            the            Franchised Business'            web            page(s)             
           being removed            from mysalonsuite.com;

~~(b)~~(2)            not providing Franchisee with access to Brand Building Fund funded services;

~~(c)~~(3)            removal of Franchisee's or Franchisee's personnel from the Google Workspace email platform and other Google Workspace functions;

~~(d)~~(4)            Franchisee not being eligible to attend any Franchisor events;

~~(e)~~(5)            not providing Franchisee with access to MY SALON SUITEFLAIR, online training, refresher courses or advanced training;

~~(f)(6)~~ not providing Franchisee with access to design services, layout services or real estate services;

~~(g)(7)~~ Franchisee not being eligible to purchase or open additional franchised businesses;

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~~(h)~~(8) requiring Franchisee to resign from the Advisory Council board (if applicable); and

~~(i)~~(9) the Franchised Business' visits limited to only what is required by this Franchise Agreement; and/or

~~(j)~~—not providing Franchisee with access to the ~~Suite Force~~~~SuiteForce~~ support site.

~~(10)~~

**G. Non-Compliance Fee and Franchisor's Right to Terminate.** If Franchisee is in default and paying the non-compliance fee, Franchisor may terminate this Franchise Agreement at any time if Franchisee fails to cure the default.

## 15. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

**A. Franchisee's Obligations.** Upon termination of this Franchise Agreement, regardless of the cause, and upon expiration and nonrenewal or transfer of this Franchise Agreement, Franchisee must, at Franchisee's cost and expense:

(1) Immediately cease all operations of the Franchised Business under this Franchise Agreement;

(2) Pay Franchisor immediately all unpaid fees—and pay Franchisor, Franchisor's Affiliates, Franchisor's approved vendors, all other monies owed;

~~(3)~~—Discontinue immediately the use of the Proprietary Marks, including any use of the Proprietary Marks on any vehicle(s) used in connection with the Franchised Business, and provide Franchisor with proof of de-identification of such vehicles and the Franchised Business within ~~fifteen~~ (15) calendar days of the termination/expiration of this Franchise Agreement;

~~(3)~~

(4) Return the Manual and any other Proprietary Materials and Confidential Information, including without limitation all former and existing clientele and customer leases, agreements, future leasing arrangements that have been made (and corresponding schedules) and all other clientele/customer data and lists, within ten (10) calendar days and immediately and permanently cease use of such information and materials;

~~(5)~~ Franchisee acknowledges that all telephone numbers, facsimile numbers, social media websites, Internet addresses and e-mail addresses (collectively

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“**Identifiers**”) used in the operation of the Franchised Business constitute Franchisor’s assets, and upon

~~(5)~~ termination or expiration of this Franchise Agreement, Franchisee will take such action within five (5) days to cancel or assign to Franchisor or Franchisor’s designee as determined by Franchisor, all of Franchisee’s right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee’s right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at Franchisor’s direction. Franchisee agrees to take all action required to cancel all assumed names or equivalent registrations related to Franchisee’s use of the Marks.

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(6) Franchisee acknowledges that, Franchisor has the sole rights to, and interest in, all Identifiers used by Franchisee to promote the Franchised Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Franchisee further appoints Franchisor to direct the telephone company, postal service, registrar, Internet service provider, listing agency, website operator, or any other third party to transfer such Identifiers to Franchisor or Franchisor's designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by Franchisor pursuant to this Franchise Agreement as conclusive evidence of Franchisor's rights to the Identifiers and Franchisor's authority to direct their transfer;

~~(6)~~(7) Immediately vacate the Franchised Business premises and, if Franchisor exercised Franchisor's rights pursuant to Franchisor's prescribed form of Collateral Assignment of Lease (**Attachment E**), arrange for transfer of the lease for the Approved Location to Franchisor within fifteen (15) calendar days of termination or expiration of this Franchise Agreement. In the event Franchisor provides proper notice that it is assuming the lease for the Approved Location, Franchisee must make sure to pay any outstanding amounts due the landlord in connection with the leasing of the Approved Location prior to the Franchisor assuming Franchisee's obligations under such lease;

~~(7)~~(8) Surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks as Franchisor directs and all items which are a part of the trade dress of the System no later than fifteen (15) calendar days after the termination or expiration of this Franchise Agreement;

~~(8)~~(9) Cease to hold itself out as Franchisor's franchisee immediately;

~~(9)~~(10) Take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark Franchisor licensed to Franchisee and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within fifteen (15) calendar days after the termination, expiration or transfer of this Franchise Agreement;

~~(10)~~(11) Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records within one month of the effective date of termination, expiration, or transfer;

~~(11)~~(12) Comply with the post-termination covenants set forth in Section 13 hereof, all of which shall survive the transfer, termination or expiration of this

Franchise Agreement;

~~(12)~~(13) Cease to use in advertising or in any other manner, any methods, procedures, or techniques associated with Franchisor or the System; and

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~~(13)~~(14) Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 15.

**B. Early Termination Damages.** If Franchisor terminates this Franchise Agreement as a result of Franchisee's breach, Franchisee and Franchisor agree that the amount of damages which Franchisor would incur for any such early termination would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, Franchisee shall pay Franchisor an amount equal to the greater of (i) the average monthly Royalty Fees and Fund Contributions that Franchisee owed to Franchisor for the previous twenty-four (24) months multiplied by the lesser of thirty-six (36) or the number of months remaining in the Term; or (ii) the average monthly Royalty Fees and Fund Contributions paid by all franchised MY SALON~~My-Salon~~ Suite ~~businesses~~~~businesses~~ who have operated for the past twenty-four (24) months multiplied by the lesser of thirty-six (36) or the months remaining in the Term ("Early Termination Damages"). If Franchisee has not operated the Franchised Business for twenty-four (24) months prior to the termination of this Franchise Agreement, the Early Termination Damages will be calculated by using the average monthly Royalty Fees and Fund Contributions from all franchised MY SALON~~My-Salon~~ Suite businesses who have operated for the past twenty-four (24) months multiplied by thirty-six (36). The Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of Franchisee and each of Franchisee's Owners who personally guarantee Franchisee's obligations under this Franchise Agreement.

~~(1)~~—The parties acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that Franchisor would incur if this Franchise Agreement is prematurely terminated; and (b) Franchisee's payment of such Early Termination Damages is intended to fully compensate Franchisor for any and all damages related to or arising out of the premature termination of this Franchise Agreement, and shall not constitute an election of remedies, waiver of any default under this Franchise Agreement, nor waiver of Franchisor's claim for other damages and/or equitable relief arising out of Franchisee's breach of this Franchise~~Franchisor~~ Agreement.

(1)

(2) The imposition of Early Termination Damages shall be at Franchisor's sole option. Franchisor is not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to Franchisor under the terms and conditions of this Franchise Agreement, in equity or at law in the event of Franchisee's breach of this Franchise Agreement, including, without limitation, actual damages Franchisor incurs, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

**C. Option to Purchase Personal Property.** Upon the termination or expiration of

~~C.~~—this Franchise Agreement (without entering into a Renewal Franchise Agreement), Franchisor, or Franchisor's designee shall also have the option, but not the obligation, to purchase any personal property used in connection with operation of Franchisee's Franchised Business by providing Franchisee written notice of Franchisor's election within sixty (60) calendar days after such termination or expiration and paying Franchisee the fair value for such personal property within sixty (60) calendar

days of such notice. If Franchisee and Franchisor cannot agree on fair market\_

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value within a reasonable time, an independent appraiser will be designated by Franchisee and Franchisor and an average of the two appraised values will be binding. Appraised values will exclude all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee. Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Franchised Business, or Franchisor may require that Franchisee close the Franchised Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Franchise Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Franchised Business. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

~~D.~~ **Exclusions.** Franchisor may exclude any equipment, signs, inventory, materials, and supplies that are not reasonably necessary (in function or quality) to the operation of the Franchised Business, or that Franchisor has not approved as meeting standards for the Franchised Business, from the personal property purchased under 15.~~C.2.~~

~~D.~~

**E. Damages, Costs, and Expenses.** In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages, costs and expenses, including reasonable attorney fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

## ~~16.~~ **SALE OR TRANSFER**

~~16.~~

**A. Transfer.** Franchisee's rights under this Franchise Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in the franchise business without Franchisor's prior written consent. Any sale, transfer, assignment, or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Franchise Agreement to termination as specified herein.

~~B.~~ **Death or Disability.** Representative's Right to Continue as Franchisee. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation

of Franchisee's partners or personal guarantors, Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable) shall have the right to continue the operation of the Franchised Business as franchisee under this Franchise Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "**90 Day Period**"), such person has obtained Franchisor's prior written approval and has executed\_

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**B.** Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any Entity, franchisee's obligations to Franchisor and Franchisor's Affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Franchise Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

~~(H)~~ *Franchised Business Operation During and After 90 Day Period.*

Franchisor is under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as *applicable*) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate Franchisee's Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any Affiliate) in such priorities as Franchisor determines from time-to-time in Franchisor's sole and absolute discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of Franchisee's Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of Franchisee's Franchised Business.

~~C.~~ **Ownership Changes.** A sale, transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge, or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership,

~~C.~~ (ii) if Franchisee is a partnership, upon the assignment, sale, pledge, or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning any portion of the Entity will be required to personally guarantee Franchisee's obligations under this Franchise Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section ~~16.4 below.~~

16.4 below.

~~D.~~ **Right of First Refusal.** If Franchisee proposes to transfer either this Franchise Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than an Entity as set forth in this



Section 16, Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the \_

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**D.** offer (“**Letter of Intent**”). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 16.5. Franchisee shall affect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer shall be deemed a new proposal subject to Franchisor’s right of first refusal. So long as Franchisee has obtained Franchisor’s prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor’s first right of refusal.

**E.** **Conditions for Approval.** Franchisor may condition Franchisor’s approval of any proposed sale or transfer of the Franchised Business or of Franchisee’s interest in this Franchise Agreement upon satisfaction of the following occurrences:

(1) All of Franchisee’s accrued monetary obligations to Franchisor, Franchisor’s Affiliates, and Franchisor’s designated/approved vendors, are satisfied;

(2) Franchisee must cure all existing defaults under this Franchise Agreement, or any other agreement between Franchisee and Franchisor, Franchisor’s Affiliates, Franchisor’s designated/approved vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

(3) Franchisee and Franchisee’s principals (if Franchisee is an Entity), and the transferee (if it has had any previous relationship with Franchisor or Franchisor’s Affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor’s Affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising;

(4) Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee’s assumption of an agreement to faithfully perform all of Franchisee’s obligations under this Franchise Agreement;

(5) The transferee shall demonstrate to Franchisor’s satisfaction that he or she meets Franchisor’s educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Franchise Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor,

independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

(6) The transferee shall execute Franchisor's then-current franchise agreement and "Transfer Addendum" attached to this Agreement as Attachment I;

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~~(7)~~ Franchisee shall pay Franchisor a transfer fee of Fifteen Thousand Dollars (\$15,000), plus any broker fees related to the transfer, and if Franchisee requests and Franchisor assists Franchisee in selling the Franchised Business, Franchisee must also pay Franchisor a resale consulting fee of \$7,500. The Resale Consulting Fee is due only if;

(7) Franchisor assists Franchisee with selling the Franchised Business;

(8) The transferee shall satisfactorily complete Franchisor's training program within the time frame Franchisor sets forth and with all expenses incurred in connection with attending and completing such training to be borne solely by the transferee;

(9) Franchisee (and Franchisee's principals if Franchisee is an Entity), and the members of their respective families must comply with the post-termination provisions of this Franchise Agreement;

(10) The transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits, and licenses required for the operation of the Franchised Business;

(11) To the extent required by the terms of any leases or other agreements, the lessor or other parties must have consented to the proposed transfer;

(12) The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

(13) The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

(14) (a) Franchisee has corrected any existing deficiencies of the Franchised Business of which Franchisor has notified Franchisee on a ~~punch list~~punchlist or in other communications, and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, expand and/or refurbish the Franchised Business and to add or replace services, equipment, and/or other items required to operate the Franchised Business, in accordance with Franchisor's then current requirements and specifications for MY SALON~~My-Salon~~ Suite Franchised Businesses within the time period Franchisor specifies following the effective date of the transfer;

(15) Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document;

(16) Franchisor's approval of the transfer shall not constitute a waiver of any claims Franchisor may have against the transferring party;

(17) Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Franchised Business as Franchisee has supplied Franchisor hereunder; and

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(18) In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise.

**F. — Transfer to a Corporation or Limited Liability Company.** If Franchisee is an individual and desires to assign its rights under this Franchise Agreement to an Entity, and if all ~~of~~ the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee set forth in Section 16.~~E.(7).5~~, and such assignment will not be subject to Franchisor's right of first refusal in Section 16.~~D.4~~, provided:

**F. —**

(1) The Entity is newly organized, and its activities are confined to operating the Franchised Business;

(2) Franchisee is, and ~~always at all times~~ remains, the owner of fifty-one percent (51%) or more of the interest in the Entity;

(3) The Entity agrees in writing to assume all of Franchisee's obligations hereunder;

~~(4)~~ All stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the Entity all ~~of~~ its obligations to Franchisor and Franchisor's Affiliates, under this Franchise Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's Affiliates and execute the Guaranty and Assumption of Obligations Owners Agreement attached to this Franchise Agreement as **Attachment J.B**;

**(4) —**

(5) The articles of incorporation and bylaws of the corporation, or the operating agreement or other governing document of the limited liability company, shall reflect this Franchise Agreement and all other agreements Franchisor specifies, and the transferee must submit to Franchisor such documents relating to the Entity as Franchisor may require;

(6) No shares in the transferee entity may be issued or transferred without the written consent of Franchisor;

(7) No changes to the Entity's governing documents may be made without the express written consent of Franchisor;

(8) No shares may be pledged as collateral for any Entity obligations without the express written consent of Franchisor; and

(9) Corporate or limited liability company books and records, including minutes of meetings, must be furnished to Franchisor upon request.

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G. **Franchisor's Right to Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Franchise Agreement ~~at~~<sup>in</sup> Franchisor's sole discretion.

## **17. DISPUTE RESOLUTION**

### **17.**

A. **Arbitration.** Franchisor and Franchisee agree that all controversies, disputes, or claims between Franchisor and its affiliates, and Franchisor and its respective shareholders, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's owners, guarantors, affiliates, and/or employees) arising out of or related to: (i) this Franchise Agreement or any other agreement between Franchisor and Franchisee; (ii) Franchisor's relationship with Franchisee; (iii) the scope and validity of this Franchise Agreement or any other agreement between Franchisor and Franchisee (including the scope and validity of the arbitration obligations under this Section 17.A.1, which Franchisee and Franchisor acknowledge is to be determined by an arbitrator and not a court); and/or (iv) or any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator within ten (10) miles of Franchisor's principal place of business in Dallas County, Texas. The arbitrator shall have no authority to select a hearing or locale other than as described in the previous sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(1) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.B.3, award any punitive or exemplary damages against either party (Franchisor and Franchisee hereby waive to the fullest extent permitted by law, except as expressly provided in Section 17.B.3, any right to or claim for any punitive or exemplary damages against the other). Other than as may be required by law, the entire arbitration proceeding (including, but not limited to any rulings, decisions or orders of the arbitrator and any documents produced or exchanged or evidence given) shall remain confidential and not be disclosed to anyone other than the parties to this Agreement. The arbitrator will issue its decision within sixty (60) days after the closing of the hearings.

(2) Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period ~~of time~~ in which claims must be brought under applicable law or this Franchise Agreement, whichever expires earlier. Franchisor and Franchisee further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisor or Franchisee.



~~(3)~~ — FRANCHISOR AND FRANCHISEE AGREE THAT ARBITRATION  
WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS  
AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND .

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~~(3)~~ ITS AFFILIATES, AND FRANCHISOR AND ITS RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND/OR EMPLOYEES, AND FRANCHISEE (AND/OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES, AND/OR EMPLOYEES) MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON.

(4) Despite Franchisor's and Franchisee's agreement to arbitrate, Franchisor and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Franchisee must contemporaneously submit their dispute for arbitration on the merits as provided in this Section.

~~(5)~~ The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement's expiration or termination.

~~(5)~~

**B. Injunctive Relief.** Franchisee acknowledges that a breach of this Franchise Agreement by Franchisee which relates to any of the matters set out below, will cause Franchisor irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies Franchisor has under this Franchise Agreement, Franchisor is entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) Franchisee's obligations upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; and (vii) any act or omission by Franchisor or Franchisee's employees that: (a) constitutes a violation of any legal requirement; (b) is dishonest or misleading to customers of the Franchised Business; (c) constitutes a danger to the employees or customers of the Franchised Business or to the public; or (d) may impair the goodwill associated with the Marks or the System. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If Franchisor secures any such injunction, Franchisee agrees to pay Franchisor an amount equal to the aggregate of its costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, Franchisor incurred in obtaining such relief.

**C. WAIVER OF PUNITIVE DAMAGES.** FRANCHISOR AND FRANCHISEE HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

**~~D.~~ JURY TRIAL WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS.**

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**D. AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OR ITS AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM FRANCHISOR OR ITS AFFILIATES.**

**E. WAIVER OF CLASS OR GROUP ACTION. ANY DISAGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE (AND/OR THEIR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. FRANCHISEE WAIVES ANY RIGHT TO PROCEED AGAINST FRANCHISOR (AND FRANCHISOR'S AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, A CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.**

**F. GOVERNING LAW. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISED BUSINESS, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.**

**G. CONSENT TO JURISDICTION. SUBJECT TO SUBSECTION 17.4. AND THE PROVISIONS BELOW, FRANCHISEE AND FRANCHISEE'S OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS FRANCHISE AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR MUST BE COMMENCED IN STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS, AND FRANCHISEE (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION FRANCHISEE (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, FRANCHISEE AND FRANCHISEE'S OWNERS AGREE THAT FRANCHISOR MAY ENFORCE THIS FRANCHISE AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH FRANCHISEE IS DOMICILED OR THE FRANCHISOR BUSINESS IS LOCATED.**

~~H.~~ **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Franchise Agreement, including the mediation provision set forth in this Section 17, each having authority.

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H. to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

**I. No Right to Offset.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's Affiliates allegedly may owe Franchisee under this Franchise Agreement or any related agreements.

**J. Limitation of Action.** Franchisee further agrees that no cause of action arising out of or under this Franchise Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Franchise Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Franchise Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

## **18. MISCELLANEOUS PROVISIONS**

### **18.**

**A. Compliance with Anti-Terrorism Laws.** Franchisee and Franchisee's principals agree to comply, and to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply, with Anti-Terrorism Laws (defined below). In connection with such compliance, Franchisee and Franchisee's principals certify, represent, and warrant that none of their property or interests is subject to being blocked under, and that Franchisee and Franchisee's principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Franchisee and Franchisee's principals, or any blocking of Franchisee and Franchisee's principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

**B. Independent Contractor Status.** Franchisee is an independent contractor responsible for full control over the internal management and daily operation of Franchisee's Franchised Business, and neither party to this Franchise Agreement is the agent, principal, partner, employee, employer, or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor's agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All stationery, business cards and contractual agreements entered into by Franchisee shall contain

~~B.~~ Franchisee's corporate or fictitious name and a conspicuously displayed notice in the place Franchisor designates, that Franchisee operates Franchisee's Franchised Business as an independently owned and operated franchised business. Nothing in this Franchise Agreement authorizes Franchisee to make any contract, agreement warranty, or representation on Franchisor's

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behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employees or subject to Franchisor's control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied, or fixed by any city, state, or federal governmental agency. Franchisee and Franchisor will each file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and worker's compensation payments with respect to its respective employees and operations and will save and indemnify the other of and from any liability of any nature whatsoever by virtue thereof. The System Standards are to protect Proprietary Marks and not to control the day-to-day operation of Franchisee's Franchised Business. Franchisee must sign a Training and Joint Employer Acknowledgment to indicate Franchisee's understanding of this. This acknowledgment will be in the form contained in Attachment F to this Franchise Agreement.

**C. Responsibility of Management.** Franchisee agrees that Franchisor has entered into this Franchise Agreement in reliance upon and in recognition of the fact that Franchisee will have full responsibility for the management and operation of the business and that the amount of profit or loss resulting from the operation of the business will be directly attributable to the performance of the Franchisee.

**D. Indemnification.** Franchisee and Franchisee's principals agree to indemnify, defend and hold Franchisor, Franchisor's **Affiliates** and their respective shareholders, directors, officers, employees, agents, successors and assignees ("**Indemnities**") harmless against and to reimburse them for all claims, obligations, liabilities and damages ("**Claims**"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of Franchisee's Franchised Business, including the condition, or construction, equipping, decorating, maintenance or operation of the Franchised Business and Franchisee's advertising, as well as all leasing activities at the Approved Location or otherwise through the Franchised Business, as well as Franchisee's employment or other contractual relationship with Franchisees employees, workers managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that Franchisor is an employer or joint employer of Franchisee's employees; (ii) the unauthorized use of the Proprietary Marks and other Proprietary Material; (iii) the transfer of any interest in this Franchise Agreement, Franchisee or the Franchised Business in any manner not in accordance with this Franchise Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee's principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; (v) Franchisee's violation of any federal, state, or local law, statute, rule or regulation, including but not limited to, violation of Privacy Laws; or (vi) libel, slander or any other form of defamation of Franchisor, the System or any franchisee or developer operating under the System, by Franchisee or by any of Franchisee's principals. For purposes of this indemnification, "**Claims**" shall mean and include all obligations,



~~D.~~—actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right to defend any such claim against it in such manner as Franchisor deems appropriate or desirable in Franchisor's sole discretion. Such

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an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's and each of Franchisee's principals' obligations to indemnify the Indemnities and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Franchise Agreement.

**E. Entire Agreement.** This Franchise Agreement contains the entire agreement of the parties. There are no representations either oral or written, except those contained in this Franchise Agreement. This written Franchise Agreement includes all representations between the parties. This agreement may not be modified except by a written document signed by both parties. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document furnished to Franchisee.

**F. Construction of Language.** The language of this Franchise Agreement shall be construed according to its fair **meaning**, and not strictly for or against either party. All words in this Franchise Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to Franchisee's "**immediate family**" means Franchisee's spouse, parents, children and siblings and Franchisee's spouse's parents, children, and siblings. Reference to Franchisee's "**principals**" means Franchisee's partners, officers, directors, shareholders, members, and managers, as applicable. References to "**Franchisor**" and "**Franchisee**" include the party's successors, assigns or transferees. The parties have had a reasonable opportunity to review this Franchise Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Franchise Agreement shall be construed as if drafted jointly by all ~~of~~ the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Franchise Agreement.

**G. Severability.** If any provision of this Franchise Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Franchise Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Franchise Agreement relating to payments to Franchisor or any of its Affiliates or protection of the Proprietary Marks or the Confidential Information, including the Manual and Franchisor's other Trade Secrets, is declared invalid or unenforceable, then Franchisor at Franchisor's option may terminate this Franchise Agreement immediately upon written notice to Franchisee.

**H. State Law Applies.** If any provision of this Franchise Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which the Franchised Business is located, then the valid law or regulation of that state applicable to the franchise shall supersede any provision

~~H.~~ -of this Franchise Agreement that is less favorable to Franchisee.

~~I.~~ **Additional Documentation**. Franchisee must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor reasonably may require ~~effectuating in order to effectuate~~ the transactions contemplated herein. If Franchisee fails to\_

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I. comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to execute ~~any and~~ all documents on Franchisee's behalf, reasonably necessary to effectuate the transactions contemplated herein.

J. **Force Majeure.** Neither party to this Franchise Agreement will be liable for loss or damage or deemed to be in breach of this Franchise Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, pandemic, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as Franchisor deems reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalty Fees, Brand Building Fund Contributions or Technology Fees due afterward.

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**K. Attorney Fees.** If Franchisee is in breach or default of any monetary or non-monetary material obligation under this Franchise Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's Affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorney fees, court costs and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Franchise Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorney fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

**L. Notices.** All notices required or permitted under this Franchise Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile, e-mail or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. All notices shall be sent to Franchisee at the address listed on page one (1) of this Franchise Agreement or such other address as Franchisee may designate in writing to Franchisor. All notices, payments and reports required by this Franchise Agreement shall be sent to the parties as follows:

Franchisor:

Suite Management Franchising,  
LLC ~~Attention: Senior Director  
of Legal~~ 2542 Highlander Way  
Carrollton, Texas 75006  
Email: legalnotices@propelledbrands.com

Franchisee:  
Agreement

The notice address listed in **Attachment A** to this Franchise

~~**M. — Guaranty Owners Agreement and Assumption of Obligations.**~~ If Franchisee is  
a corporation, or subsequent to execution hereof, Franchisee assigns this Franchise Agreement to  
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corporation, all shareholders owning any of Franchisee's outstanding shares and their spouses (or if Franchisee is a partnership, or subsequent to execution hereof, Franchisee assigns this Franchise Agreement to a partnership, all general partners and their spouses, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Franchise Agreement to a limited liability company, all members and managers and their spouses) hereby personally and unconditionally guarantee without notice, demand or presentment, the payment of all of Franchisee's monetary obligations under this Franchise Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's Affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination, or expiration and nonrenewal of this Franchise Agreement as if each were an original party to this Franchise Agreement in his or her individual capacity. Such persons must execute Franchisor's prescribed form of Guaranty and Assignment of Obligations~~Owners Agreement~~ attached hereto as **Attachment B** contemporaneously with the execution of this Franchise Agreement.

**M.**

**N. Approvals.** Whenever this Franchise Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties nor guarantees upon which Franchisee may rely and assumes no liability nor obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Franchise Agreement, or by reason of any neglect, delay or denial of any request, therefore.

**O. Withholding Payments.** Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to any of its Affiliates. Franchisee shall not withhold or offset any amounts, damages, or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Franchise Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate.

~~Q.~~ -Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

**P. Further Assurances.** Each party to this Franchise Agreement will execute and deliver such further instruments, contracts, forms, or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Franchise Agreement.

**Q. Acknowledgments.** Franchisee acknowledges that:

~~(1)~~—Franchisee has conducted an independent investigation of the Franchised Business contemplated by this Franchise Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon Franchisee's business abilities and efforts;\_

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~~(2)~~ Franchisee's business abilities and efforts are vital to Franchisee's success;

~~(1)~~

~~(3)~~~~(2)~~ attracting customers for the Franchised Business will require Franchisee to make consistent marketing efforts in Franchisee's community through various methods, including media advertising;

~~(4)~~~~(3)~~ retaining customers for the Franchised Business will require Franchisee to have a high level of customer service and adhere strictly to the System Standards, and that Franchisee has committed to maintaining the System Standards;

~~(5)~~~~(4)~~ Franchisee did not receive from Franchisor, and Franchisee is not and has not relied upon, any representations or guarantees, express or implied, as to the potential profits or other metrics of a Franchised Business, except as described in the Franchise Disclosure Document;

~~(6)~~~~(5)~~ in all ~~of~~ their dealings with Franchisee, Franchisor's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between Franchisee and them as a result of this Franchise Agreement are deemed to be only between Franchisee and Franchisor;

~~(7)~~~~(6)~~ Franchisee has represented to Franchisor, to induce Franchisor's entry into this Franchise Agreement, that all statements Franchisee and Franchisee's Owners have made, and materials Franchisee and Franchisee's Owners have given to Franchisor are accurate and complete and that Franchisee and Franchisee's Owners have made no misrepresentations or material omissions in obtaining the franchise;

~~(8)~~~~(7)~~ Franchisee has read this Franchise Agreement and the Franchise Disclosure Document and understands and accepts that this Franchise Agreement's terms and covenants are reasonably necessary for Franchisor to maintain Franchisor's high standards of quality and service, as well as the uniformity of the System Standards, and to protect and preserve the goodwill of the Marks;

~~(9)~~~~(8)~~ Franchisor has the right to restrict Franchisee's source of goods and services as provided in various sections of this Franchise Agreement;



~~(10)~~(9) Franchisor has not made any representation, warranty or other claim regarding this franchise opportunity, other than those made in this Franchise Agreement and the Franchise Disclosure Document, and that Franchisee has independently evaluated this opportunity, including by using Franchisee's business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Franchise Agreement; and

~~(11)~~(10) Franchisee has been given the opportunity to clarify any provision of this Franchise Agreement that Franchisee may not have initially understood and that Franchisor has advised and encouraged Franchisee to have this Franchise Agreement and all other agreements and materials Franchisor has given or made available to Franchisee reviewed by an attorney, and Franchisee has either done so or waived Franchisee's right to do so.

**R. No Guarantee of Earnings.** Franchisee understands that Franchisor and any of Franchisor's representatives and/or agents with whom Franchisee has met have not made and are not making any guarantees as to the extent of Franchisee's success in Franchisee's Franchised Business and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with Franchisee's Franchised Business.

**S. Receipt of Franchise Disclosure Document.** Franchisee acknowledges that this Franchise Agreement and Franchisor's Franchise Disclosure Document have been in Franchisee's possession for at least fourteen (14) calendar days before Franchisee signed this Franchise Agreement or paid any monies to Franchisor or an Affiliate and that any material changes to this Franchise Agreement were in writing in this Franchise Agreement for at least seven (7) calendar days before Franchisee signed this Franchise Agreement.

**T. No Personal Liability.** Franchisee agrees that fulfillment of ~~any and~~ all of Franchisor's obligations written in this Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Franchise Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Franchise Agreement. This is an important part of this Franchise Agreement. Do not sign this Franchise Agreement if there is any question concerning its contents or any representations made.

**U. Terms of Other Franchises May Differ.** Franchisee acknowledges that other franchisees of Franchisor have or will be granted franchises at different times and in different situations, and further acknowledges that the terms and conditions of such franchises and the resulting franchise agreements may vary substantially in economics, form and in substance from those contained in this Franchise Agreement.

**V. No Violation of Other Agreements.** Franchisee represents that its execution of this Franchise Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

~~(SIGNATURE PAGE FOLLOWS)~~

~~C-60~~

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

SUITE MANAGEMENT FRANCHISING, LLC

~~Franchisor~~ a Florida limited liability company

**Franchisee**

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

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**DATED\*:** \_\_\_\_\_

~~Dated\*:~~ \_\_\_\_\_ (\*Effective Date of this ~~Franchise~~ Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED**

**LIABILITY COMPANY, OR PARTNERSHIP):**

[Print Name of Franchisee Entity]

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**Personal Guarantors**

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

[signature of individual franchisee]

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

**DATED:** \_\_\_\_\_



**ATTACHMENT A TO THE FRANCHISE AGREEMENT  
DATA SHEET AND STATEMENT OF OWNERSHIP**

1. Franchise Owner. The Franchise Owner set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_.
2. Franchisor hereby grants Franchisee the right to use the trade name “MY SALON~~My Salon~~ Suite.”
- ~~3.~~ Initial Franchise Fee. Franchisee shall pay to Franchisor, upon execution of this Franchise Agreement, a non-refundable Initial Franchise Fee equal to \_\_\_\_\_ (\$ \_\_\_\_\_). ~~(\$ \_\_\_\_\_).~~
- ~~3.~~ \_\_\_\_\_
4. Approved Location. Pursuant to Section 2.2 of the Franchise Agreement, the Approved Location shall be the following address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:  
  
Name: \_\_\_\_\_  
  
Daytime Telephone No.: \_\_\_\_\_  
-Evening Telephone No.: \_\_\_\_\_  
-Cellular Telephone No.: \_\_\_\_\_  
-Facsimile No.: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_
6. Effective Date. The Effective Date is set forth below Franchisor’s signature on this Franchise Agreement.
7. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all ~~of~~ the shareholders, members, or partners of Franchisee and ~~the~~ the percentage interest of each individual:

Name

Position/Title

Interest (%)

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- 
8. Notice Address. The address for all notices to be sent to Franchisee under Section 18.12 of the Franchise Agreement is:

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~~CA-1~~

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

FRANCHISOR FRANCHISEE

By: Title: Dated\*: (\*Effective Date of this Franchise Agreement)

By: Name: T

OWNERS  
(SHAREHOLDERS/MEMBERS/  
PARTNERS/ETC.)

By: Name:

By:   
Name:

By: Name:

By: Name:

~~FRANCHISOR~~

By:   
Title:   
Dated\*:

(\*Effective Date of this Franchise Agreement)

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

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

## ATTACHMENT B TO THE FRANCHISE AGREEMENT

### SITE SELECTION ADDENDUM

Suite Management Franchising, LLC (hereinafter the “Franchisor”)  
and (hereinafter “Franchisee”), have this date, \_\_\_\_\_, 20\_\_\_\_, entered into a  
certain Franchise Agreement (the “Franchise Agreement”) and now desire to supplement its  
terms as set forth below according in this Site Selection Addendum (the “Site Selection  
Addendum”). The parties hereto therefore agree as follows:

1. At the time the parties entered into the Franchise Agreement, Franchisee had not obtained and secured a lease for a location from which to operate a Franchised Business granted under the Franchise Agreement (the “**Franchised Business**”) that Franchisor approved in writing (the “**Approved Location**”).

2. Within six (6) months after Franchisee's execution of the Franchise Agreement, Franchisee must purchase or lease an Approved Location, at Franchisee's expense, that Franchisor approves in accordance with the site selection procedure set forth in Sections 2.B. and 7 of the Franchise Agreement. The Approved Location shall be within the following geographical search area (the "Site Selection Area"):

3. Franchisee acknowledges and agrees that the Franchisee's Protected Territory may not be the same geographical area as the Site Selection Area and the Franchisee's Protected Territory may be significantly smaller than the Site Selection Area. Notwithstanding anything contained in this Site Selection Addendum, Franchisor may establish, and license another to establish, a Franchised Business using Franchisor's Proprietary Marks and System within the Site Selection Area at any time, subject to Section 2.C. of the Franchise Agreement.

4. Failure by Franchisee to obtain premises for the Franchised Business within the time required in Section 7.A. of the Franchise Agreement shall constitute a default under the Franchise Agreement and this Site Selection Addendum and shall be grounds for termination as set forth in Section 14 of the Franchise Agreement. The parties agree and acknowledge that time is of the essence with respect to all of Franchisee's obligations under this Site Selection Addendum.

5. If Franchisee will occupy the premises of the Franchised Business under a lease, Franchisee shall, prior to the execution thereof: (i) provide the lease for the proposed site to Franchisor for evaluation and approval, which Franchisee must obtain; and (ii) execute the Conditional Assignment of Lease and obtain the lessor's execution of the Consent and Agreement of Lessor, in the forms attached to the franchise disclosure document. Franchisor's approval of the lease may be conditioned upon the inclusion in the lease such terms and conditions as Franchisor may reasonably require, including, without limitation:

a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;

b. That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Franchised Business;

c. That the use of the premises be restricted solely to the operation of the Franchised Business;

d. That, except as expressly permitted in the Franchise Agreement, Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

e. That lessor provides to Franchisor copies of all notices of default given to Franchisee under the lease;

f. That Franchisor has the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease; and

g. That Franchisor has the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease.

6. Franchisee shall furnish Franchisor with a copy of any executed lease within five days after execution thereof.

7. After a site for the Franchised Business has been approved in writing by Franchisor and purchased or leased by Franchisee in accordance with this Site Selection Addendum and Section 7 of the Franchise Agreement, the site shall constitute the Approved Location referred to in Section 2.2 of the Franchise Agreement.

8. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose or the site's compliance with any federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design, and operation of the Franchised Business. Franchisor's approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

9. In the event a term is not specifically defined herein, that term shall be given the meaning and definition provided for it in the Franchise Agreement.



10. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Site Selection Addendum to the Franchise Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**FRANCHISEE**

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

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

**FRANCHISOR**

**SUITE MANAGEMENT FRANCHISING, LLC**

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

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

**ATTACHMENT C TO THE FRANCHISE AGREEMENT**  
**AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER**

**SUITE MANAGEMENT FRANCHISING, LLC /PAYEE**

**BANK NAME**

**ACCOUNT#**

**ROUTING#**

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, “debits”) drawn on such account which are payable to the above-named Payee. It is agreed that Depository’s rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination. This authorization shall apply to any new or updated bank account information provided to Payee.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising if any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor’s own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or Payee’s participation therein.

Name of Depository: \_\_\_\_\_

Name of Depositor: \_\_\_\_\_

Designated Bank \_\_\_\_\_  
Acct.: \_\_\_\_\_

(Please attach one voided check for the above account)

Center Location: \_\_\_\_\_

Center #: \_\_\_\_\_

For Information call: \_\_\_\_\_

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

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Name of Franchisee/Depositor (please print)

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

Signature and Title of Authorized Representative

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

**ATTACHMENT D TO THE FRANCHISE AGREEMENT**  
**RENEWAL ADDENDUM**

This Renewal Addendum to the Franchise Agreement (“**Renewal Addendum**”) is made and entered into between \_\_\_\_\_ whose address is at \_\_\_\_\_ (“**Franchisee**”) and Suite Management Franchise, LLC, a Florida limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“**Franchisor**”). This Renewal Addendum shall be effective as of the date signed by Franchisor and set forth opposite Franchisor’s signature on this Renewal Addendum (“**Effective Date**”).

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated \_\_\_\_\_ (“**Original Franchise Agreement**”) pursuant to which Franchisor granted Franchisee the right to operate a My Salon Suite franchised business located at \_\_\_\_\_ (“**Franchised Business**”).

WHEREAS, Pursuant to the rights granted in the Original Franchise Agreement, Franchisee is willing to enter into a new franchise agreement with Franchisor on the terms and conditions of Franchisor’s current form of franchise agreement, as modified by this Renewal Addendum (“**Renewal Franchise Agreement**”) to continue Franchisee’s rights to operate the Franchised Business.

WHEREAS, Franchisee has had a full and adequate opportunity to be advised thoroughly of the terms and conditions of the Renewal Franchise Agreement, including this Renewal Addendum, by legal counsel and other advisors, and has had sufficient opportunity to evaluate and investigate the System, the financial investment requirements and the business risks associated with operating a MY SALON Suite business.

WHEREAS, Franchisor and Franchisee desire to amend the terms of the Renewal Franchise Agreement by incorporating the terms of this Renewal Addendum into the Renewal Franchise Agreement.

NOW, THEREFORE, in consideration of the undertakings and commitments of each party to the other party set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** Capitalized terms used and not defined in this Renewal Addendum shall have the meanings assigned to them in the Renewal Franchise Agreement.

2. **Renewal Franchise Fee.** Subsection 3.A. of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:

3.A. **Renewal Franchise Fee.** Franchisee shall pay to Franchisor, on execution of this Franchise Agreement, a non-refundable renewal franchise fee of \_\_\_\_\_ Dollars (\$) (“**Renewal Franchise Fee**”). The entire Renewal Franchise Fee is deemed fully earned upon payment and is not refundable under any circumstances, in consideration of: (i) administrative, legal and other expenses incurred by Franchisor in granting this franchise; and (ii) Franchisor’s lost or deferred opportunity to enter into this

Franchise Agreement with others.

3. Method of Payment. The following language is removed from the first sentence of Section 3.F.(1) of the Renewal Franchise Agreement:

“Except for the Initial Franchise Fee,”

Initial Term. Section 4.A. of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:

**4.A. Initial Term.** This Franchise Agreement shall be effective and binding from the date of its execution by Franchisor and will expire on the earlier of the date that is ten (10) years from the Effective Date, or the date the current term of Franchisee’s lease expires, unless earlier terminated by Franchisor under this Franchise Agreement (“**Initial Term**”).

4. Renewal Term. The first sentence of Section 4.B. of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:

**4.B. Renewal Term.** Franchisee shall have the right to renew this Franchise Agreement for one (1) additional, successive term of ten (10) years (“**Renewal Term**,” and together with the Initial Term, the “**Term**”), if all the following conditions have been fulfilled:

5. Site Selection. Section 7.A. of the Renewal Franchise Agreement is deleted in its entirety.

6. Project Management Fee. Section 7.D. of the Successor Franchise Agreement is deleted in its entirety.

7. Opening Date. Section 7.F. of the Renewal Franchise Agreement is deleted in its entirety.

8. Grand Opening Advertising. Section 9.E. of the Renewal Franchise Agreement is deleted in its entirety.

9. The first paragraph of Section 10.A., 10.3. and Section 10.A.(5) of the Renewal Franchise Agreement are deleted in their entirety.

10. Termination. Section 9.B.(a) and 14.B.(30) of the Renewal Franchise Agreement is deleted in its entirety.

11. Renewal Addendum Binding. This Renewal Addendum will be binding upon and inure to the benefit of each party and each party’s respective successors and assigns.

12. No Further Changes. Except as specifically provided in this Renewal Addendum, all the terms, conditions, and provisions of the Renewal Franchise Agreement will remain in full force and effect as originally written and signed.

13. Counterparts. This Renewal Addendum may be executed in multiple counterparts by the parties, and the failure to have the signatures of all parties on a single Renewal Addendum shall not affect the validity or enforceability of any part of this Renewal Addendum against any party who executes any counterpart of the Renewal Addendum. Executed facsimile or electronic copies of this Renewal Addendum shall be deemed to be effective as original signatures.

IN WITNESS WHEREOF, Franchisee acknowledges that Franchisee has read and understands the contents of this Renewal Addendum, that Franchisee has had an opportunity to obtain the advice of counsel, and that Franchisee intends to comply with this Renewal Addendum and be bound thereby. The parties have executed and delivered this Renewal Addendum to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

IN WITNESS WHEREOF, Franchisee acknowledges that Franchisee has read and understands the contents of this Renewal Addendum, that Franchisee has had an opportunity to obtain the advice of counsel, and that Franchisee intends to comply with this Renewal Addendum and be bound thereby. The parties have executed and delivered this Renewal Addendum to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

**SUITE MANAGEMENT FRANCHISING,  
LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**Dated:** \_\_\_\_\_  
(\*Effective Date of this Renewal Addendum)

**FRANCHISEE:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

**ATTACHMENT E TO THE FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF LEASE AND LEASE ADDENDUM FORMS**

**FORM OF LEASE ADDENDUM**

**TO LEASE DATED** \_\_\_\_\_, \_\_\_\_\_ **(“Lease”)**

**BY AND BETWEEN** \_\_\_\_\_

\_\_\_\_\_  
**(“Landlord”) AND**

\_\_\_\_\_  
**(“Tenant”)**

**For** \_\_\_\_\_ **(“Premises”)**

THIS ADDENDUM (the “Addendum”) is entered into among Suite Management Franchising, LLC (“Franchisor”), and the Tenant and Landlord identified above on \_\_\_\_\_, 20\_\_\_\_\_ (“Effective Date”) subject to the following recitals:

WHEREAS, Tenant and Franchisor are parties to that certain Franchise Agreement (the “Franchise Agreement”) pursuant to which Franchisor has granted Tenant a franchise and license to operate a MY SALON Suite franchised business (the “Franchised Business”) under service marks and/or other proprietary marks Franchisor may designate for use (collectively, the “Proprietary Marks”) using the distinctive business methods, uniform operating systems, and trademarks that Franchisor now or hereafter requires to identify, advertise, or promote its proprietary franchise business and system (the “Franchise System”);

WHEREAS, the Franchise Agreement requires Tenant to obtain Franchisor’s prior written approval of the location for Tenant’s Franchised Business (the “Approved Location”) before entering into a lease with the owner or master tenant of the Approved Location (the “Lease”);

WHEREAS, one of the factors that Franchisor considers in approving a location for Tenant’s Franchised Business is the agreement of the owner or master tenant of the Approved Location to incorporate certain provisions as part of the Lease to protect Franchisor’s interests and give Franchisor specific rights as a third-party beneficiary;

WHEREAS, Franchisor has approved the Premises as the Approved Locations of Tenant’s Franchised Business subject to the parties entering into this Addendum to the Lease of the Premises. Landlord and Tenant are willing to amend the Lease to add the specific provisions which Franchisor requires as a condition to approving Tenant’s request to locate its Franchised Business at the Premises;

**NOW, THEREFORE,** for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

A. Effect of Addendum. Tenant and Landlord agree that this Addendum is made a part of that certain Lease for the Premises which they have entered into on the date shown above and attach a copy of the Lease to this Addendum as Schedule 1. Tenant and Landlord agree that, in the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. The parties agree that all defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease. The parties further agree that Franchisor's signature below signifies its agreement to the terms and conditions of this Addendum but does not create or impose any obligations upon Franchisor under the Lease or make Franchisor a named party to the Lease. The parties expressly recognize that Franchisor is a third-party beneficiary of the Lease with the rights created by this Addendum.

B. Assignment of Lease. Tenant irrevocably assigns and transfers to Franchisor all of Tenant's right, title, and interest in and to the Lease and all options contained therein. This assignment may not be revoked without the prior written consent of Franchisor. The parties acknowledge that, until Franchisor accepts the assignment made by Tenant, which acceptance shall be indicated by Franchisor delivering a written notice of acceptance of assignment in accordance with this Addendum, Franchisor has no obligations, liabilities, or responsibilities under the Lease of any kind, including, without limitation, as a guarantor or indemnitor of Tenant's obligations to Landlord. Tenant represents that, before the Effective Date, it has not entered into an agreement to assign its right, title, and interest in and to the Lease to any other person.

C. Use of Property. During the term of the Lease, Tenant shall use the Premises solely for the operation of a Franchised Business that subleases/rents studio space and provides certain other authorized services/products to third-party salon professionals in accordance with the requirements of the Franchise Agreement, unless Tenant and Landlord obtain Franchisor's prior written consent to another use.

D. Franchisor's Right of Entry. Franchisor may enter the Premises at any time to inspect Tenant's operations and engage in all activities expressly permitted by the Franchise Agreement.

E. Notices to Franchisor. Landlord shall serve Franchisor with a copy of any notice of default, breach, or termination of Lease at the same time that Landlord serves Tenant with such notice.

F. Default by Tenant; Franchisor Opportunity to Cure. Landlord agrees not to terminate the Lease based on Tenant's breach or default of any provision of the Lease unless and until Landlord gives Franchisor written notice identifying the breach or default and allows Franchisor an opportunity to cure the breach or default, which cure period shall be no less than the length of the cure period extended to Tenant plus an additional ten (10) days (with a minimum cure period



extended to Franchisor of at least 30 days total). To avoid uncertainty over the length of Franchisor's cure period, Landlord shall identify Franchisor's cure period when Landlord gives Franchisor written notice of the breach or default. Landlord shall not terminate the Lease before Franchisor's cure period expires. If Franchisor fails or refuses to cure the breach or default by the end of Franchisor's cure period, Landlord may terminate the Lease in the manner provided in the Lease but shall have no remedy against Franchisor.

G. Acceptance of Assignment by Franchisor. Subject to complying with the requirements of this Section, Franchisor may accept the assignment of the Lease by giving written notice of acceptance to Landlord at any time before the Lease terminates or expires if: (i) Franchisor terminates the Franchise Agreement for any reason; (ii) Tenant loses the right to occupy the Premises due to Tenant's breach or default or for any other reason except the expiration of the Lease or condemnation or destruction of the Premises on the terms stated in the Lease. If Franchisor accepts the assignment by giving timely written notice to both Franchisee and Landlord, the parties agree that from and after the date of Franchisor's written notice of acceptance: (i) Franchisor shall have all of the rights of Tenant under the Lease; (ii) Franchisor shall have the right to assign or sublet all of any part of its interest in the Lease or in the Premises to another Franchised Business owner without Landlord's prior consent; and (iii) Franchisor shall be liable to perform only the obligations of Tenant under the Lease arising from and after the date of Franchisor's acceptance of the assignment and shall have no liability for obligations arising before Franchisor's acceptance of the assignment (except for the duty to cure any defaults committed by Tenant which are outstanding on the date of Franchisor's notice of acceptance of assignment). Any options to extend the term of the Lease shall automatically transfer to Franchisor as an assignee of Tenant's rights under the Lease. If Franchisor accepts an assignment of the Lease, the parties shall thereafter cooperate and work together to achieve an orderly transition of Tenant's leasehold interest to Franchisor with minimal disruption to the service of customers of the Franchised Business.

H. Landlord's Agreements. In addition to agreements stated elsewhere in this Addendum, for the benefit of Franchisor, Landlord agrees not to accept Tenant's voluntary surrender of the Lease without giving Franchisor prior written notice and a period of no less than ten (10) days in which to accept an assignment of the Lease pursuant to the requirements of this Addendum. Additionally, Landlord agrees not to amend the Lease without Franchisor's prior written consent.

I. Communications. Any notices required in this Addendum must be in writing and will be deemed given when delivered by personal delivery or four (4) days after being sent by certified or registered mail, return receipt requested, if addressed as follows:

Franchisor: Suite Management Franchising, LLC  
2542 Highlander Way  
Carrollton, Texas 75006  
Email: legalnotices@propelledbrands.com

Landlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any party may change its address for receiving notices by appropriate written notice to the other.

J. Miscellaneous. Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Addendum shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Nothing in this Addendum is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity who is not a party to this Addendum. This Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Addendum sets forth the entire agreement regarding the rights of Franchisor, fully superseding all prior agreements or understandings between the parties pertaining to the subject matter of this Addendum. This Addendum may only be amended by written agreement duly executed by each party.

IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of the Effective Date.

**LANDLORD**

**TENANT (FRANCHISEE)**

[INSERT LANDLORD HERE]

[INSERT FRANCHISEE HERE]

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

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

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

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

**FRANCHISOR**

SUITE MANAGEMENT FRANCHISING, LLC

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

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

## **COLLATERAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, the undersigned (“Assignor”) hereby assigns and transfers to Suite Management Franchising, LLC, a Florida limited liability company, with its principal place of business address at 2542 Highlander Way, Carrollton, Texas 75006 (“Assignee”), all of Assignor’s right, title, and interest as tenant in, to, and under that certain lease, a copy of which is attached hereto as Schedule 1 (the “Lease”) respecting premises commonly known as

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(the “Premises”).

This Collateral Assignment of Lease (“Assignment”) is for collateral purposes only, and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor’s rights, title, and interest under the Lease pursuant to this Assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the “Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement or this Assignment, Assignee has the right, and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title, or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than one hundred twenty (120) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place, and stead of Assignor for the purpose of effecting such extension or renewal.

*(Signatures on following page)*

ASSIGNOR:

Dated: \_\_\_\_\_, 20\_\_\_\_\_

SIGNED AND SEALED

this\_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public

## CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease with respect to the Premises does hereby:

(a) \_\_\_\_\_ agree to notify Assignee in writing of, and upon the failure of, Assignor to cure any default by Assignor under the Lease;

(b) \_\_\_\_\_ agree that Assignee has the right, but must not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

(c) \_\_\_\_\_ consents to the foregoing Collateral Assignment of Lease and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor in writing the assumption of the Lease by Assignee as tenant thereunder, Lessor must recognize Assignee as tenant under the Lease, if Assignee cures within the thirty (30) day period the defaults, if any, of Assignor under the Lease;

(d) \_\_\_\_\_ agree that Assignee will not have any obligations under the Lease or otherwise with respect to the Premises unless Assignee undertakes those actions outlined in the immediately preceding paragraph and in the Lease Addendum that are necessary for Assignee to expressly assume Assignor's obligations under the Lease; and

(e) \_\_\_\_\_ agrees that Assignee may further assign the Lease to a person, firm, or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor, and upon such assignment, Assignee will have no further liability or obligation under the Lease as Assignee, tenant, or otherwise.

**LESSOR:**  
[INSERT LESSOR]

DATED: \_\_\_\_\_

**EXHIBIT F TO FRANCHISE AGREEMENT**  
**ACKNOWLEDGMENT OF UNDERSTANDING BY FRANCHISEE REGARDING**  
**TRAINING AND JOINT EMPLOYMENT**

This Acknowledgment ("Acknowledgment") is provided by Suite Management Franchising LLC ("Company") to clarify the relationship between the Franchisor and Franchisee in the context of franchising. This Acknowledgment is intended to inform all parties involved, including potential franchisees, that no joint employer relationship exists between the Company and its franchisees.

1. Independent Business Entities: The Company and its franchisees are independent business entities. Each franchisee operates as a separate legal entity and is solely responsible for its own employees, operations, and business decisions.
2. Franchisee's Autonomy: Franchisees have the autonomy to manage their own employees, including hiring, training, supervising, and terminating them. The Company does not exercise control or direct involvement in the day-to-day operations of the franchisee's business, including employment-related matters.
3. No Control over Employment Decisions: The Company does not control or have the authority to control the hiring, firing, scheduling, or compensation of the franchisee's employees. The franchisee is solely responsible for all employment-related decisions and compliance with applicable labor laws.
4. No Shared Liability: The Company and its franchisees operate as separate legal entities, and any liabilities arising from the actions or decisions of the franchisee, including employment-related matters, are the sole responsibility of the franchisee. The Company shall not be held liable for any claims, disputes, or damages arising from the franchisee's employment practices.
5. Clear Distinction: The Company maintains a clear distinction between its role as a franchisor, providing support, guidance, and brand standards, and the franchisee's role as an independent business owner responsible for their own operations, including employment-related matters.
6. Compliance with Laws: The franchisee is responsible for complying with all applicable employment laws, including but not limited to, minimum wage laws, overtime laws, anti-discrimination laws, and health and safety regulations. The Company encourages franchisees to seek legal advice to ensure compliance with all relevant laws and regulations.
7. No Joint Employer Relationship: This Acknowledgment is intended to clarify that no joint employer relationship exists between the Company and its franchisees. The Company does not exert control or direct involvement in the franchisee's employment decisions, and the franchisee is solely responsible for all employment-related matters.

By signing any franchise agreement or engaging in any business relationship with the Company, the franchisee acknowledges and agrees to the terms of this Acknowledgment, confirming their understanding that no joint employer relationship exists between the Company and its franchisees.

This Acknowledgment is subject to change at any time, and any updates or modifications will be communicated to all relevant parties.

By signing below, the franchisee acknowledges that they have read, understood, and agreed to the terms of this Acknowledgment.

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_

[Print Name of Franchisee Entity]

By: [signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED:** \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_

[signature of individual franchisee]

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

DATED: \_\_\_\_\_

\_\_\_\_\_

[signature of individual franchisee]

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

DATED: \_\_\_\_\_



**ATTACHMENT G TO THE FRANCHISE AGREEMENT**  
**DESIGNATED MANAGER IDENTIFICATION**

In accordance with the terms of Franchisee's Franchise Agreement, this form is to verify and validate that Franchisee designates \_\_\_\_\_ as the Designated Manager, to devote his/her full time, best efforts, and personal attention to the day-to-day management and operation, of the Franchised Business located at \_\_\_\_\_.

If the Designated Manager is not able to continue to serve or no longer qualifies to act as the Designated Manager, Franchisee will notify Suite Management Franchising, LLC and designate a replacement Designated Manager within thirty (30) days after the Designated Manager ceases to serve in such capacity.

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

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

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

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

**ATTACHMENT H TO THE FRANCHISE AGREEMENT**  
**CONFIDENTIALITY AND NON-COMPETE AGREEMENT**

This Agreement is made and entered into on \_\_\_\_\_, 20\_\_\_\_, between  
(“Franchisee”) and \_\_\_\_\_ (“Covenantor”).

**WHEREAS,** Franchisee is a licensed franchisee of Suite Management Franchising, LLC, a Florida limited liability company (“SMF”), operating a MY SALON Suite business (the “**Franchised Business**”) using the SMF proprietary operating system and certain confidential information for the establishment and operation of facilities at an approved location that provides turnkey salon suite studios and ancillary services to salon professionals; and

**WHEREAS**, SMF owns, and has provided access to Franchisee to certain non-public information of or about SMF’s operating system, SMF, and MY SALON Suite businesses, including the Manual, SMF’s proprietary training, marketing and other instructional materials Trade Secrets, information related to any proprietary methodology or aspects of the SMF’s operating System or the establishments and continued operation of the Franchised Business, financial information, and vendor prices and matrices, and any and all clientele lists and data obtained through the operation of the Franchised Business (collectively, the “Confidential Information”). “Trade Secrets” means technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or vendors which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and

**WHEREAS,** Covenantor will have access to the Confidential Information; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by Covenantor herein.

**NOW, THEREFORE,** in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

## Confidentiality Agreement.

Covenantor shall maintain all Confidential Information. Covenantor shall not at any time make copies of any documents or compilations containing any Confidential Information for any purpose without the express written permission of Franchisee and SMF. Covenantor shall not disclose or permit the disclosure of any Confidential Information to any party except other employees or persons associated with Franchisee and only to the extent necessary to train or assist other employees of Franchisee in the operation of the Franchised Business. This

covenant shall always continue in full force and effect during and after the Covenantor's employment with Franchisee.

This is also to provide Covenantor with notice that, pursuant to 18 U.S.C. §1833(b), an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret: (i) made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, please note that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, provided that such individual (i) files any document containing the trade secret under seal, and (ii) the individual does not disclose the trade secret, except pursuant to a court order.

### **In-Term Covenant Not to Compete.**

To protect the goodwill and unique qualities of the MY SALON Suite franchise system and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor covenants that, during the time Covenantor is associated with Franchisee, Covenantor will not:

(i) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with SMF's proprietary trademarks and operating system.

(ii) Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business that: (i) is the same as, or substantially similar to the Franchised Business; (ii) engages in the rental of salon studio spaces or that offers or provides any of the other products/services that are offered by the Franchised Business; or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business (collectively, a "Competing Business"); provided, however, that this Section does not apply to Franchisee's operation of a Franchised Business pursuant to a valid franchise agreement with SMF.

### **Post-Term Covenant Not to Compete.**

In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the MY SALON Suite system, Covenantor agrees that for a continuous uninterrupted period of two (2) years that Covenantor will not, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person(s) or Entity:

(i) Franchising or Licensing Activities. Be involved with any business competing in whole or in part with SMF in granting franchises or licensing, or establishing joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business;

(ii) Other Competing Businesses. Own, maintain, engage in, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business within the following areas: (i) at the location of the Franchised Business; (ii) within Franchisee's territory; (iii) within a radius of 20 miles of the perimeter of the Franchisee's territory granted hereunder; or (iv) within a radius of 20 miles of the perimeter of any other protected territory licensed by SMF to any third party or any Franchised Business that is in operation or under development, as of the date of expiration, transfer or termination of this Franchise Agreement through the date of Covenantor's involvement in the Competing Business; or

(iii) Vendor Usage. Contact any of SMF's vendors for any competitive business purpose.

### **Irreparable Injury.**

Covenantor agrees that in the event of a breach of this Agreement, Franchisee and SMF would be irreparably injured and would be without an adequate remedy at law. Therefore, in the event of such a breach or threatened breach, Franchisee and/or SMF shall be entitled, in addition to any other remedies which are made available to it at law or equity, to a temporary and/or permanent injunction, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.

### **Third-party Beneficiary.**

SMF is expressly intended to be a third-party beneficiary of this Agreement. SMF shall have the right to enforce this Agreement and all provisions hereof.

### **No Waiver.**

Any failure by Franchisee or SMF to object to or act with respect to any breach of any provision of the Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

### Enforcement.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR TEXAS CHOICE OF LAW RULES. COVENANTORS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS, AND THE FEDERAL DISTRICT COURTS FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS, DIVISION. COVENANTORS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTORS HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW.

COVENANTORS FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

### Severability.

Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

### Entire Agreement.

This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a writing executed by all parties.

IN WITNESS WHEREOF, the undersigned has entered into this Agreement as  
witnessed by their signatures below.

**FRANCHISEE:**

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

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

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

**COVENANTOR:**

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

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

## ATTACHMENT I TO THE FRANCHISE AGREEMENT TRANSFER ADDENDUM

THE SUITE MANAGEMENT FRANCHISING, LLC FRANCHISE AGREEMENT (“Agreement”) between \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“you” or “your”) and Suite Management Franchising, LLC, a Florida limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) as of the date signed by us and set forth opposite our signature on this Addendum (the “Effective Date”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Addendum”):

Certain provisions contained in the Agreement are amended to be consistent with your purchase of an existing Franchised Business.

### INCORPORATION OF TERMS OF AGREEMENT

This Addendum shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

### AMENDMENTS TO THE AGREEMENT

The Agreement shall be amended as follows:

1. Section 7 (*Site Selection and Franchised Business Construction*) and Subsection 8.1 (*Site Selection and Build-Out Assistance Zoning Clearances*) of the Agreement shall be deleted in their entirety.

2. Fees

Subsection 3.A. (*Franchise Fee*) of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

Transferor or Transferee agrees to pay us a transfer fee of Fifteen Thousand Dollars (\$15,000) which shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the costs and expenses associated with reviewing the transfer and training cost for the Transferee.

3. Training

The phrase “within sixty (60) days of the Effective Date,” in the first sentence of the first paragraph of Section 10.1 of the Agreement shall be changed to “within sixty (60) days of you taking possession of the Franchised Business.”

4. Marketing

Subsection 9.6. of the Agreement (*Grand Opening Advertising*) shall be deleted in its entirety.

IN WITNESS WHEREOF, you acknowledge that you have read and understood the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby the parties have executed and delivered this Addendum to the Agreement on the dates noted below, to be effective as of the Effective Date.

**SUITE MANAGEMENT FRANCHISING, LLC**

a Florida limited liability company

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

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

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

**DATED\*: \_\_\_\_\_**

(\*Effective Date of this Agreement)

**FRANCHISEE:**

**(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**

[Print Name of Franchisee Entity]

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

[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

**DATED: \_\_\_\_\_**

**(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

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

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

**DATED: \_\_\_\_\_**

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

[signature of individual franchisee]

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

**DATED: \_\_\_\_\_**



**ATTACHMENT J TO THE FRANCHISE AGREEMENT**  
**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is as of the date that certain Franchise Agreement (the “**Agreement**”) is signed by us as described below.

By (list each guarantor):

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In consideration of, and as an inducement to, the execution of that certain Agreement on this date by Suite Management Franchising, LLC (“**us**,” “**we**,” or “**our**”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its principals, and for so long as we have any cause of action against Franchisee or its principals; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising because of the undersigned's execution of, and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice

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of default any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in state or federal court of general jurisdiction in Dallas, Texas, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures of Each Guarantor	Percentage of Ownership Interest in Franchisee
<hr/>	<hr/> %
<hr/>	<hr/> %
<hr/>	<hr/> %

EXHIBIT D

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_0/0

CB-4

CJ-2

**ATTACHMENT C TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**CONVERSION ADDENDUM**

The FRANCHISE AGREEMENT between whose address is at SITE-  
**SELECTION ADDENDUM**

~~Suite Management Franchising, LLC (hereinafter the “Franchisor”) \_\_\_\_\_ and \_\_\_\_\_ (the “Franchisee”) have entered into this Site Selection Addendum (the “Site Selection Addendum”). The parties hereto therefore agree as follows:~~

~~1. \_\_\_\_\_ At the time the parties entered into the Franchise Agreement, Franchisee had not obtained and secured a lease for a location from which to operate a Franchised Business granted under the Franchise Agreement (the “Franchised Business”) that Franchisor approved in writing (the “Approved Location”).~~

~~2.1. \_\_\_\_\_ Within six (6) months after Franchisee’s execution of the Franchise Agreement, Franchisee must purchase or lease an Approved Location, at Franchisee’s expense, that Franchisor approves in accordance with the site selection procedure set forth in Sections 2.2 and 7 of the Franchise Agreement. The Approved Location shall be within the following geographical search area (the “Site Selection Area”):~~

~~3. \_\_\_\_\_ Franchisee acknowledges and agrees that the Franchisee’s Protected Territory may not be the same geographical area as the Site Selection Area and the Franchisee’s Protected Territory may be significantly smaller than the Site Selection Area. Notwithstanding anything contained in this Site Selection Addendum, Franchisor may establish, and license another to establish, a Franchised Business using Franchisor’s Proprietary Marks and System within the Site Selection Area at any time, subject to Section 2.3 of the Franchise Agreement.~~

~~1. \_\_\_\_\_~~

~~4.1. \_\_\_\_\_ Failure by Franchisee to obtain premises for the Franchised Business within the time required in Section 7.1 of the Franchise Agreement shall constitute a default under the Franchise Agreement and this Site Selection Addendum and shall be grounds for termination as set forth in Section 15 of the Franchise Agreement. The parties agree and acknowledge that time is of the essence with respect to all of Franchisee’s obligations under this Site Selection Addendum.~~

~~5.1. \_\_\_\_\_ If Franchisee will occupy the premises of the Franchised Business under a lease, Franchisee shall, prior to the execution thereof: (i) provide the lease for the proposed site to Franchisor for evaluation and approval, which Franchisee must obtain; and (ii) execute the Conditional Assignment of Lease and obtain the lessor’s execution of the Consent and Agreement of Lessor, in the forms attached to the franchise disclosure document. Franchisor’s approval of the lease may be conditioned upon the inclusion in the lease such terms and conditions as Franchisor may reasonably require, including, without limitation:~~

~~a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;~~

~~b.a. That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Franchised Business;~~

~~CC-1~~

~~e.a. That the use of the premises be restricted solely to the operation of the Franchised Business;~~

~~d.a. That, except as expressly permitted in the Franchise Agreement, Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;~~

~~e. That lessor provide to Franchisor copies of any and all notices of default given to Franchisee under the lease;~~

~~a.~~

~~f.a. That Franchisor has the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease; and~~

~~g.a. That Franchisor has the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease.~~

~~6.1. Franchisee shall furnish Franchisor with a copy of any executed lease within five days after execution thereof.~~

~~7.1. After a site for the Franchised Business has been approved in writing by Franchisor and purchased or leased by Franchisee in accordance with this Site Selection Addendum and Section 7 of the Franchise Agreement, the site shall constitute the Approved Location referred to in Section 2.2 of the Franchise Agreement.~~

~~8.1. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose or the site's compliance with any federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design, and operation of the Franchised Business. Franchisor's approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a~~



~~franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.~~

~~9.1. In the event a term is not specifically defined herein, that term shall be given the meaning and definition provided for it in the Franchise Agreement.~~

CC-2

~~10.1. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.~~



~~IN WITNESS WHEREOF, the parties hereto have duly executed this Site Selection Addendum to the Franchise Agreement on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.~~

~~FRANCHISEE~~

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

~~FRANCHISOR~~

~~SUITE MANAGEMENT FRANCHISING, LLC~~

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

~~CC4~~

~~ATTACHMENT D TO THE FRANCHISE  
AGREEMENT RENEWAL  
ADDENDUM~~

~~This Renewal Addendum to the Franchise Agreement (“Renewal Addendum”) is made and entered into between \_\_\_\_\_ whose address is at \_\_\_\_\_ (“Franchisee”) of the date signed by Franchisor and set forth opposite Franchisor’s signature on this Renewal Addendum (“Effective Date”).~~

~~WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated \_\_\_\_\_ (“Original Franchise Agreement”) pursuant to which Franchisor granted Franchisee the right to operate a My Salon Suite franchised business located at \_\_\_\_\_ (“Franchised Business”).~~

~~WHEREAS, Pursuant to the rights granted in the Original Franchise Agreement, Franchisee is willing to enter into a new franchise agreement with Franchisor on the terms and conditions of Franchisor’s current form of franchise agreement, as modified by this Renewal Addendum (“Renewal Franchise Agreement”) to continue Franchisee’s rights to operate the Franchised Business.~~

~~WHEREAS, Franchisee has had a full and adequate opportunity to be advised thoroughly of the terms and conditions of the Renewal Franchise Agreement, including this Renewal Addendum, by legal counsel and other advisors, and has had sufficient opportunity to evaluate and investigate the System, the financial investment requirements and the business risks associated with operating a My Salon Suite business.~~

~~WHEREAS, Franchisor and Franchisee desire to amend the terms of the Renewal Franchise Agreement by incorporating the terms of this Renewal Addendum into the Renewal Franchise Agreement.~~

~~NOW, THEREFORE, in consideration of the undertakings and commitments of each party to the other party set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:~~

~~1. Definitions. Capitalized terms used and not defined in this Renewal Addendum shall have the meanings assigned to them in the Renewal Franchise Agreement.~~

~~2. Renewal Franchise Fee. Section 3.1 of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:~~

~~3.1 **Renewal Franchise Fee.** Franchisee shall pay to Franchisor, on execution of this Franchise Agreement, a non-refundable renewal franchise fee of \_\_\_\_\_ Dollars (\$ ,000) (“Renewal Franchise Fee”). The entire Renewal Franchise Fee is deemed~~

fully earned upon payment and is not refundable under any circumstances, in consideration of: ~~(i) administrative, legal and other expenses incurred by Franchisor in granting this~~

~~C D-1~~

franchise; and (ii) Franchisor's lost or deferred opportunity to enter into this Franchise Agreement with others.

3. ~~Method of Payment.~~ The following language is removed from the first sentence of Section 3.6.1 of the Renewal Franchise Agreement:

~~"Except for the Initial Franchise Fee,"~~

~~Initial Term.~~ Section 4.1 of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:

~~4.1 Initial Term.~~ This Franchise Agreement shall be effective and binding from the date of its execution by Franchisor and will expire on the earlier of the date that is ten (10) years from the Effective Date, or the date the current term of Franchisee's lease expires, unless earlier terminated by Franchisor under this Franchise Agreement ("**Initial Term**").

4. ~~Renewal Term.~~ The first sentence of Section 4.2 of the Renewal Franchise Agreement is deleted in its entirety and replaced with the following:

~~4.2 Renewal Term.~~ Franchisee shall have the right to renew this Franchise Agreement for one (1) additional, successive term of ten (10) years ("**Renewal Term**," and together with the Initial Term, the "**Term**"), if all of the following conditions have been fulfilled:

5. ~~Site Selection.~~ Section 7.1 of the Renewal Franchise Agreement is deleted in its entirety.

6. ~~Project Management Fee.~~ Section 7.4 of the Successor Franchise Agreement is deleted in its entirety.

~~Opening Date.~~ Section 7.5 of the Renewal Franchise Agreement is deleted in its entirety.

8. ~~Grand Opening Advertising.~~ Section 9.5 of the Renewal Franchise Agreement is deleted in its entirety.

9. ~~Initial Training.~~ The first paragraph of Section 10.1 and Section 10.1.5 of the Renewal Franchise Agreement are deleted in their entirety.

10. ~~Termination.~~ Section 14.3.4 of the Renewal Franchise Agreement is deleted in its entirety.

~~8.~~

~~11.8. Renewal Addendum Binding.~~ This Renewal Addendum will be binding upon and inure to the benefit of each party and each party's respective successors and assigns.



~~CD-2~~

~~12. No Further Changes. Except as specifically provided in this Renewal Addendum, all of the terms, conditions, and provisions of the Renewal Franchise Agreement will remain in full force and effect as originally written and signed.~~

~~13.8. Counterparts. This Renewal Addendum may be executed in multiple counterparts by the parties, and the failure to have the signatures of all parties on a single Renewal Addendum shall not affect the validity or enforceability of any part of this Renewal Addendum against any party who executes any counterpart of the Renewal Addendum. Executed facsimile or electronic copies of this Renewal Addendum shall be deemed to be effective as original signatures.~~

~~*[remainder of page intentionally left blank]*~~

~~CD-3~~

~~IN WITNESS WHEREOF, Franchisee acknowledges that Franchisee has read and understands the contents of this Renewal Addendum, that Franchisee has had an opportunity to obtain the advice of counsel, and that Franchisee intends to comply with this Renewal Addendum and be bound thereby. The parties have executed and delivered this Renewal Addendum to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.~~

~~SUITE MANAGEMENT  
FRANCHISING, LLC~~

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_  
(\*Effective Date of this Renewal Addendum)

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

DATED: \_\_\_\_\_

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

DATED: \_\_\_\_\_

~~CD-4~~

~~**ATTACHMENT E TO THE FRANCHISE AGREEMENT**~~  
~~**DESIGNATED MANAGER IDENTIFICATION**~~

In accordance with the terms of my Franchise Agreement, this form is to verify and validate that I designate \_\_\_\_\_ as the Designated Manager, to devote his/her full time, best efforts, and personal attention to the day to day management and operation, of the Franchised Business located at \_\_\_\_\_.

~~If the Designated Manager is not able to continue to serve or no longer qualifies to act as the Designated Manager, I will notify Suite Management Franchising, LLC and designate a replacement Designated Manager within 30 days after the Designated Manager ceases to serve in such capacity.~~

~~**FRANCHISEE:** \_\_\_\_\_~~

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

## ATTACHMENT F TO THE FRANCHISE AGREEMENT

### TRANSFER ADDENDUM

THE SUITE MANAGEMENT FRANCHISING, LLC FRANCHISE AGREEMENT (“Agreement”) between \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“you” or “your”) and Suite Management Franchising, LLC, a Florida limited liability company located at 2542 Highlander Way, Carrollton, Texas 75006-2333 (“we, us, or our”) as of the date signed by us and set forth opposite our signature on this Addendum (the “Effective Date”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Addendum”):

~~Certain provisions contained in the Agreement are amended to be consistent with your purchase of an existing Franchised Business.~~

### INCORPORATION OF TERMS OF AGREEMENT

~~This Addendum shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this Addendum are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this Addendum shall be controlling with respect to the subject matter thereof.~~

### AMENDMENTS TO THE AGREEMENT

~~The Agreement shall be amended as follows:~~

- ~~1. Section 7 (Site Selection and Franchised Business Construction) and Subsection 8.1 (Site Selection and Build-Out Assistance Zoning Clearances) of the Agreement shall be deleted in their entirety.~~

#### 2. Fees

~~Subsection 3.1 (Franchise Fee) of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:~~

~~Transferor or Transferee agrees to pay us a transfer fee of Fifteen Thousand Dollars (\$15,000) which shall be deemed fully earned and nonrefundable upon execution of this Agreement in consideration of the costs and expenses associated with reviewing the transfer and training cost for the Transferee.~~

#### 3. Training

1.

~~The phrase “within sixty (60) days of the Effective Date,” in the first sentence of the first paragraph of Section 10.1 of the Agreement shall be changed to “within sixty (60) days of you taking possession of the Franchised Business.”~~

~~CF-1~~



~~4. Marketing~~

~~1.~~

~~Subsection 9.6. of the Agreement (*Grand Opening Advertising*) shall be deleted in its entirety and the following shall be substituted in lieu thereof:~~

~~{Signatures appear on following page}~~

~~CF 2~~

~~IN WITNESS WHEREOF~~, you acknowledge that you have read and understood the contents of this Addendum, that you have had an opportunity to obtain the advice of counsel, and that you intend to comply with this Addendum and be bound thereby. The parties have executed and delivered this Addendum to the Agreement on the dates noted below, to be effective as of the Effective Date.

~~SUITE MANAGEMENT FRANCHISING, LLC~~

~~a Florida limited liability company~~

By: \_\_\_\_\_ Name: \_\_\_\_\_ Title: ~~\_ DATED\*~~: \_\_\_\_\_

~~(\*Effective Date of this Agreement)~~

**FRANCHISEE:**

~~(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):~~

~~[Print Name of Franchisee Entity]~~

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

~~[signature of person signing on behalf of entity]~~

~~Title of Signator: \_\_\_\_\_~~

~~DATED: \_\_\_\_\_~~

~~(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):~~

~~[signature of individual franchisee]~~

**By: \_\_\_\_\_** **Print Name: \_\_\_\_** **DATED: \_\_\_\_**

**By: \_\_\_\_\_** **[signature of individual franchisee]**

**Print Name: \_\_\_\_\_**

**DATED: \_\_\_\_\_**

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~~ATTACHMENT G TO THE FRANCHISE AGREEMENT~~

~~AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER~~

~~SUITE MANAGEMENT FRANCHISING, LLC /PAYEE~~

~~BANK NAME~~ \_\_\_\_\_ ~~ACCOUNT#~~ \_\_\_\_\_ ~~ABA~~ \_\_\_\_\_

~~The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.~~

~~The Depositor agrees with respect to any action taken pursuant to the above authorization:~~

~~(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.~~

~~(2)(1) To indemnify Payee and the Depository for any loss arising if any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.~~

~~(3)(1) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.~~

~~CG-1~~

~~Name of Depository:~~ \_\_\_\_\_

~~Name of Depositor:~~ \_\_\_\_\_

~~Designated Bank~~ \_\_\_\_\_ ~~Acct.:~~ \_\_\_\_\_

~~(Please attach one voided check for the above account)~~

**Center Location:** \_\_\_\_\_

**Center #:** \_\_\_\_\_

**For Information call:** \_\_\_\_\_

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

**Phone #:** \_\_\_\_\_

**Fax #:** \_\_\_\_\_

~~Name of Franchisee/Depositor (please print)~~

~~By:~~ \_\_\_\_\_ ~~Signature and Title~~

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

**(“Franchisee”) and Suite Management Franchising, LLC (“Franchisor**

~~CG-2~~



~~TO FRANCHISE AGREEMENT – CONVERSION FRANCHISE~~

The FRANCHISE AGREEMENT between \_\_\_\_\_ whose address is at \_\_\_\_\_ (“you” or “your”) and Suite Management Franchising, LLC (“we, us, or our”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this ~~Addendum~~ Amendment (the “Effective Date”) (the “~~Addendum~~ Amendment”):

WHEREAS, ~~Franchisee operates~~ you operate an existing salon business (the “Existing Business”);

~~and~~ WHEREAS, ~~Franchisee desires~~ you desire to establish a franchise relationship with ~~Franchisor; us; and~~

WHEREAS, ~~Franchisee desires~~ you desire to obtain the right to convert Existing Business to a ~~MY SALON~~ My Salon Suite business (“Conversion Franchise” or “Conversion Location”) and to operate the Conversion Franchise pursuant to the System in accordance with the terms and conditions of the Agreement as amended herein; ~~and~~

WHEREAS, the parties acknowledge that, unless otherwise defined in this ~~Addendum~~ Amendment, all capitalized defined terms used in this ~~Addendum~~ Amendment shall have the same meaning as that attributed to such terms in the Agreement; ~~and~~

NOW, THEREFORE, in consideration of the undertakings and commitments of each party to the other party set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. INCORPORATION OF TERMS OF AGREEMENT

This ~~Addendum~~ Amendment shall amend and supplement the Agreement simultaneously executed by the parties herein. The terms, covenants, and conditions of this ~~Addendum~~ Amendment are incorporated into the Agreement, and with respect to any conflict between the two agreements, the terms of this ~~Addendum~~ Amendment shall be controlling with respect to the subject matter thereof.

II. AMENDMENTS TO THE AGREEMENT

The Agreement shall be amended as follows:

1. The last four (4) sentences of Section 2.B (*Approved Location*) shall be deleted in their entirety.
2. Section 3.B (*Royalty Fee*) of the Agreement shall be supplemented by the following two (2) paragraphs:

In the event ~~Franchisee has~~~~you have~~ not commenced operation as a Conversion Franchise

-within ninety (90) days following the date of execution of this Agreement, effective on the first of the month after the ninety (90) days until commencement of operation of the Conversion Franchise, Franchisee will begin paying a minimum monthly Royalty Fee of One Thousand Dollar (\$1,000).

Franchisee

agrees

~~Conversion Franchise, you will begin paying a minimum monthly Royalty Fee of One Thousand Dollar (\$1,000).~~

~~You agree~~ to provide Franchisorus with Franchisee'syou year-end financial statements and other information for the previous twelve (12) month period prior to signing the Agreement to convert your Existing Business to a Conversion Franchise.

3. Section 7.A (*Site Selection*) and Subsection 8.A (*Site Selection and Build-Out Assistance Zoning Clearances*) of the Agreement shall be deleted in their entirety and replaced with the following:

Franchisee agrees

~~You agree~~ to bear the cost and expense for making all alterations, modifications, and improvements as we may deem necessary to convert Franchisee'syou Existing Business to a Conversion Franchise. Franchisee acknowledgesYou acknowledge and agreesagree that approving Franchiseeyou to operate a Conversion Franchise at the Existing Business's premises does not constitute a representation, promise, warranty, or guarantee by Franchisorus that a MY SALON Suite Franchised BusinessNeedsToGo location operated at that site will be profitable or otherwise successful.

4. Section 7.E (*Build-Out of Franchised Business*) shall be deleted in its entirety and replaced with the following:

Within forty-five (45) days of Franchisee'syou execution of this Agreement and the Addendum, FranchiseesAmendment, you agree to make all alterations, modifications and improvements to the Conversion Franchise premises as reasonably requested by Franchisorus, which shall include, but not be limited to, replacing ~~any and~~ all signage, replacing the Existing Business's trade dress with MY SALONMy Salon Suite trade dress, and meeting the current standards of the System Standards. FranchiseeYou will also replace all stationery, forms, invoices, business cards and all other written materials used in salon rentalthe technology repair and service business with materials meeting our standards for such items and obtaining and replacing such equipment, computer hardware and software and other equipment (at your option), meeting our specifications and standards necessary to operate the Conversion Franchise under the System Standards; and to cancel and/or replace all forms of advertising, such as social media ads, online presence, and display ads, ~~—under the MY SALONMy Salon~~ Suite name and substitute advertising approved by Franchisorus using the Proprietary Marks.

FranchiseeYou shall be responsible for obtaining and maintaining all zoning classifications and clearances which may be required by the state, provincial, or local laws, ordinances, or regulations or which may be necessary or advisable as a result of any restrictive covenants relating to the Conversion Franchise's premises. Franchisee agreesYou agree to obtain and maintain all permits, licenses, and certifications required for the lawful operation of the Conversion Franchise. FranchiseeYou will certify in writing to Franchisorus that the insurance coverage specified in Section 12.T of this Agreement is

-in full force and effect and that all required approvals, clearances, permits, and certifications related thereto have been obtained within thirty (30) days of Franchisee's~~your~~ execution of this Agreement and the Addendum~~Amendment~~. Upon request, Franchisee agrees~~you agree~~ to promptly provide to us additional copies of Franchisee's insurance policies or certificates of insurance and copies of all the foregoing approvals, clearances, permits, licenses, and certifications.

~~your insurance policies or certificates of insurance and copies of all of the foregoing approvals, clearances, permits, licenses, and certifications.~~

With respect to the existing inventory, products, supplies, and other materials currently in use at the Conversion Franchise, ~~Franchisor~~we will inspect such items and advise ~~Franchisee~~you within thirty (30) days of the execution of this Agreement and the ~~Addendum~~Amendment whether such items meet our standards and specifications. Within forty-five

~~-(45) days after the execution of this Agreement and the Addendum, Franchisee~~Amendment, you agree to cease rendering services and remove all products, equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies and other materials that do not conform with the standards and specifications prescribed by ~~Franchisor~~us for use under the System, unless such services or other items are otherwise approved in writing by ~~Franchisor~~us.

5. Section 7.F (***Opening Date; Time is of the Essence***) of the Agreement shall be supplemented by the addition of the following as if it were an original part of the Agreement:

With respect to a Conversion Franchise, ~~Franchisee acknowledges~~you ~~acknowledge~~ that time is of the essence. Subject to ~~Franchisee's~~your compliance with the pre-opening obligations described in Section 7. ~~Franchisee agrees~~you agree to complete conversion and commence operating the Conversion Franchise under the System within ninety (90) days following the date of execution of this Agreement and the ~~Addendum~~Amendment unless ~~Franchisee obtains~~you obtain an extension of such time period from ~~Franchisor. Franchisor~~us. ~~We~~ will inspect the Conversion Franchise prior to opening to determine whether ~~Franchisee has~~you have complied with ~~Franchisor's~~our specifications and standards for conversion to a ~~MY SALON~~My Salon Suite business. ~~Franchisor has~~We have the right to prohibit ~~Franchisee~~you from commencing operation of the Conversion Franchise in the event ~~Franchisee fails~~you fail to comply with such pre-opening obligations.

6. Section 11.A (***Bookkeeping***) and Section 11.B (***Reporting***) shall be supplemented by the addition of the following paragraph to the end of each Section:

If ~~Franchisor determines~~we determine that the form and manner which ~~Franchisee maintains~~you maintain the books and records of ~~Franchisee's~~your Existing Business are not consistent with those prescribed by ~~Franchisor~~us under the System, ~~Franchisee agrees~~you agree to prepare all books and records in the form and manner prescribed by ~~Franchisor~~us upon commencing operations as a Conversion Franchise.

7. Section 12.F(1) (***Computer System and Hardware***) shall be supplemented by the addition of the following as the last paragraph of the Section as if it were an original part of the Agreement:

With respect to a Conversion Franchise, ~~Franchisor~~we will inspect the existing Computer System, professional automation software, point of sale systems, software, and other systems (“Systems”) currently used at the Conversion Franchise, and advise ~~Franchisee~~you within thirty (30) days of the execution of this Agreement and the ~~Addendum~~Amendment whether such items meet our System Standards. If the Systems do not meet ~~Franchisor’s~~our standards and specifications, ~~Franchisee agrees~~you agree to obtain and use the Systems we specify within forty-five\_

(45) days of ~~Franchisee's~~~~your~~ execution of this Agreement and ~~Addendum~~~~Amendment~~.

8. Subsection 14.A(30) of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

(30) ~~If Franchisee fails~~~~you fail~~ to convert your Existing Business to a Conversion Franchise in accordance with the terms of the ~~Addendum~~~~Amendment~~ within ninety (90) days of the date of execution of this Agreement and the ~~Addendum~~~~Amendment~~;

Subsection 14.A of the Agreement shall be supplemented by the addition of the following subsection (~~36~~~~34~~) as if it were an original part of the Agreement:

(36

~~(34)~~ If ~~Franchisee fails~~~~you fail~~ to comply with any of the terms and conditions of this ~~Addendum~~~~Amendment~~.

9. Section 18 of the Agreement shall be supplemented by the addition of the following Subsections (W), (X), and (Y) as if they were an original part of the Agreement:

(W) Except for ~~Franchisee~~~~you~~, no other person, firm, corporation, or other entity has any right, title, interest in or to ~~Franchisee~~~~you~~; that ~~Franchisee's~~~~your~~ business has not been mortgaged, pledged or assigned; and there are no judgments, liens, executions or proceedings pending which may alter, decrease or remove your interest in such business;

Franchisee

(X) ~~You~~ acknowledge that the information submitted, and representations made to ~~Franchisor~~~~us~~ as an inducement for ~~Franchisor~~~~us~~ to enter into this Agreement and the ~~Addendum~~~~Amendment~~ are complete, true and correct;

Franchisee acknowledges

(Y) ~~You acknowledge~~ that by virtue of the terms and conditions of this Agreement and the ~~Addendum~~~~Amendment~~ the manner and operation of its business must be in strict compliance with the System.

[Signatures appear on following page]



IN WITNESS WHEREOF, ~~Franchisee acknowledges~~~~you acknowledge~~ that ~~Franchisee has you have~~ read and ~~understands~~~~understand~~ the contents of this ~~AddendumAmendment~~, that ~~Franchisee hasyou have~~ had an opportunity to obtain the advice of counsel, and that ~~Franchisee intendsyou intend~~ to comply with this ~~AddendumAmendment~~ and be bound thereby. The parties have executed and delivered this ~~AddendumAmendment~~ to the Agreement on the dates noted below, to be effective as of the Effective Date.

Suite Management Franchising, LLC

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

FRANCHISEE:

(IF FRANCHISEE IS TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

~~(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):~~

(\*Effective Date of this Agreement)

~~[Print Name of Franchisee Entity]~~

\_\_\_\_\_  
[Print Name of Franchisee Entity]

By: \_\_\_\_\_  
[signature of person signing on behalf of entity]

Title of Signator: \_\_\_\_\_

DATED: \_\_\_\_\_

~~(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):~~

(IF FRANCHISEE IS TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

\_\_\_\_\_  
\_\_\_\_\_  
[signature of individual franchisee]

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

DATED: \_\_\_\_\_

~~[signature of individual franchisee]~~

\_\_\_\_\_  
[signature of individual franchisee]

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

**DATED:** \_\_\_\_\_

~~ATTACHMENT I TO THE FRANCHISE AGREEMENT~~

~~COLLATERAL ASSIGNMENT OF LEASE AND LEASE ADDENDUM FORMS~~

~~FORM OF LEASE ADDENDUM~~

~~TO LEASE DATED \_\_\_\_\_, \_\_\_\_\_ (“Lease”)~~

~~BY AND BETWEEN \_\_\_\_\_~~

~~\_\_\_\_\_ (“Landlord”) AND~~

~~\_\_\_\_\_ (“Tenant”)~~

~~For \_\_\_\_\_ (“Premises”)~~

~~THIS ADDENDUM (the “Addendum”) is entered into among Suite Management Franchising, LLC (“Franchisor”), and the Tenant and Landlord identified above on \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”) subject to the following recitals:~~

~~WHEREAS, Tenant and Franchisor are parties to that certain Franchise Agreement (the “Franchise Agreement”) pursuant to which Franchisor has granted Tenant a franchise and license to operate a my salon suite franchised business (the “Franchised Business”) under service marks and/or other proprietary marks Franchisor may designate for use (collectively, the “Proprietary Marks”) using the distinctive business methods, uniform operating systems, and trademarks that Franchisor now or hereafter requires to identify, advertise, or promote its proprietary franchise business and system (the “Franchise System”);~~

~~WHEREAS, the Franchise Agreement requires Tenant to obtain Franchisor’s prior written approval of the location for Tenant’s Franchised Business (the “Approved Location”) before entering into a lease with the owner or master tenant of the Approved Location (the “Lease”);~~

~~WHEREAS, one of the factors that Franchisor considers in approving a location for Tenant’s Franchised Business is the agreement of the owner or master tenant of the Approved Location to incorporate certain provisions as part of the Lease to protect Franchisor’s interests and give Franchisor specific rights as a third party beneficiary;~~

~~WHEREAS, Franchisor has approved the Premises as the Approved Locations of Tenant’s Franchised Business subject to the parties entering into this Addendum to the Lease of the Premises. Landlord and Tenant are willing to amend the Lease in order to add the specific provisions which Franchisor requires as a condition to approving Tenant’s request to locate its Franchised Business at the Premises;~~

~~NOW, THEREFORE~~, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

~~A. Effect of Addendum. Tenant and Landlord agree that this Addendum is made a part of that certain Lease for the Premises which they have entered into on the date shown above and attach a copy of the Lease to this Addendum as Schedule 1. Tenant and Landlord agree that, in the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. The parties agree that all defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease. The parties further agree that Franchisor's signature below signifies its agreement to the terms and conditions of this Addendum but does not create or impose any obligations upon Franchisor under the Lease or make Franchisor a named party to the Lease. The parties expressly recognize that Franchisor is a third party beneficiary of the Lease with the rights created by this Addendum.~~

~~B.A. Assignment of Lease. Tenant irrevocably assigns and transfers to Franchisor all of Tenant's right, title, and interest in and to the Lease and all options contained therein. This assignment may not be revoked without the prior written consent of Franchisor. The parties acknowledge that, until Franchisor accepts the assignment made by Tenant, which acceptance shall be indicated by Franchisor delivering a written notice of acceptance of assignment in accordance with this Addendum, Franchisor has no obligations, liabilities, or responsibilities under the Lease of any kind, including, without limitation, as a guarantor or indemnitor of Tenant's obligations to Landlord. Tenant represents that, before the Effective Date, it has not entered into an agreement to assign its right, title, and interest in and to the Lease to any other person.~~

~~C.A. Use of Property. During the term of the Lease, Tenant shall use the Premises solely for the operation of a Franchised Business that subleases/rents studio space and provides certain other authorized services/products to third party salon professionals in accordance with the requirements of the Franchise Agreement, unless Tenant and Landlord obtain Franchisor's prior written consent to another use.~~

~~D.A. Franchisor's Right of Entry. Franchisor may enter the Premises at any time to inspect Tenant's operations and engage in all activities expressly permitted by the Franchise Agreement.~~

~~E.A. Notices to Franchisor. Landlord shall serve Franchisor with a copy of any notice of default, breach, or termination of Lease at the same time that Landlord serves Tenant with such notice.~~

~~F.A. Default by Tenant; Franchisor Opportunity to Cure. Landlord agrees not to terminate the Lease based on Tenant's breach or default of any provision of the Lease unless and until Landlord gives Franchisor written notice identifying the breach or default and allows Franchisor an opportunity to cure the breach or default, which cure period shall be no less than the length of the cure period extended to Tenant plus an additional ten (10) days (with a minimum cure period~~

~~extended to Franchisor of at least 30 days total). To avoid uncertainty over the length of Franchisor's cure period, Landlord shall identify Franchisor's cure period when Landlord gives Franchisor written notice of the breach or default. Landlord shall not terminate the Lease before Franchisor's cure period expires. If Franchisor fails or refuses to cure the breach or default by the end of Franchisor's cure period, Landlord may terminate the Lease in the manner provided in the Lease but shall have no remedy against Franchisor.~~

~~G.A. Acceptance of Assignment by Franchisor. Subject to complying with the requirements of this Section, Franchisor may accept the assignment of the Lease by giving written notice of acceptance to Landlord at any time before the Lease terminates or expires if: (i) Franchisor terminates the Franchise Agreement for any reason; (ii) Tenant loses the right to occupy the Premises due to Tenant's breach or default or for any other reason except the expiration of the Lease or condemnation or destruction of the Premises on the terms stated in the Lease. If Franchisor accepts the assignment by giving timely written notice to both Franchisee and Landlord, the parties agree that from and after the date of Franchisor's written notice of acceptance: (i) Franchisor shall have all of the rights of Tenant under the Lease; (ii) Franchisor shall have the right to assign or sublet all of any part of its interest in the Lease or in the Premises to another Franchised Business owner without Landlord's prior consent; and (iii) Franchisor shall be liable to perform only the obligations of Tenant under the Lease arising from and after the date of Franchisor's acceptance of the assignment and shall have no liability for obligations arising before Franchisor's acceptance of the assignment (except for the duty to cure any defaults committed by Tenant which are outstanding on the date of Franchisor's notice of acceptance of assignment). Any options to extend the term of the Lease shall automatically transfer to Franchisor as an assignee of Tenant's rights under the Lease. If Franchisor accepts an assignment of the Lease, the parties shall thereafter cooperate and work together to achieve an orderly transition of Tenant's leasehold interest to Franchisor with minimal disruption to the service of customers of the Franchised Business.~~

~~H.A. Landlord's Agreements. In addition to agreements stated elsewhere in this Addendum, for the benefit of Franchisor, Landlord agrees not to accept Tenant's voluntary surrender of the Lease without giving Franchisor prior written notice and a period of no less than ten (10) days in which to accept an assignment of the Lease pursuant to the requirements of this Addendum. Additionally, Landlord agrees not to amend the Lease without Franchisor's prior written consent.~~

~~I. Communications. Any notices required in this Addendum must be in writing and will be deemed given when actually delivered by personal delivery or four (4) days after being sent by certified or registered mail, return receipt requested, if addressed as follows:~~

Franchisor: \_\_\_\_\_ Suite Management Franchising,  
LLC Attn: Senior Director of  
Legal  
2542 Highlander Way  
Carrollton, Texas 75006

~~Email: legalnotices@propelledbrands.com~~

~~Landlord:~~ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

~~Tenant:~~ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

~~Any party may change its address for receiving notices by appropriate written notice to the other.~~

~~J.A. Miscellaneous. Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Addendum shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Nothing in this Addendum is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity who is not a party to this Addendum. This Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Addendum sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Addendum. This Addendum may only be amended by written agreement duly executed by each party.~~

{Signatures appear on following page}

~~IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of the Effective Date.~~

~~LANDLORD~~

~~TENANT (FRANCHISEE)~~

~~[INSERT LANDLORD HERE]~~

~~[INSERT FRANCHISEE HERE]~~

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

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

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

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

~~FRANCHISOR~~

~~SUITE MANAGEMENT FRANCHISING, LLC~~

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

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

## ~~COLLATERAL ASSIGNMENT OF LEASE~~

~~FOR VALUE RECEIVED~~, the undersigned ("~~Assignor~~") hereby assigns and transfers to Suite Management Franchising, LLC, a Florida limited liability company, with its principal place of business address at 2542 Highlander Way, Carrollton, Texas 75006 ("~~Assignee~~"), all of Assignor's right, title, and interest as tenant in, to, and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "~~Lease~~") respecting premises commonly known as \_\_\_\_\_  
\_\_\_\_\_  
(the "~~Premises~~").

~~This Collateral Assignment of Lease ("Assignment") is for collateral purposes only, and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor's rights, title, and interest under the Lease pursuant to this Assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.~~

~~Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.~~

~~Upon a default by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the "~~Franchise Agreement~~"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement or this Assignment, Assignee has the right, and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title, or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.~~

~~Assignor agrees that it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than one hundred twenty (120) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney in fact to exercise such extension or renewal options in the name, place, and stead of Assignor for the purpose of effecting such extension or renewal.~~

*(Signatures on following page)*



~~ASSIGNOR:~~

~~Dated:~~ \_\_\_\_\_, 20\_\_\_\_

~~SIGNED AND SEALED this~~ \_\_\_\_\_

~~day of~~ \_\_\_\_\_, 20\_\_\_\_

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

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

\_\_\_\_\_  
~~Notary Public~~

## CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease with respect to the Premises does hereby:

~~(a) agree to notify Assignee in writing of, and upon the failure of, Assignor to cure any default by Assignor under the Lease;~~

~~(b)(a) agree that Assignee has the right, but must not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;~~

~~(c) consents to the foregoing Collateral Assignment of Lease and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor in writing the assumption of the Lease by Assignee as tenant thereunder, Lessor must recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period the defaults, if any, of Assignor under the Lease;~~

~~(d)(a) agree that Assignee will not have any obligations under the Lease or otherwise with respect to the Premises unless Assignee undertakes those actions outlined in the immediately preceding paragraph and in the Lease Addendum that are necessary for Assignee to expressly assume Assignor's obligations under the Lease; and~~

~~(e)(a) agrees that Assignee may further assign the Lease to a person, firm, or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor, and upon such assignment, Assignee will have no further liability or obligation under the Lease as Assignee, tenant, or otherwise.~~

**LESSOR:** [INSERT LESSOR]

DATED: \_\_\_\_\_

~~**ATTACHMENT J TO THE FRANCHISE AGREEMENT**~~  
~~**CONFIDENTIALITY AND NON-COMPETE AGREEMENT**~~

This Agreement is made and entered into on \_\_\_\_\_, 20\_\_\_\_, between  
\_\_\_\_\_ ~~(“Franchisee”) and \_\_\_\_\_ (“Covenantor”).~~

~~WHEREAS, Franchisee is a licensed franchisee of Suite Management Franchising, LLC, a Florida limited liability company (“SMF”), operating a My Salon Suite business (the “Franchised Business”) using the SMF proprietary operating system and certain confidential information for the establishment and operation of facilities at an approved location that provides turnkey salon suite studios and ancillary services to salon professionals; and~~

~~WHEREAS, SMF owns, and has provided access to Franchisee to certain non-public information of or about SMF’s operating system, SMF, and My Salon Suite businesses, including the Manual, SMF’s proprietary training, marketing and other instructional materials, Trade Secrets, information related to any proprietary methodology or aspects of the SMF’s operating System or the establishments and continued operation of the Franchised Business, financial information, and vendor prices and matrices, and any and all clientele lists and data obtained through the operation of the Franchised Business (collectively, the “Confidential Information”). “Trade Secrets” means technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or vendors which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and~~

~~WHEREAS, Covenantor will have access to the Confidential Information; and~~

~~WHEREAS, Covenantor acknowledges that receipt of and the right to use the~~

~~Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by Covenantor herein.~~

~~NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:~~

~~**Confidentiality Agreement.**~~

~~Covenantor shall maintain all Confidential Information. Covenantor shall not at any time make copies of any documents or compilations containing any Confidential Information for any purpose without the express written permission of Franchisee and SMF. Covenantor shall not disclose or permit the disclosure of any Confidential Information to any party except~~

~~other employees or persons associated with Franchisee and only to the extent necessary to train or assist other employees of Franchisee in the operation of the Franchised Business. This covenant shall always continue in full force and effect during and after the Covenantor's employment with Franchisee.~~

~~This is also to provide Covenantor with notice that, pursuant to 18 U.S.C. §1833(b), an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret: (i) made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, please note that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, provided that such individual (i) files any document containing the trade secret under seal, and (ii) the individual does not disclose the trade secret, except pursuant to a court order.~~

### **~~In-Term Covenant Not to Compete:~~**

~~To protect the goodwill and unique qualities of the My Salon Suite franchise system and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor covenants that, during the time Covenantor is associated with Franchisee, Covenantor will not:~~

~~(i) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with SMF's proprietary trademarks and operating system;~~

~~(ii)(i) Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other business that: (i) is the same as, or substantially similar to the Franchised Business; (ii) engages in the rental of salon studio spaces or that offers or provides any of the other products/services that are offered by the Franchised Business; or~~

~~(iii)(i) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business (collectively, a "Competing Business"); provided, however, that this Section does not apply to Franchisee's operation of a Franchised Business pursuant to a valid franchise agreement with SMF.~~

### **~~Post-Term Covenant Not to Compete:~~**

~~In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the NerdsToGo system, Covenantor agrees that for a continuous uninterrupted period of two (2) years that Covenantor will not, directly or~~

~~indirectly, for themselves, or through, on behalf of or in conjunction with any person(s) or Entity:~~

~~(i) Franchising or Licensing Activities. Be involved with any business competing in whole or in part with SMF in granting franchises or licensing, or~~

~~establishing joint ventures, for one or more businesses that engage in the rental of salon studio spaces or that offer or provide any of the other products/services that are offered by the Franchised Business;~~

~~(ii)(i) Other Competing Businesses. Own, maintain, engage in, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business within the following areas: (i) at the location of the Franchised Business; (ii) within Franchisee's territory; (iii) within a radius of 20 miles of the perimeter of the Franchisee's territory granted hereunder; or (iv) within a radius of 20 miles of the perimeter of any other protected territory licensed by SMF to any third party or any Franchised Business that is in operation or under development, as of the date of expiration, transfer or termination of this Franchise Agreement through the date of Covenantor's involvement in the Competing Business; or~~

~~(iii) Vendor Usage. Contact any of SMF's vendors for any competitive business purpose.~~

#### **Irreparable Injury.**

~~Covenantor agrees that in the event of a breach of this Agreement, Franchisee and SMF would be irreparably injured and would be without an adequate remedy at law. Therefore, in the event of such a breach or threatened breach, Franchisee and/or SMF shall be entitled, in addition to any other remedies which are made available to it at law or equity, to a temporary and/or permanent injunction, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.~~

#### **Third-party Beneficiary.**

~~SMF is expressly intended to be a third-party beneficiary of this Agreement. SMF shall have the right to enforce this Agreement and all provisions hereof.~~

#### **No Waiver.**

~~Any failure by Franchisee or SMF to object to or act with respect to any breach of any provision of the Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.~~

#### **Enforcement.**

~~THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT FOR TEXAS CHOICE OF LAW RULES. COVENANTORS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF DALLAS COUNTY, TEXAS, AND THE FEDERAL DISTRICT COURTS FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS, DIVISION. COVENANTORS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTORS HEREBY~~



~~AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW.~~

~~COVENANTORS FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE DALLAS COUNTY, TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.~~

~~Severability~~

~~Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.~~

~~Entire Agreement~~

~~This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a writing executed by all parties.~~

[Signatures appear on following page]

~~IN WITNESS WHEREOF, the undersigned has entered into this Agreement  
as witnessed by their signatures below.~~

**EXHIBIT E**

**~~FRANCHISEE:~~**

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

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

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

**~~COVENANTOR:~~**

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

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

~~EXHIBIT D~~

**DEVELOPMENT AGREEMENT ~~RIDER~~**

MY SALON SUITE  
5.1. 2024 ~~2023~~ FDD - Exhibit ED

ACTIVE 685905644v3

**EXHIBIT ~~ED~~**  
**DEVELOPMENT AGREEMENT-**  
**RIDER**

This Development Agreement ~~Rider~~ (“**Agreement**”) is made and entered into by and between Suite Management Franchising, LLC, a Florida limited liability company with its principal business address at 2542 Highlander Way, Carrollton, Texas 75006 (“**Franchisor**”), and \_\_\_\_\_ (“**you**”, “**your**”, or “**Franchisee**”).—

**RECITALS**

A. Franchisor has developed and owns the rights to franchise a unique and distinctive franchise system relating to the establishment and operation of facilities that provide turnkey salon suite studios and ancillary services to salon professionals under the trademark “**MY SALONMy Salon Suite**” (individually the “**Franchised Business**”). “**MY SALONMy Salon Suite**” Franchised Businesses provide a luxury environment.

B. Contemporaneous with the execution of this Agreement, you and Franchisor will enter into the form of franchise agreement attached to this Agreement as **Exhibit A** (the “**Initial Franchise Agreement**”) for ~~Franchisee’s~~~~your~~ first Franchised Business (the “**Initial Franchised Business**”).

C. Franchisor desires to grant you the right to open the Initial Franchised Business and two  
(2) additional Franchised Businesses, (each, an “**Additional Franchised Business**” and, collectively, the “**Additional Franchised Businesses**”), each of which will be ~~located~~ in a defined geographic area, and all pursuant to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**AGREEMENT**

1. **Recitals**. The recital Paragraphs, above, are fully incorporated herein.

2. **Development Rights**. Franchisor hereby grants you the right to open and operate the Initial Franchised Business pursuant to the terms of the Initial Franchise Agreement, as well as the right to open the Additional Franchised Businesses within the time periods prescribed herein (each, an “**Option Period**”), solely within the geographic area described in Attachment “A” attached hereto and made part hereof (the “**Development Area**”). You will open each Franchised Business pursuant to Franchisor’s then-current form of franchise agreement for Franchised Businesses, all subject to the terms, the terms and conditions of this Agreement. Except as otherwise provided, so long as you are following the terms of this Agreement and each Franchise Agreement, Franchisor shall not establish, nor authorize anyone other than you to establish a **MY SALONMy Salon Suite** Business in the Development Area during the term of this

Agreement. Notwithstanding the above, Franchisor or any person or entity authorized by Franchisor may, at any time, use the Proprietary

~~2.~~ -Marks to advertise or promote the System or fulfill customer orders in the Development Area and Franchisor otherwise reserves the rights described in Section 2.E. of the Franchise Agreement.

5.1.2023 FDD – Exhibit D  
ACTIVE 685905644v3

3. **Development Fee.** Immediately upon execution of this Agreement, you must pay Franchisor a non-refundable development fee in the amount \$125,000 (the “**Development Fee**”), which will be deemed fully earned upon payment.

4. **No Additional Franchise Fees.** Notwithstanding anything contained in the Initial Franchise Agreement or either of Franchisor’s then-current form(s) of franchise agreement for the Additional Franchised Businesses (each, an “**Additional Franchise Agreement**”), the parties agree and acknowledge that you will not be required to pay any “**Initial Franchise Fee**” under the Initial Franchise Agreement or Additional Franchise Agreements.

5. **Execution of the Initial Franchise Agreement.** You agree to execute the Initial Franchise Agreement contemporaneously with ~~Franchisee’s~~ your execution of this Agreement.

6. **Option Period and Failure to Exercise.**

6.1 The Initial Franchise Agreement shall be executed and delivered, concurrently with the execution and delivery of this Agreement. Under the Initial Franchise Agreement, you acknowledge that you must open and commence operations of ~~Franchisee’s~~ your Initial Franchised Business within 12 months of the date you execute ~~Franchisee’s~~ your Initial Franchise Agreement.

6.2 You must exercise ~~Franchisee’s~~ your option to own and operate each Additional Franchised Business by entering into Franchisor’s then-current franchise agreement for each Additional Franchised Business on or before the respective Franchise Agreement Execution Deadline set forth in the Development Schedule. All Additional Franchised Business developed under this Agreement shall be established and operated pursuant to Additional Franchise Agreements.

6.3 Notwithstanding any statement in any of the Additional Franchise Agreements to the contrary, the parties agree that the Initial Franchised Business and the Additional Franchised Businesses must be opened in accordance with the following schedule (“**Development Schedule**”):

Franchised Business	Franchise Agreement -Execution Deadline	Required Lease Execution -Date	Required Opening Date
1	Date of execution of this Agreement	9 months from signing the Initial Franchise Agreement	1 year from signing the -Initial Franchise Agreement
2			
3			

~~6.4~~ Failure by you to adhere to the Development Schedule, including execution of

~~5.1.2023 FDD—Exhibit D~~  
~~ACTIVE 685905644v3~~



6.4 each Addition Franchise Agreement in accordance with the Development Schedule, shall constitute a material breach under this Agreement and Franchisor may terminate this Agreement upon notice. Upon termination of this Agreement, any (i) remaining option rights you ~~must have to~~ open Additional Franchised Businesses under this Agreement, or (ii) territorial protection in the Development Area, will be terminated as well without any refund of any portion of the Development Fee. This Agreement will automatically terminate upon ~~Franchisee's~~ opening of the last Additional Franchised Business granted pursuant to this Agreement.

7. **Conditions for Exercising ~~Franchisee's~~ Option.** To exercise ~~Franchisee's~~ option for Franchised Businesses after ~~Franchisee's~~ Initial Franchised Business, you must satisfy the following conditions as Franchisor may determine in its sole discretion:

7.1. You must not be in default of this Agreement, ~~Franchisee's~~ Initial Franchise Agreement, any Additional Franchise Agreement, or other any other agreement between you and Franchisor, and must have fully performed all ~~Franchisee's~~ material obligations under these agreements throughout their respective terms;

7.2 You must have opened ~~Franchisee's~~ Initial Franchised Business and, if appropriate, all subsequent Franchised Businesses, within the time periods prescribed in the Development Schedule;

7.3 Neither this Agreement, nor any of the franchise agreements you previously entered into with Franchisor may have expired or been terminated for any reason;

7.4 You have timely paid any fees or other monies due Franchisor as and when due under the terms of the Initial Franchise Agreement or any other agreement with Franchisor; and

7.5 There must be no change in the effective control of you (by way of change in share ownership, membership, or partnership interest, or otherwise) without Franchisor's written consent.

7.6 You and ~~Franchisee's~~ owners must satisfy Franchisor's then-current requirements for ~~MY SALON~~ Suite franchisees, including Franchisor's candidate review processes, standards and financial requirements, as well as Franchisor's franchisee approval process.

8. **Search Territory.** In Franchisor's discretion, you may initially be granted the right to search for and locate, with Franchisor's written approval, ~~Franchisee's~~ Franchised Businesses in the search territory listed on Attachment "A" (the "Search Territory"), which otherwise will include the Development Area. You acknowledge and agree that the Search Territory is non-exclusive and provides you with no territorial rights.

9. **Sale or Assignment.** ~~Franchisee's~~ rights under this Agreement are personal and you may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if you are an individual or

9. —a partnership, you have the right to assign Franchisee's~~your~~ rights under this Agreement to a corporation or limited liability company that is\_

5.1.2023 FDD—Exhibit D  
ACTIVE 685905644v3

wholly owned by you according to the same terms and conditions as provided in the Initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its ~~sole discretion~~sole discretion.

10. **Time of the Essence.** Time is of the essence with respect to any time fixed for performance of any requirement set forth in this Agreement.

11. **Acknowledgment.** You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

12. **Notices.** All notices, requests, and reports to be given under this Agreement are to be in writing, and delivered either by hand, overnight mail, or certified mail, return receipt requested, prepaid to the addresses set forth above (which may be changed by written notice).

13. **Choice of Law.** This Agreement will be governed by the laws of the State of Texas (without reference to its conflict of laws principals).

14. **Dispute Resolution.** Except as provided herein, any disputes arising under this Agreement shall be resolved by referring to the dispute resolution provisions contained in the Initial Franchise Agreement.

15. **Injunctive Relief.** Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation proceeding conducted hereunder.

16. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by you.

17. **Jury Trial Waiver.** With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding, or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or ~~Franchisee's~~your purchase from Franchisor of the franchise, option and/or any goods or services.

~~18.~~ **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) which you may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, ~~Franchisee's~~your recovery will be limited to actual damages. If any other term of this



18. Agreement is found or determined to be

-unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19. **Attorney Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, you will be liable to Franchisor for all costs, including reasonable attorney fees, incurred in connection with such proceeding.

20. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage, or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

21. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two (2) ways, one (1) of which would render the provision illegal or otherwise voidable or unenforceable, and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement will be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement is stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. If the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

22. **Construction of Language.** Any term defined in the Initial Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the Initial Franchise Agreement. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. **Successors.** References to "Franchisor" or "you" include the respective parties' successors, assigns or transferees.

24. **Additional Documentation.** You must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor may reasonably require ~~effectuating in order to effectuate~~ the transactions contemplated in this Agreement. If you fail to comply with the provisions of this Section, you hereby appoint Franchisor as Franchisee's~~your~~ attorney-in-fact to execute ~~any and all~~ documents on

Franchisee's ~~your~~ behalf that are reasonably necessary to effectuate the

~~24.~~

-transactions contemplated herein.



25. **No Right to Offset.** You may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe, or allegedly owe, you under this Agreement or any related agreements.

26. **Entire Agreement.** This Agreement contains the entire agreement between the parties concerning ~~Franchisee's~~ option to own and operate the number of Franchised Businesses as indicated above, as well as Franchisor's then-current form of franchise agreement you enter into with respect to each of these Franchised Businesses; no promises, inducements, or representations not contained in this Agreement have been made, nor will any be of any force or effect or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. In the event of a conflict between this Agreement and any franchise agreement(s), the terms, conditions, and intent of this Agreement will control. Nothing in this Agreement or any related agreement is intended to disclaim any of the representations Franchisor made to you in the Franchise Disclosure Document that Franchisor provided to you.

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

YOU

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

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

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

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

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

~~SUITE MANAGEMENT FRANCHISING, LLC~~

**SUITE MANAGEMENT FRANCHISING, LLC**

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

Dated\*: \_\_\_\_\_  
(\*Effective Date of this Agreement)

**ATTACHMENT “A”**  
**DEVELOPMENT AREA AND SEARCH TERRITORY**

1. The Development Area includes the following: \_\_\_\_\_
2. The Search Territory (if applicable) includes the following: \_\_\_\_\_

~~EXHIBIT E~~

EXHIBIT F  
CONVERSION PROMISSORY NOTE (DIRECT FINANCING)

~~STATE ADDENDA AND AGREEMENT RIDERS~~



## PROMISSORY NOTE

<b>Payee:</b> <u>Suite Management Franchising, LLC</u>
<b>Maker:</b> -
<b>Principal Amount:</b> <u>\$35,000</u>
<b>Interest Rate:</b> <u>0% annually</u> <span style="float: right;"><u>[INSERT DATE]</u></span>

For value received, the undersigned (whether one or more, jointly and severally), individually and personally (the “Maker”), promises to pay to the order of Suite Management Franchising, LLC, a Florida limited liability company (“SMF” or “Payee”) its transferees, successors or assigns, at c/o Propelled Brands, 2542 Highlander Way, Carrollton, Texas 75006-2333, or at such other address as the Payee hereof shall specify in writing to the undersigned, the sum of Thirty-Five Thousand and no/100 Dollars (\$35,000), legal and lawful money of the United States of America from the date hereof until maturity.

The principal of Nine Hundred Seventy-Two Dollars and 22/100 (\$972.77) shall be due and payable in thirty-six (36) monthly installments on the twenty-fifth (25<sup>th</sup>) day of each month. The first payment is due thirty (30) days after commencement of operation as a MY SALON Suite Franchised Business by Maker.

Upon the occurrence of any of the following events of default, Payee, at its option and without notice to Maker, may declare the entire unpaid principal balance of this Note together with all other indebtedness of Maker to Payee, to be immediately due and payable: (a) Maker’s failure to pay any principal, or any other charge or expense payable hereunder, when due and payable hereunder; (b) any breach or default by Maker of any warranty, representation, covenant, term or condition stated herein, in the Agreement, or in any other security instrument, affidavit or other agreement or instrument between Maker and Payee; (c) if the Franchise Agreement is terminated for any reason by Maker or Payee, (d) if Maker is generally not paying its debts as such debts become due; (e) the commencement of any proceedings under any bankruptcy or insolvency laws by or against Maker; or (f) the sale, assignment, transfer or conveyance of all or substantially all of Maker’s assets. Upon any such event of default, Payee may (in addition to accelerating the debt) exercise all rights and remedies available to it under this Note, under any other security instrument, affidavit or other document instrument executed in connection with or pursuant to this Note, and otherwise at law and in equity, all such rights and remedies being cumulative, and not exclusive.

Upon the occurrence of any event of default, the entire indebtedness shall be matured, at the option of the Payee; and in the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection or suit is brought on the same, or the same is collected through Probate, Bankruptcy or other judicial proceedings, then Maker agrees and promises to pay a reasonable attorneys’ fee for collection, which in no event shall be less than ten percent (10%) of the principal then owing. Neither the failure, partial failure, nor any delay on the part of Payee to exercise any right, power or privilege hereunder shall operate as a waiver thereof.

This Note may be prepaid, in whole or in part, without premium or penalty, as of the date of any regularly scheduled payment hereunder.

Each Maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this Note and as to each, every and all installments hereof, and each consent that the Payee or any other creditor under this Note may at any time, and from time to time, upon request of or by agreement with any of us, extend the maturity date hereof or change the time or method of payments without notice to any of the other makers, sureties or endorsers, who shall remain bound for the payment hereof.

No delay or failure of Payee in exercising any right, remedy, power or privilege hereunder shall operate as a waiver or otherwise affect such right, remedy, power or privilege, nor shall any single or partial exercise thereof preclude the exercise of any other right, remedy, power or privilege. No delay or failure of Payee at any time to demand strict adherence to the terms of this Note shall be deemed to constitute a waiver of any such rights or a course of conduct inconsistent with Payee's right at any time, before or after an event of default, to demand strict adherence to the terms of this Note. Payee shall not be deemed to have waived any of its rights hereunder unless the same shall be in writing signed by Payee, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall not impair the rights of Payee or the obligations of Maker in any other respect.

Maker shall not assign or otherwise transfer this Note (in whole or in part), nor shall Maker delegate any or all its obligations hereunder without the prior written consent of Payee, which consent may be withheld for any reason or for no reason. No assignment or other transfer of this Note shall be construed to release Maker from any of its obligations or liabilities hereunder, whether accruing before or after such assignment or transfer.

This Note shall be binding upon Maker and its successors and permitted assigns and shall inure to the benefit of and be enforceable by Payee and its successors and assigns.

If any term or provision of this Note or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Note shall be valid and be enforced to the fullest extent permitted by law.

The liability of each Maker executing this Note shall be joint and several and the term "Maker" shall mean each and all such Makers.

To induce Payee to extend to Maker the loan evidenced by this Note, Maker irrevocably agrees that, subject to Payee's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS NOTE WILL BE LITIGATED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS. MAKER AND PAYEE EACH WAIVES ANY RIGHT TO A TRIAL

BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS NOTE.

IN WITNESS WHEREOF, the undersigned have executed this Note as of the date and year first set forth above.

MAKER:

By:

Title:

This Note is personally guaranteed by (the “Guarantor”). Guarantor unconditionally guarantees payment to Payee of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Payee makes written demand upon Guarantor. Payee is not required to seek payment from any other source before demanding payment from Guarantor.

GUARANTOR:

By:



**EXHIBIT G**

**MY SALON SUITE**

**FRANCHISE OPERATIONS MANUAL**  
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<u>Section</u>	<u>Number of Pages</u>
<u>Introduction to the Manual</u>	<u>4</u>
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<u>Recruit Great Members</u>	<u>32</u>
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<u>Approved Vendors</u>	<u>1</u>
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**EXHIBIT H**

**STATE ADDENDA**

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**ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS,  
AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR  
SUITE MANAGEMENT FRANCHISING, LLC**

The following modifications are made to the Suite Management Franchising, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to Franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise ~~Agreement~~ between you and us dated \_\_\_\_\_, 20\_\_\_\_ (“**Franchise Agreement**”).

Depending on state law, the provisions of this State-Specific Addendum (“**State Addendum**”) may apply to modify the FDD that was given to you, as well as the Franchise Agreement, and any applicable Addenda, Exhibits, Appendices, or mutually agreed modifications thereto. Specifically, this State Addendum will apply to your Franchise Agreement only if the jurisdictional requirements of a listed state’s laws are met independently and without reference to this Addendum, to the Franchise Agreement, or to the FDD. For purposes of the State Addendum, the “**Franchisor’s Choice of Law State**” is Texas, and “**Supplemental Agreements**” means Development Agreement ~~Rider~~. If any inconsistency arises between the Franchise Agreement, FDD, or Supplemental Agreements and this State Addendum, the terms of this State Addendum shall control. Nothing in this State Addendum, the FDD, Franchise Agreement, or Supplemental Agreements should be interpreted or construed as providing an independent basis for Franchisee’s assertion that any state law or provision applies to the FDD, Franchise Agreement, or Supplemental Agreements that would not otherwise apply due to the jurisdictional requirements of such state law or provision.

## **CALIFORNIA**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise to be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement and Supplemental Agreements require the application of the Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in ITEM 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The franchise agreement requires binding arbitration. The arbitration will occur at Dallas, Texas with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.05, Code of Civil Procedure Section 1281, and the Federal Arbitration Act to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code

Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

ITEM 1 of the Franchise Disclosure Document is revised to include the following under Industry Specific Regulations:

Because you collect information from customers, it may contain personal information of individuals which is protected by law. You are also responsible for complying with all applicable current and future federal, state, and local laws, regulations, and requirements, including the California Consumer Privacy Act (as applicable), pertaining to the collection, protection, use, sale, disposal, and maintenance of such personal information. Personal information includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local laws, regulations, and requirements. You may also be required to comply with opt-in requirements on your website.

## **ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.



## **MARYLAND**

### **AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS**

ITEM 5 of the FDD and the Franchise Agreement are amended to state: “Pursuant to an order from the Maryland Office of the Attorney General, we have posted a surety bond, and the surety bond is on file with the Maryland Securities Division.”

ITEM 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Representations in the Franchise Agreement and Supplemental Agreements 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.

ITEM 17 of the FDD and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement is amended to state: “This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to requires franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

The Franchise Agreement and franchisee questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Exhibit I: Summary of Acknowledgements is amended to include the following:

“All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to not shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

**No Waiver of Disclaimer of Reliance.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

*Signatures on next page*

Dated: \_\_\_\_\_, 20\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

**FRANCHISOR:**

**FRANCHISEE:**

SUITE MANAGEMENT FRANCHISING,  
LLC

~~SUITE MANAGEMENT FRANCHISING,~~  
~~LLC~~

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

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

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

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

## **MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

~~(a)~~ — A prohibition on your right to join an association of franchisees.

~~(a)~~ \_\_\_\_\_

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us, and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

~~(ii)~~ the fact that the proposed transferee is a competitor of ~~ours~~ or our subfranchisor.

~~(ii)~~

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

## **MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
  2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD 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 Minnesota.
  3. Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
  4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 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; and that consent to the transfer of the Franchise will not be unreasonably withheld.
  5. ITEM 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our Franchise System standards.
  6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement to the extent required by Minnesota law.
1. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

- 8.— Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.



## **NEW YORK**

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive ~~or restrictive~~ ~~or restrictive~~ order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or ~~sales agent~~ ~~sales agent~~.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements**

for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

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

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

## **NORTH DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel, or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

ITEM 17(r) of the FDD and Section 137 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that 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 this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

## **RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

## **VIRGINIA**

### **Franchise Disclosure Document**

ITEM 17(h). The following is added to ITEM 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Suite Management Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to ITEM 8 and ITEM 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## WASHINGTON

### WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, MULTI-UNIT AGREEMENT, SUMMARY OF ACKNOWLEDGEMENTS, AND RELATED AGREEMENTS

#### Applicable to the Franchise Agreement & Multi-Unit Agreement

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

RCW 19.100.180 may supersede the Franchise Agreement and Supplemental Agreements 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. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

A release or waiver of rights executed by a franchisee 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 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. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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 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 Waiver of Disclaimer of Reliance**. 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

\_\_\_\_\_

FRANCHISOR

FRANCHISEE

## **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

**APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Disclosure Document.

~~No Waiver of Disclaimer of Reliance.~~ 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

California	Michigan	Rhode Island
Hawaii	Minnesota	South Dakota
Illinois	New York	Virginia
Indiana	North Dakota	Washington
Maryland	Ohio	Wisconsin

Dated: \_\_\_\_\_, 20\_\_\_\_

**~~FRANCHISOR:~~**

~~SUITE MANAGEMENT  
FRANCHISING, LLC~~

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

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

**~~FRANCHISEE:~~**

\_\_\_\_\_

\_\_\_\_\_

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

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

**EXHIBIT F**

**FINANCIAL STATEMENTS**

**EXHIBIT I**

**LIST OF CURRENT AND FORMER MY SALON SUITE FRANCHISEES**

**Current Franchisees with Open Outlets as of December 31, 2023:**

<u>Store Number</u>	<u>Owner</u>	<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zip/Postal Code</u>	<u>Phone</u>
<a href="#">5298</a>	<a href="#">Al Jefferson</a>	<a href="#">1616 Gadsden Hwy., Suite 108</a>	<a href="#">Birmingham</a>	<a href="#">Alabama</a>	<a href="#">35235</a>	<a href="#">601-296-9023</a>
<a href="#">5010</a>	<a href="#">Zach and Phil Sonnenklar</a>	<a href="#">7704 E. Doubletree Ranch Rd</a>	<a href="#">Scottsdale</a>	<a href="#">Arizona</a>	<a href="#">85258</a>	<a href="#">412-720-0717</a>
<a href="#">5089</a>	<a href="#">Breanne Brubaker</a>	<a href="#">5115 W. Bell Rd., Suite F</a>	<a href="#">Glendale</a>	<a href="#">Arizona</a>	<a href="#">85306</a>	<a href="#">602-574-9408</a>
<a href="#">5204</a>	<a href="#">Betsy Duge</a>	<a href="#">7077 E. Bell Rd., Suite 200</a>	<a href="#">Scottsdale</a>	<a href="#">Arizona</a>	<a href="#">85306</a>	<a href="#">602-620-4087</a>
<a href="#">5236</a>	<a href="#">Robert Ortman and Bob Harvey</a>	<a href="#">143 E. Germann Road, Suite B-101</a>	<a href="#">Gilbert</a>	<a href="#">Arizona</a>	<a href="#">85297</a>	<a href="#">402-669-0467</a>
<a href="#">5237</a>	<a href="#">Pragya Tiwari-Sharma</a>	<a href="#">1641 South Stapley Drive, Suite A5</a>	<a href="#">Mesa</a>	<a href="#">Arizona</a>	<a href="#">85204</a>	<a href="#">602-743-2680</a>
<a href="#">5238</a>	<a href="#">Pragya Tiwari-Sharma</a>	<a href="#">9823 W Northern Ave</a>	<a href="#">Peoria</a>	<a href="#">Arizona</a>	<a href="#">85345</a>	<a href="#">602-743-2680</a>
<a href="#">5538</a>	<a href="#">Jennifer Heim</a>	<a href="#">3431 W Frye Rd, Suite. 4</a>	<a href="#">Chandler</a>	<a href="#">Arizona</a>	<a href="#">85226</a>	<a href="#">480-208-9011</a>
<a href="#">5618</a>	<a href="#">Robert Ortman and Bob Harvey</a>	<a href="#">765 S. Cotton Lane</a>	<a href="#">Goodyear</a>	<a href="#">Arizona</a>	<a href="#">85338</a>	<a href="#">402-669-0467</a>
<a href="#">5318</a>	<a href="#">Ben Pierce</a>	<a href="#">2508 S Walton Blvd</a>	<a href="#">Bentonville</a>	<a href="#">Arkansas</a>	<a href="#">72712</a>	<a href="#">813-546-9285</a>
<a href="#">5043</a>	<a href="#">Michelle Verdult</a>	<a href="#">100 West Coast Highway</a>	<a href="#">Newport Beach</a>	<a href="#">California</a>	<a href="#">92663</a>	<a href="#">949-412-8502</a>
<a href="#">5057</a>	<a href="#">Lauri Fischer, Patricia Leung, Evangelo Krantonis, Lori Treadwell, Frank and Cindy Caperino</a>	<a href="#">23162 Los Alisos Blvd.</a>	<a href="#">Mission Viejo</a>	<a href="#">California</a>	<a href="#">92691</a>	<a href="#">949-534-2488</a>
<a href="#">5070</a>	<a href="#">Bernie Baskin, Tony Lopez, and Ed Mossuto</a>	<a href="#">1356 W. Valley Parkway, Suite E</a>	<a href="#">Escondido</a>	<a href="#">California</a>	<a href="#">92029</a>	<a href="#">619-302-2709</a>
<a href="#">5096</a>	<a href="#">Jim Morris</a>	<a href="#">214A Town Center Parkway</a>	<a href="#">Santee</a>	<a href="#">California</a>	<a href="#">92071</a>	<a href="#">310-560-9609</a>
<a href="#">5150</a>	<a href="#">Jason Murphy</a>	<a href="#">4192 Oceanside Blvd</a>	<a href="#">Oceanside</a>	<a href="#">California</a>	<a href="#">92056</a>	<a href="#">916-804-5373</a>
<a href="#">5186</a>	<a href="#">Riley LeBrun</a>	<a href="#">1559 Pacific Coast Highway, Suite 201</a>	<a href="#">Hermosa Beach</a>	<a href="#">California</a>	<a href="#">90254</a>	<a href="#">310-775-0255</a>
<a href="#">5243</a>	<a href="#">Bernie Baskin, Rena Cohen, Jose Lopez, Edward Mossuto, Tony</a>	<a href="#">7610 Hazard Drive, Suite 703</a>	<a href="#">San Diego</a>	<a href="#">California</a>	<a href="#">92108</a>	<a href="#">949-534-2488</a>
<a href="#">5252</a>	<a href="#">Prashant Khanna</a>	<a href="#">1773 E. Capitol Expressway</a>	<a href="#">San Jose</a>	<a href="#">California</a>	<a href="#">95121</a>	<a href="#">408-219-5002</a>
<a href="#">5253</a>	<a href="#">Prashant Khanna</a>	<a href="#">50 Enterprise Dr.</a>	<a href="#">Rohnert Park</a>	<a href="#">California</a>	<a href="#">94928</a>	<a href="#">408-219-5002</a>
<a href="#">5255</a>	<a href="#">Prashant Khanna</a>	<a href="#">1700 Newbury Park Drive</a>	<a href="#">San Jose</a>	<a href="#">California</a>	<a href="#">95133</a>	<a href="#">408-219-5002</a>
<a href="#">5278</a>	<a href="#">Ed Korenman</a>	<a href="#">2345 Valdez St.</a>	<a href="#">Oakland</a>	<a href="#">California</a>	<a href="#">94612</a>	<a href="#">415-595-9997</a>
<a href="#">5462</a>	<a href="#">John Rowdon</a>	<a href="#">6810 Five Star Blvd., Suite 300</a>	<a href="#">Rocklin</a>	<a href="#">California</a>	<a href="#">95677</a>	<a href="#">916-414-8111</a>
<a href="#">5463</a>	<a href="#">John Rowdon</a>	<a href="#">1325 Riley Street</a>	<a href="#">Folsom</a>	<a href="#">California</a>	<a href="#">95630</a>	<a href="#">916-414-8111</a>
<a href="#">5464</a>	<a href="#">John and Antonia Rowdon</a>	<a href="#">3610 North Freeway Blvd., Suite 100</a>	<a href="#">Sacramento</a>	<a href="#">California</a>	<a href="#">95834</a>	<a href="#">916-414-8111</a>
<a href="#">5565</a>	<a href="#">Jaci Warren</a>	<a href="#">6200 Variel Avenue, Suite 1A</a>	<a href="#">Woodland Hills</a>	<a href="#">California</a>	<a href="#">91367</a>	<a href="#">310-927-8199</a>
<a href="#">5585</a>	<a href="#">Sean and Ellie Dunne</a>	<a href="#">5759 Pacific Ave.</a>	<a href="#">Stockton</a>	<a href="#">California</a>	<a href="#">95207</a>	<a href="#">732-995-4265</a>
<a href="#">5026</a>	<a href="#">Shane and Jayne Conant</a>	<a href="#">1152 S. Colorado Blvd.</a>	<a href="#">Glendale</a>	<a href="#">Colorado</a>	<a href="#">80246</a>	<a href="#">720-971-8392</a>
<a href="#">5046</a>	<a href="#">Chris &amp; Tiffany Flynn, Shane &amp; Jayne Conant, and Cliff Stults</a>	<a href="#">5641 N. Academy Blvd.</a>	<a href="#">Colorado Springs</a>	<a href="#">Colorado</a>	<a href="#">80918</a>	<a href="#">720-971-8392</a>
<a href="#">5051</a>	<a href="#">Mark Christensen</a>	<a href="#">1610 East Girard Place</a>	<a href="#">Englewood</a>	<a href="#">Colorado</a>	<a href="#">80113</a>	<a href="#">303-478-8187</a>
<a href="#">5064</a>	<a href="#">Tracy Ulmer and Natalie Sperr</a>	<a href="#">7175 W. 88<sup>th</sup> Ave., Suite A</a>	<a href="#">Westminster</a>	<a href="#">Colorado</a>	<a href="#">80021</a>	<a href="#">303-641-0167</a>
<a href="#">5165</a>	<a href="#">Tracy Ulmer and Natalie Sperr</a>	<a href="#">1075 E. South Boulder Rd., #125</a>	<a href="#">Louisville</a>	<a href="#">Colorado</a>	<a href="#">80027</a>	<a href="#">303-641-0167</a>
<a href="#">5166</a>	<a href="#">Tracy Ulmer and Natalie Sperr</a>	<a href="#">12840 Holly St</a>	<a href="#">Thornton</a>	<a href="#">Colorado</a>	<a href="#">80602</a>	<a href="#">720-277-4221</a>
<a href="#">5171</a>	<a href="#">Paul &amp; Christi Hilgenkamp and Job &amp; Joni Kitching</a>	<a href="#">14152 E Cedar Ave</a>	<a href="#">Aurora</a>	<a href="#">Colorado</a>	<a href="#">80012</a>	<a href="#">303-495-1104</a>
<a href="#">5514</a>	<a href="#">Lashelle and Leann Reynolds</a>	<a href="#">24101 E. Orchard Rd., Suite E</a>	<a href="#">Aurora</a>	<a href="#">Colorado</a>	<a href="#">80016</a>	<a href="#">303-324-8153</a>
<a href="#">5569</a>	<a href="#">Jebby Mathew</a>	<a href="#">98 Wadsworth Blvd., Unit #108</a>	<a href="#">Lakewood</a>	<a href="#">Colorado</a>	<a href="#">80226</a>	<a href="#">832-472-2028</a>
<a href="#">5007</a>	<a href="#">Perla Family</a>	<a href="#">427 Stillson Road</a>	<a href="#">Fairfield</a>	<a href="#">Connecticut</a>	<a href="#">06824</a>	<a href="#">917-734-6303</a>
<a href="#">5037</a>	<a href="#">Perla Family</a>	<a href="#">29 High Ridge Road</a>	<a href="#">Stamford</a>	<a href="#">Connecticut</a>	<a href="#">06905</a>	<a href="#">917-734-6303</a>
<a href="#">5110</a>	<a href="#">Perla Family</a>	<a href="#">389 Bridgeport Avenue</a>	<a href="#">Shelton</a>	<a href="#">Connecticut</a>	<a href="#">06484</a>	<a href="#">917-734-6303</a>
<a href="#">5502</a>	<a href="#">Perla Family</a>	<a href="#">100 Newton Road</a>	<a href="#">Danbury</a>	<a href="#">Connecticut</a>	<a href="#">06810</a>	<a href="#">917-734-6303</a>
<a href="#">5027</a>	<a href="#">Jim and Kim Provo</a>	<a href="#">3620 Kirkwood Highway</a>	<a href="#">Wilmington</a>	<a href="#">Delaware</a>	<a href="#">19808</a>	<a href="#">302-233-6847</a>
<a href="#">5075</a>	<a href="#">Jim and Kim Provo</a>	<a href="#">250 Gateway South Blvd.</a>	<a href="#">Dover</a>	<a href="#">Delaware</a>	<a href="#">19904</a>	<a href="#">302-233-6847</a>

5005	<a href="#">Dan and Ana Peterson</a>	<a href="#">4600 N. University Drive</a>	<a href="#">Lauderhill</a>	<a href="#">Florida</a>	<a href="#">33319</a>	<a href="#">954-817-1702</a>
5006	<a href="#">Chuck and Becky Sajeski</a>	<a href="#">12975 Walsingham Road</a>	<a href="#">Largo</a>	<a href="#">Florida</a>	<a href="#">33774</a>	<a href="#">727-278-8936</a>
5012	<a href="#">Jerel and Heather Tomasello</a>	<a href="#">3810 South Dale Mabry Highway</a>	<a href="#">Tampa</a>	<a href="#">Florida</a>	<a href="#">33629</a>	<a href="#">813-523-0609</a>
5013	<a href="#">Scot Cummin</a>	<a href="#">2500 Vanderbilt Beach Road, Suite 2200</a>	<a href="#">Naples</a>	<a href="#">Florida</a>	<a href="#">34109</a>	<a href="#">239-771-3052</a>
5014	<a href="#">Michael and Rick Dorfman</a>	<a href="#">3804 Northlake Blvd</a>	<a href="#">Palm Beach Gardens</a>	<a href="#">Florida</a>	<a href="#">33403</a>	<a href="#">248-982-4700</a>
5017	<a href="#">Wendy and Brian Bernhard</a>	<a href="#">30669 US Highway 19 North</a>	<a href="#">Palm Harbor</a>	<a href="#">Florida</a>	<a href="#">34684</a>	<a href="#">610-306-6080</a>
5019	<a href="#">Wendy and Brian Bernhard</a>	<a href="#">415 3rd Street South</a>	<a href="#">St. Petersburg</a>	<a href="#">Florida</a>	<a href="#">33701</a>	<a href="#">610-306-6080</a>
5028	<a href="#">Bill Capehart</a>	<a href="#">525 Sybelia Parkway</a>	<a href="#">Maitland</a>	<a href="#">Florida</a>	<a href="#">32751</a>	<a href="#">386-690-3255</a>
5034	<a href="#">Aksel Bekirov and Lisa Rostov</a>	<a href="#">155 Majorca Avenue</a>	<a href="#">Coral Gables</a>	<a href="#">Florida</a>	<a href="#">33134</a>	<a href="#">248-875-7451</a>
5035	<a href="#">Mario and Kimberly Pineda</a>	<a href="#">4205 SW 38th Court</a>	<a href="#">Ocala</a>	<a href="#">Florida</a>	<a href="#">34474</a>	<a href="#">352-552-2337</a>
5036	<a href="#">Michael and Tonya Hilliard</a>	<a href="#">4311 Norfolk Parkway, Unit 110</a>	<a href="#">West Melbourne</a>	<a href="#">Florida</a>	<a href="#">32904</a>	<a href="#">321-431-9716</a>
5038	<a href="#">Michael and Rick Dorfman</a>	<a href="#">220 N. Congress #2</a>	<a href="#">Boynton Beach</a>	<a href="#">Florida</a>	<a href="#">33426</a>	<a href="#">248-982-4700</a>
5041	<a href="#">Mario and Kimberly Pineda</a>	<a href="#">4000 U.S. Highway 98</a>	<a href="#">Lakeland</a>	<a href="#">Florida</a>	<a href="#">30809</a>	<a href="#">352-552-2337</a>
5059	<a href="#">Jerel and Heather Tomasello</a>	<a href="#">20707 Center Oak Drive</a>	<a href="#">Tampa</a>	<a href="#">Florida</a>	<a href="#">33647</a>	<a href="#">813-523-0609</a>
5062	<a href="#">Dan and Ana Peterson</a>	<a href="#">1414 S Powerline Road</a>	<a href="#">Pompano Beach</a>	<a href="#">Florida</a>	<a href="#">33069</a>	<a href="#">954-817-1702</a>
5067	<a href="#">Michael Radzinski</a>	<a href="#">9961 San Jose Blvd.</a>	<a href="#">Jacksonville</a>	<a href="#">Florida</a>	<a href="#">32257</a>	<a href="#">201-424-9084</a>
5071	<a href="#">Aksel Bekirov and Lisa Rostov</a>	<a href="#">1442 NE Miami Place</a>	<a href="#">Miami</a>	<a href="#">Florida</a>	<a href="#">33132</a>	<a href="#">248-875-7451</a>
5081	<a href="#">Scot Cummin</a>	<a href="#">1755 Boy Scout Road</a>	<a href="#">Fort Myers</a>	<a href="#">Florida</a>	<a href="#">33907</a>	<a href="#">239-771-3052</a>
5099	<a href="#">Mario and Kimberly Pineda</a>	<a href="#">879 Harley Strickland Blvd. Suite 200</a>	<a href="#">Orange City</a>	<a href="#">Florida</a>	<a href="#">32763</a>	<a href="#">352-552-2337</a>
5101	<a href="#">Harold and Sherry Michel</a>	<a href="#">4270 Aloma Avenue, Suite 120</a>	<a href="#">Winter Park</a>	<a href="#">Florida</a>	<a href="#">32792</a>	<a href="#">407-701-6396</a>
5114	<a href="#">Jerel and Heather Tomasello</a>	<a href="#">207 N Dale Mabry</a>	<a href="#">Tampa</a>	<a href="#">Florida</a>	<a href="#">33609</a>	<a href="#">813-523-0609</a>
5117	<a href="#">Wendy and Brian Bernhard</a>	<a href="#">2679 Gulf To Bay Blvd., Suite 510.</a>	<a href="#">Clearwater</a>	<a href="#">Florida</a>	<a href="#">33759</a>	<a href="#">610-306-6080</a>
5131	<a href="#">Aksel Bekirov and Lisa Rostov</a>	<a href="#">1340 S. Dixie Highway #150</a>	<a href="#">Coral Gables</a>	<a href="#">Florida</a>	<a href="#">33146</a>	<a href="#">248-875-7451</a>
5132	<a href="#">Wendy and Brian Bernhard</a>	<a href="#">1943 E State Road 60</a>	<a href="#">Valrico</a>	<a href="#">Florida</a>	<a href="#">33594</a>	<a href="#">610-306-6080</a>
5147	<a href="#">Michael and Tonya Hilliard</a>	<a href="#">6450 N. Wickham Rd.</a>	<a href="#">Melbourne</a>	<a href="#">Florida</a>	<a href="#">32940</a>	<a href="#">321-431-9716</a>
5173	<a href="#">Wendy and Brian Bernhard</a>	<a href="#">11921 N. Dale Mabry Hwy., Unit 9</a>	<a href="#">Tampa</a>	<a href="#">Florida</a>	<a href="#">33618</a>	<a href="#">610-306-6080</a>
5212	<a href="#">Harold and Sherry Michel</a>	<a href="#">99 Alafaya Woods Blvd</a>	<a href="#">Oviedo</a>	<a href="#">Florida</a>	<a href="#">32765</a>	<a href="#">407-701-6396</a>
5213	<a href="#">Harold and Sherry Michel</a>	<a href="#">158 Tuskawilla Rd.</a>	<a href="#">Winter Springs</a>	<a href="#">Florida</a>	<a href="#">32708</a>	<a href="#">407-701-6396</a>
5246	<a href="#">Tim and Lynn Brose</a>	<a href="#">1801 Wells Road.</a>	<a href="#">Orange Park</a>	<a href="#">Florida</a>	<a href="#">32073</a>	<a href="#">813-340- 1604</a>
5247	<a href="#">Tim and Lynn Brose</a>	<a href="#">9041 Southside Blvd</a>	<a href="#">Jacksonville</a>	<a href="#">Florida</a>	<a href="#">32256</a>	<a href="#">813-340- 1604</a>
5248	<a href="#">Tim and Lynn Brose</a>	<a href="#">220 Riverside Ave.</a>	<a href="#">Jacksonville</a>	<a href="#">Florida</a>	<a href="#">32202</a>	<a href="#">813-340- 1604</a>
5272	<a href="#">Christopher Vukich</a>	<a href="#">1225 Atlantic Blvd.</a>	<a href="#">Neptune Beach</a>	<a href="#">Florida</a>	<a href="#">32266</a>	<a href="#">904-571-6477</a>
5273	<a href="#">Christopher Vukich</a>	<a href="#">8595 Beach Blvd., Unit 320</a>	<a href="#">Jacksonville</a>	<a href="#">Florida</a>	<a href="#">32216</a>	<a href="#">904-571-6477</a>
5287	<a href="#">Misty Lee</a>	<a href="#">2300 E. Semoran Blvd.</a>	<a href="#">Apopka</a>	<a href="#">Florida</a>	<a href="#">32703</a>	<a href="#">330-256-3907</a>
5288	<a href="#">Misty Lee</a>	<a href="#">116 E Altamonte Dr.</a>	<a href="#">Altamonte Springs</a>	<a href="#">Florida</a>	<a href="#">32701</a>	<a href="#">330-256-3907</a>
5330	<a href="#">Chris Davidson</a>	<a href="#">2590 N. 12th Ave.</a>	<a href="#">Pensacola</a>	<a href="#">Florida</a>	<a href="#">32503</a>	<a href="#">251-648-3468</a>
5367	<a href="#">Chris Davidson</a>	<a href="#">2727 Apalachee Pkwy.</a>	<a href="#">Tallahassee</a>	<a href="#">Florida</a>	<a href="#">32301</a>	<a href="#">251-648-3468</a>
5472	<a href="#">Aksel Bekirov and Lisa Rostov</a>	<a href="#">3025 W. 16<sup>th</sup> Ave.</a>	<a href="#">Hialeah</a>	<a href="#">Florida</a>	<a href="#">33012</a>	<a href="#">248-875-7451</a>
5524	<a href="#">Frank Buonanotte and David Supple</a>	<a href="#">6279 W. Sample Rd.</a>	<a href="#">Coral Springs</a>	<a href="#">Florida</a>	<a href="#">33067</a>	<a href="#">770-330-6815</a>
5525	<a href="#">Frank Buonanotte, David Supple and Charles Lipman</a>	<a href="#">12160 West Sunrise Blvd.</a>	<a href="#">Plantation</a>	<a href="#">Florida</a>	<a href="#">33323</a>	<a href="#">770-330-6815</a>
5579	<a href="#">Anne Vallejos</a>	<a href="#">2335 SE Federal Highway</a>	<a href="#">Stuart</a>	<a href="#">Florida</a>	<a href="#">34994</a>	<a href="#">772-260-9587</a>
5582	<a href="#">Patrick Manchi</a>	<a href="#">24075 Peachland Blvd., Building 2</a>	<a href="#">Port Charlotte</a>	<a href="#">Florida</a>	<a href="#">33954</a>	<a href="#">713-542-1882</a>
5016	<a href="#">Rob &amp; Angie Zimmerman and Jerel &amp; Heather Tomasello</a>	<a href="#">1820 Peachtree St NW</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<a href="#">30309</a>	<a href="#">813-523-0609</a>
5030	<a href="#">Vic and Lori Tenuto</a>	<a href="#">227 Sandy Springs Place NE, Suite 422</a>	<a href="#">Sandy Springs</a>	<a href="#">Georgia</a>	<a href="#">30328</a>	<a href="#">678-776-9448</a>
5042	<a href="#">Vic and Lori Tenuto</a>	<a href="#">1570 Holcomb Bridge Road</a>	<a href="#">Roswell</a>	<a href="#">Georgia</a>	<a href="#">30076</a>	<a href="#">678-776-9448</a>
5047	<a href="#">Rob and Angie Zimmerman</a>	<a href="#">3000 Windy Hill Road SE</a>	<a href="#">Marietta</a>	<a href="#">Georgia</a>	<a href="#">30067</a>	<a href="#">770-687-8870</a>
5048	<a href="#">Tim and Marty Commons</a>	<a href="#">860 Duluth Hwy. Suite 152</a>	<a href="#">Lawrenceville</a>	<a href="#">Georgia</a>	<a href="#">30043</a>	<a href="#">678-467-4201</a>
5056	<a href="#">Rob &amp; Angie Zimmerman and Jerel &amp; Heather Tomasello</a>	<a href="#">2531 Piedmont Rd NE Suite A100</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<a href="#">30324</a>	<a href="#">813-523-0609</a>
5083	<a href="#">Jerel &amp; Heather Tomasello and Rob &amp; Angie Zimmerman</a>	<a href="#">519 Memorial Drive SE</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<a href="#">30312</a>	<a href="#">813-523-0609</a>
5098	<a href="#">Tim and Marty Commons</a>	<a href="#">5210 Town Center Blvd. Suite 350</a>	<a href="#">Peachtree Corners</a>	<a href="#">Georgia</a>	<a href="#">30092</a>	<a href="#">678-467-4201</a>
5125	<a href="#">Vic and Lori Tenuto</a>	<a href="#">11800 Haynes Bridge Rd Suite 1</a>	<a href="#">Alpharetta</a>	<a href="#">Georgia</a>	<a href="#">30009</a>	<a href="#">678-776-9448</a>

<a href="#">5143</a>	<a href="#">Rob and Angie Zimmerman</a>	<a href="#">2250 Marietta Blvd</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<a href="#">30318</a>	<a href="#">770-687-8870</a>
<a href="#">5182</a>	<a href="#">Rob &amp; Angie Zimmerman and Jerel &amp; Heather Tomasello</a>	<a href="#">1000 Northside Dr NW,</a>	<a href="#">Atlanta</a>	<a href="#">Georgia</a>	<a href="#">30318</a>	<a href="#">770-687-8870</a>
<a href="#">5228</a>	<a href="#">Brad &amp; Aba Rogers</a>	<a href="#">4531 Olde Perimeter Way</a>	<a href="#">Dunwoody</a>	<a href="#">Georgia</a>	<a href="#">30346</a>	<a href="#">770-331-5839</a>
<a href="#">5431</a>	<a href="#">Kevin Isenberg</a>	<a href="#">3335 Cobb Pkwy NW</a>	<a href="#">Acworth</a>	<a href="#">Georgia</a>	<a href="#">30101</a>	<a href="#">901-299-9218</a>
<a href="#">5432</a>	<a href="#">Kevin and Sarah Isenberg</a>	<a href="#">132 Woodstock Square #420</a>	<a href="#">Woodstock</a>	<a href="#">Georgia</a>	<a href="#">30189</a>	<a href="#">901-299-9218</a>
<a href="#">5544</a>	<a href="#">Rob &amp; Angie Zimmerman, Corey &amp; Lashae Myart, and Sandy Grimm</a>	<a href="#">1415 Highway SR-85 N, Suite 120</a>	<a href="#">Fayetteville</a>	<a href="#">Georgia</a>	<a href="#">30214</a>	<a href="#">813-501-0600</a>
<a href="#">5545</a>	<a href="#">Rob &amp; Angie Zimmerman and Corey &amp; LaShae Myart</a>	<a href="#">7045 Mount Zion Circle</a>	<a href="#">Morrow</a>	<a href="#">Georgia</a>	<a href="#">30260</a>	<a href="#">770-687-8870</a>
<a href="#">5611</a>	<a href="#">Lee Brody</a>	<a href="#">100 Prince Ave,</a>	<a href="#">Athens</a>	<a href="#">Georgia</a>	<a href="#">30601</a>	<a href="#">248-310-0409</a>
<a href="#">5072</a>	<a href="#">Debra Muffoletto and Sharon Niewinski</a>	<a href="#">220 N. Smith Street Suite 117</a>	<a href="#">Palatine</a>	<a href="#">Illinois</a>	<a href="#">60067</a>	<a href="#">630-330-6295</a>
<a href="#">5080</a>	<a href="#">Naveen Krish</a>	<a href="#">2817 N Broadway</a>	<a href="#">Chicago</a>	<a href="#">Illinois</a>	<a href="#">60614</a>	<a href="#">810-533-0382</a>
<a href="#">5176</a>	<a href="#">Debra Muffoletto and Sharon Niewinski</a>	<a href="#">860 Milwaukee Ave, Suite 200</a>	<a href="#">Buffalo Grove</a>	<a href="#">Illinois</a>	<a href="#">60089</a>	<a href="#">630-330-6295</a>
<a href="#">5214</a>	<a href="#">Randy and Ann Gunst</a>	<a href="#">2044 York Road</a>	<a href="#">Oak Brook</a>	<a href="#">Illinois</a>	<a href="#">60523</a>	<a href="#">630-240-8409</a>
<a href="#">5215</a>	<a href="#">Randy and Ann Gunst</a>	<a href="#">930 Roosevelt Road</a>	<a href="#">Glen Ellyn</a>	<a href="#">Illinois</a>	<a href="#">60137</a>	<a href="#">630-240-8409</a>
<a href="#">5222</a>	<a href="#">John Weiss</a>	<a href="#">2843 Pfingsten Rd</a>	<a href="#">Glenview</a>	<a href="#">Illinois</a>	<a href="#">60026</a>	<a href="#">262 909-5353</a>
<a href="#">5267</a>	<a href="#">Randy and Ann Gunst</a>	<a href="#">114 N Marion Street</a>	<a href="#">Oak Park</a>	<a href="#">Illinois</a>	<a href="#">60301</a>	<a href="#">630-240-8409</a>
<a href="#">5284</a>	<a href="#">Toni Gozali</a>	<a href="#">8307 W. Golf Road,</a>	<a href="#">Niles</a>	<a href="#">Illinois</a>	<a href="#">60714</a>	<a href="#">847 607-8188</a>
<a href="#">5285</a>	<a href="#">Toni Gozali</a>	<a href="#">555 East Townline Road, Unit 22</a>	<a href="#">Vernon Hills</a>	<a href="#">Illinois</a>	<a href="#">60061</a>	<a href="#">847 607-8188</a>
<a href="#">5086</a>	<a href="#">Robert Gerick</a>	<a href="#">2715 Main Street</a>	<a href="#">Highland</a>	<a href="#">Indiana</a>	<a href="#">46322</a>	<a href="#">219-393-8450</a>
<a href="#">5201</a>	<a href="#">Robert Gerick</a>	<a href="#">1649 E 80th Ave</a>	<a href="#">Merrillville</a>	<a href="#">Indiana</a>	<a href="#">46410</a>	<a href="#">219-393-8450</a>
<a href="#">5437</a>	<a href="#">Wes &amp; Kristen Snyder and Jason &amp; Kim Bassett</a>	<a href="#">800 S Rangeline Rd Hanover Place, Ste. 290</a>	<a href="#">Carmel</a>	<a href="#">Indiana</a>	<a href="#">46032</a>	<a href="#">317-513-2756</a>
<a href="#">5448</a>	<a href="#">Matt Banning</a>	<a href="#">3900 Fountains Blvd. NE, Ste. 104</a>	<a href="#">Cedar Rapids</a>	<a href="#">Iowa</a>	<a href="#">52411</a>	<a href="#">319-330-0670</a>
<a href="#">5547</a>	<a href="#">Matt Banning</a>	<a href="#">308 1st Avenue</a>	<a href="#">Coralville</a>	<a href="#">Iowa</a>	<a href="#">52241</a>	<a href="#">319-330-0670</a>
<a href="#">5090</a>	<a href="#">David and Nancy James</a>	<a href="#">3521 Springhurst Blvd</a>	<a href="#">Louisville</a>	<a href="#">Kentucky</a>	<a href="#">40241</a>	<a href="#">502-403-0055</a>
<a href="#">5423</a>	<a href="#">Jay and Tracie Carrico</a>	<a href="#">2870 Richmond Road,</a>	<a href="#">Lexington</a>	<a href="#">Kentucky</a>	<a href="#">40509</a>	<a href="#">859.533.4032</a>
<a href="#">5444</a>	<a href="#">Steve Berger</a>	<a href="#">7606 Mall Road</a>	<a href="#">Florence</a>	<a href="#">Kentucky</a>	<a href="#">41042</a>	<a href="#">513-404-5001</a>
<a href="#">5549</a>	<a href="#">Jay and Tracie Carrico</a>	<a href="#">2308 Sir Barton Way Suite 120</a>	<a href="#">Lexington</a>	<a href="#">Kentucky</a>	<a href="#">40509</a>	<a href="#">859.533.4032</a>
<a href="#">5454</a>	<a href="#">Ray and Monica Harrigill</a>	<a href="#">103 Acadiana Mall Circle</a>	<a href="#">Lafayette</a>	<a href="#">Louisiana</a>	<a href="#">70503</a>	<a href="#">601-940-2165</a>
<a href="#">5295</a>	<a href="#">Deepak and Jodie Mokha</a>	<a href="#">5600 Urbana Pike,</a>	<a href="#">Frederick</a>	<a href="#">Maryland</a>	<a href="#">21704</a>	<a href="#">240-793-8606</a>
<a href="#">5331</a>	<a href="#">Marc Ottinger</a>	<a href="#">564 Baltimore Pike</a>	<a href="#">Bel Air</a>	<a href="#">Maryland</a>	<a href="#">21014</a>	<a href="#">410 977-3991</a>
<a href="#">5332</a>	<a href="#">Marc Ottinger</a>	<a href="#">8450 Baltimore National Pike, #165</a>	<a href="#">Ellicott City</a>	<a href="#">Maryland</a>	<a href="#">21043</a>	<a href="#">410 977-3991</a>
<a href="#">5344</a>	<a href="#">Anirudh Shah</a>	<a href="#">45330 Abell House Lane #102</a>	<a href="#">California</a>	<a href="#">Maryland</a>	<a href="#">20619</a>	<a href="#">804-627-3676</a>
<a href="#">5084</a>	<a href="#">Ed and Amy Boulter</a>	<a href="#">153 Turnpike Road,</a>	<a href="#">Westborough</a>	<a href="#">Massachusetts</a>	<a href="#">01581</a>	<a href="#">508-243-1911</a>
<a href="#">5198</a>	<a href="#">Zoe and Ryan Salomone</a>	<a href="#">252 Grove Street</a>	<a href="#">Braintree</a>	<a href="#">Massachusetts</a>	<a href="#">02184</a>	<a href="#">617-378-8226</a>
<a href="#">5199</a>	<a href="#">Ed and Amy Boulter</a>	<a href="#">94 Watertower Plaza</a>	<a href="#">Leominster</a>	<a href="#">Massachusetts</a>	<a href="#">01453</a>	<a href="#">508-243-1911</a>
<a href="#">5206</a>	<a href="#">Vitaly Evdokimov and Mashhour Moukaddem</a>	<a href="#">150 California Street</a>	<a href="#">Newton</a>	<a href="#">Massachusetts</a>	<a href="#">02458</a>	<a href="#">207-284-3127</a>
<a href="#">5379</a>	<a href="#">Tim DeSantis</a>	<a href="#">1023 Southbridge St,</a>	<a href="#">Worcester</a>	<a href="#">Massachusetts</a>	<a href="#">01610</a>	<a href="#">508-769-9333</a>
<a href="#">5530</a>	<a href="#">Vitaly Evdokimov and Mashhour Moukaddem</a>	<a href="#">150 Arsenal Street</a>	<a href="#">Watertown</a>	<a href="#">Massachusetts</a>	<a href="#">02472</a>	<a href="#">207-284-3127</a>
<a href="#">5574</a>	<a href="#">Bill Fleckner</a>	<a href="#">154-156 Cambridge St,</a>	<a href="#">Burlington</a>	<a href="#">Massachusetts</a>	<a href="#">01803</a>	<a href="#">781-608-2011</a>
<a href="#">5009</a>	<a href="#">Dan &amp; Melissa Roman, and Craig M. Comer</a>	<a href="#">16824 Kercheval Ave,</a>	<a href="#">Grosse Pointe</a>	<a href="#">Michigan</a>	<a href="#">48230</a>	<a href="#">248-298-6443</a>
<a href="#">5011</a>	<a href="#">Beth Garner</a>	<a href="#">3582 29<sup>th</sup> Street</a>	<a href="#">Kenwood</a>	<a href="#">Michigan</a>	<a href="#">49512</a>	<a href="#">616-802-7101</a>
<a href="#">5049</a>	<a href="#">Alpesh Trivedi</a>	<a href="#">133 W Main Street</a>	<a href="#">Northville</a>	<a href="#">Michigan</a>	<a href="#">48167</a>	<a href="#">248-880-8810</a>
<a href="#">5052</a>	<a href="#">Craig M. Comer and Dan &amp; Melissa Roman</a>	<a href="#">41140 Garfield Road</a>	<a href="#">Clinton Township</a>	<a href="#">Michigan</a>	<a href="#">48038</a>	<a href="#">248-342-4518</a>
<a href="#">5078</a>	<a href="#">Sue Leja</a>	<a href="#">33332 W 12 Mile Rd,</a>	<a href="#">Farmington Hills</a>	<a href="#">Michigan</a>	<a href="#">48334</a>	<a href="#">248-207-7217</a>
<a href="#">5093</a>	<a href="#">Alpesh Trivedi</a>	<a href="#">1139 W. 14 Mile Road</a>	<a href="#">Clawson</a>	<a href="#">Michigan</a>	<a href="#">48017</a>	<a href="#">248-880-8810</a>
<a href="#">5100</a>	<a href="#">Anne Marcovecchio</a>	<a href="#">1320 S. Rochester Rd</a>	<a href="#">Rochester Hills</a>	<a href="#">Michigan</a>	<a href="#">48307</a>	<a href="#">630-800-6358</a>
<a href="#">5105</a>	<a href="#">Dan &amp; Melissa Roman and Craig M. Comer</a>	<a href="#">22441 Gratiot</a>	<a href="#">East Pointe</a>	<a href="#">Michigan</a>	<a href="#">48021</a>	<a href="#">248-298-6443</a>
<a href="#">5145</a>	<a href="#">Alpesh Trivedi</a>	<a href="#">820 W Eisenhower Pkwy</a>	<a href="#">Ann Arbor</a>	<a href="#">Michigan</a>	<a href="#">48103</a>	<a href="#">248-880-8810</a>
<a href="#">5207</a>	<a href="#">Nick Leja and Chad Capista</a>	<a href="#">3192 S Linden Road, Suite A-122</a>	<a href="#">Flint</a>	<a href="#">Michigan</a>	<a href="#">48507</a>	<a href="#">815-260-6582</a>
<a href="#">5210</a>	<a href="#">Anne Marcovecchio and Kristin Bennett</a>	<a href="#">6470 North Canton Center Road</a>	<a href="#">Canton</a>	<a href="#">Michigan</a>	<a href="#">48187</a>	<a href="#">630-800-6358</a>



5211	<a href="#">Anne Marcovecchio and Kristin Bennett</a>	<a href="#">30997 5 Mile Rd.</a>	<a href="#">Livonia</a>	<a href="#">Michigan</a>	<a href="#">48154</a>	<a href="#">630-800-6358</a>
5233	<a href="#">Alpesh Trivedi</a>	<a href="#">29746 Southfield Rd #A106</a>	<a href="#">Southfield</a>	<a href="#">Michigan</a>	<a href="#">48076</a>	<a href="#">248-880-8810</a>
5234	<a href="#">Alpesh Trivedi</a>	<a href="#">9375 Telegraph Rd.</a>	<a href="#">Redford</a>	<a href="#">Michigan</a>	<a href="#">48239</a>	<a href="#">248-880-8810</a>
5235	<a href="#">Alpesh Trivedi</a>	<a href="#">16201 Ford Road, Suite 123</a>	<a href="#">Dearborn</a>	<a href="#">Michigan</a>	<a href="#">48126</a>	<a href="#">248-880-8810</a>
5311	<a href="#">Anne Marcovecchio</a>	<a href="#">2627 S. Rochester Rd.</a>	<a href="#">Rochester Hills</a>	<a href="#">Michigan</a>	<a href="#">48307</a>	<a href="#">630-800-6358</a>
5335	<a href="#">Alpesh Trivedi</a>	<a href="#">221 W Troy St.</a>	<a href="#">Ferndale</a>	<a href="#">Michigan</a>	<a href="#">48220</a>	<a href="#">248-880-8810</a>
5336	<a href="#">Alpesh Trivedi, Parthiv &amp; Jivesh Dandnaik and Hetal Gandhi</a>	<a href="#">656 Frandor Ave.</a>	<a href="#">Lansing</a>	<a href="#">Michigan</a>	<a href="#">48912</a>	<a href="#">248-880-8810</a>
5402	<a href="#">Beth Garner</a>	<a href="#">2660 44th St. SW</a>	<a href="#">Wyoming</a>	<a href="#">Michigan</a>	<a href="#">49519</a>	<a href="#">616-802-7101</a>
5403	<a href="#">Beth &amp; Tyson Garner and Michael Barker</a>	<a href="#">1604 4 Mile Rd. NE</a>	<a href="#">Grand Rapids</a>	<a href="#">Michigan</a>	<a href="#">49525</a>	<a href="#">616-802-7101</a>
5024	<a href="#">Chris Newpower</a>	<a href="#">1721 County Road B2 West</a>	<a href="#">Roseville</a>	<a href="#">Minnesota</a>	<a href="#">55113</a>	<a href="#">612-282-9490</a>
5230	<a href="#">Brian Castro and Stephanie Shields</a>	<a href="#">10150 Hudson Road</a>	<a href="#">Woodbury</a>	<a href="#">Minnesota</a>	<a href="#">55129</a>	<a href="#">612-239-4960</a>
5338	<a href="#">Brian Farrell</a>	<a href="#">7989 Southtown Dr.</a>	<a href="#">Bloomington</a>	<a href="#">Minnesota</a>	<a href="#">55431</a>	<a href="#">612-850-8443</a>
5339	<a href="#">Brian Farrell</a>	<a href="#">4190 Vinewood Lane North, Unit 102</a>	<a href="#">Plymouth</a>	<a href="#">Minnesota</a>	<a href="#">55442</a>	<a href="#">612-850-8443</a>
5340	<a href="#">Brian Farrell</a>	<a href="#">8951 Crossroads Blvd.</a>	<a href="#">Chanhassen</a>	<a href="#">Minnesota</a>	<a href="#">55317</a>	<a href="#">612-850-8443</a>
5341	<a href="#">Brian Farrell</a>	<a href="#">6906 153rd Street West</a>	<a href="#">Apple Valley</a>	<a href="#">Minnesota</a>	<a href="#">55124</a>	<a href="#">612-850-8443</a>
5113	<a href="#">Brad Reardon</a>	<a href="#">3964 Goodman rd. E Ste 122</a>	<a href="#">Southaven</a>	<a href="#">Mississippi</a>	<a href="#">38672</a>	<a href="#">901-233-2706</a>
5452	<a href="#">Ray and Monica Harrigill</a>	<a href="#">720 Harbour Pointe Crossing</a>	<a href="#">Ridgeland</a>	<a href="#">Mississippi</a>	<a href="#">39157</a>	<a href="#">601-940-2165</a>
5453	<a href="#">Ray and Monica Harrigill</a>	<a href="#">11428 Hwy 49 N</a>	<a href="#">Gulfport</a>	<a href="#">Mississippi</a>	<a href="#">39503</a>	<a href="#">601-940-2165</a>
5068	<a href="#">Paul and Christi Hilgenkamp</a>	<a href="#">1560 N. Church Rd.</a>	<a href="#">Liberty</a>	<a href="#">Missouri</a>	<a href="#">64068</a>	<a href="#">303-396-3990</a>
5104	<a href="#">Anabelle Fabellar</a>	<a href="#">445 Lafayette Center</a>	<a href="#">Manchester</a>	<a href="#">Missouri</a>	<a href="#">63011</a>	<a href="#">314-960-4907</a>
5290	<a href="#">Bradley Carr</a>	<a href="#">5841 Suemandy Dr.</a>	<a href="#">St. Peters</a>	<a href="#">Missouri</a>	<a href="#">63376</a>	<a href="#">314-226-8113</a>
5321	<a href="#">Brian Repp</a>	<a href="#">10401 Olive Blvd.</a>	<a href="#">Creve Coeur</a>	<a href="#">Missouri</a>	<a href="#">63141</a>	<a href="#">314-809-8515</a>
5405	<a href="#">Drake Powers</a>	<a href="#">1139 Colonnade Center</a>	<a href="#">St. Louis</a>	<a href="#">Missouri</a>	<a href="#">63131</a>	<a href="#">314-265-8811</a>
5553	<a href="#">Dee Baird</a>	<a href="#">2469 S 132nd St.</a>	<a href="#">Omaha</a>	<a href="#">Nebraska</a>	<a href="#">68144</a>	<a href="#">319-533-4541</a>
5033	<a href="#">Mike and Amanda Skvorzov</a>	<a href="#">9850 Maryland Pwky. #14</a>	<a href="#">Las Vegas</a>	<a href="#">Nevada</a>	<a href="#">89183</a>	<a href="#">702-263-3359</a>
5129	<a href="#">Mike and Amanda Skvorzov</a>	<a href="#">1520 W. Sunset Rd., Suite. 130</a>	<a href="#">Henderson</a>	<a href="#">Nevada</a>	<a href="#">89014</a>	<a href="#">702-263-3359</a>
5130	<a href="#">Mike and Amanda Skvorzov</a>	<a href="#">6035 S. Durango Drive</a>	<a href="#">Las Vegas</a>	<a href="#">Nevada</a>	<a href="#">89113</a>	<a href="#">702-263-3359</a>
5481	<a href="#">Carmella Geraci</a>	<a href="#">8090 Blue Diamond Road, Suite 220-240</a>	<a href="#">Las Vegas</a>	<a href="#">Nevada</a>	<a href="#">89113</a>	<a href="#">702-292-8792</a>
5578	<a href="#">Erin and Brandon Beloin</a>	<a href="#">79 South River Road, Suite 160</a>	<a href="#">Bedford</a>	<a href="#">New Hampshire</a>	<a href="#">03110</a>	<a href="#">603-540-2448</a>
5334	<a href="#">Mario Pastilha</a>	<a href="#">195 US 46</a>	<a href="#">Totowa</a>	<a href="#">New Jersey</a>	<a href="#">07512</a>	<a href="#">201-317-3198</a>
5360	<a href="#">Mario Pastilha</a>	<a href="#">275 Route 10</a>	<a href="#">Succasunna</a>	<a href="#">New Jersey</a>	<a href="#">07876</a>	<a href="#">201-317-3198</a>
5408	<a href="#">Celia and Mario Pastilha</a>	<a href="#">346 Route 10</a>	<a href="#">East Hanover</a>	<a href="#">New Jersey</a>	<a href="#">07936</a>	<a href="#">201-317-3198</a>
5409	<a href="#">Celia and Mario Pastilha</a>	<a href="#">407 Valley Brook Ave.</a>	<a href="#">Lyndhurst</a>	<a href="#">New Jersey</a>	<a href="#">07071</a>	<a href="#">201-317-3198</a>
5478	<a href="#">Joseph Carretta</a>	<a href="#">3100 Quakerbridge Road</a>	<a href="#">Mercerville</a>	<a href="#">New Jersey</a>	<a href="#">08619</a>	<a href="#">215-870-2850</a>
5479	<a href="#">Joseph Carretta and Aaron Gillaspie</a>	<a href="#">430 Marketplace Blvd</a>	<a href="#">Hamilton Township</a>	<a href="#">New Jersey</a>	<a href="#">08691</a>	<a href="#">832-291-1964</a>
5484	<a href="#">Joe and Brenda Allen</a>	<a href="#">648 Cuthbert Boulevard</a>	<a href="#">Westmont</a>	<a href="#">New Jersey</a>	<a href="#">08108</a>	<a href="#">609-315-4762</a>
5485	<a href="#">Joe and Brenda Allen</a>	<a href="#">161 Rt. 70 East</a>	<a href="#">Marlton</a>	<a href="#">New Jersey</a>	<a href="#">08053</a>	<a href="#">609-315-4762</a>
5500	<a href="#">John Vagner and Sal Yakub</a>	<a href="#">3813 US-9 North</a>	<a href="#">Old Bridge</a>	<a href="#">New Jersey</a>	<a href="#">08857</a>	<a href="#">646-209-5180</a>
5501	<a href="#">Perla Family</a>	<a href="#">441 Elizabeth Avenue</a>	<a href="#">Franklin Township</a>	<a href="#">New Jersey</a>	<a href="#">08873</a>	<a href="#">917-734-6303</a>
5495	<a href="#">Jonathan Arzt</a>	<a href="#">300 Coles Street</a>	<a href="#">Jersey City</a>	<a href="#">New Jersey</a>	<a href="#">07310</a>	<a href="#">917-902-4647</a>
5025	<a href="#">Evgeny Kobin</a>	<a href="#">388 Tarrytown Rd.</a>	<a href="#">White Plains</a>	<a href="#">New York</a>	<a href="#">10607</a>	<a href="#">908-416-3845</a>
5050	<a href="#">Shel and Lisa Schenkler</a>	<a href="#">5500 Main Street</a>	<a href="#">Williamsville</a>	<a href="#">New York</a>	<a href="#">14221</a>	<a href="#">617-901-3079</a>
5076	<a href="#">Perla Family</a>	<a href="#">55 Cole St.</a>	<a href="#">Yonkers</a>	<a href="#">New York</a>	<a href="#">10710</a>	<a href="#">917-734-6303</a>
5445	<a href="#">Scott Neglia</a>	<a href="#">130 E. Main Street</a>	<a href="#">Smithtown</a>	<a href="#">New York</a>	<a href="#">11787</a>	<a href="#">516-680-5609</a>
5446	<a href="#">Scott Neglia</a>	<a href="#">1096 Route 112</a>	<a href="#">Port Jefferson Station</a>	<a href="#">New York</a>	<a href="#">1176</a>	<a href="#">516-680-5609</a>
5493	<a href="#">Ethan and Jacqueline Wingfield</a>	<a href="#">12 W 48th St.</a>	<a href="#">New York</a>	<a href="#">New York</a>	<a href="#">10036</a>	<a href="#">703-217-0129</a>
5511	<a href="#">Rebecca and Brian Muellers</a>	<a href="#">1959 Front Street</a>	<a href="#">East Meadow</a>	<a href="#">New York</a>	<a href="#">11554</a>	<a href="#">516-384-3974</a>
5512	<a href="#">Rebecca and Brian Muellers</a>	<a href="#">395 Independence Plaza</a>	<a href="#">Selden</a>	<a href="#">New York</a>	<a href="#">11784</a>	<a href="#">516-384-3974</a>
5515	<a href="#">Lisa Cook</a>	<a href="#">1 Old Country Rd, Suite 102</a>	<a href="#">Garden City</a>	<a href="#">New York</a>	<a href="#">11530</a>	<a href="#">631-741-6670</a>
5531	<a href="#">Justin Cole</a>	<a href="#">90 Nardozi Place</a>	<a href="#">New Rochelle</a>	<a href="#">New York</a>	<a href="#">10805</a>	<a href="#">845-527-8134</a>

5032	<a href="#">Keith and Patti Galloway</a>	<a href="#">316 Colonades Way</a>	<a href="#">Cary</a>	<a href="#">North Carolina</a>	<a href="#">27518</a>	<a href="#">919-452-4293</a>
5061	<a href="#">Steve and Gale Schwartz</a>	<a href="#">1810 Galleria Blvd.</a>	<a href="#">Charlotte</a>	<a href="#">North Carolina</a>	<a href="#">28270</a>	<a href="#">703- 615-1749</a>
5069	<a href="#">Keith and Patti Galloway</a>	<a href="#">6350 Plantation Center Drive</a>	<a href="#">Raleigh</a>	<a href="#">North Carolina</a>	<a href="#">27616</a>	<a href="#">919-452-4293</a>
5088	<a href="#">Jack and Linda Bunyan</a>	<a href="#">4712 New Centre Drive</a>	<a href="#">Wilmington</a>	<a href="#">North Carolina</a>	<a href="#">28405</a>	<a href="#">203-722-3827</a>
5249	<a href="#">Sandesh Joshi</a>	<a href="#">2739 NC-55</a>	<a href="#">Cary</a>	<a href="#">North Carolina</a>	<a href="#">27519</a>	<a href="#">919-995-0570</a>
5250	<a href="#">Sandesh and Prajakta Joshi</a>	<a href="#">105 NC-54, Suite 22A</a>	<a href="#">Durham</a>	<a href="#">North Carolina</a>	<a href="#">27713</a>	<a href="#">919-995-0570</a>
5265	<a href="#">Steve and Gale Schwartz</a>	<a href="#">8324 - 503 Pineville Matthews Road</a>	<a href="#">Charlotte</a>	<a href="#">North Carolina</a>	<a href="#">28226</a>	<a href="#">703- 615-1749</a>
5269	<a href="#">Mark and Lisa Lindsay</a>	<a href="#">1985 Hendersonville</a>	<a href="#">Asheville</a>	<a href="#">North Carolina</a>	<a href="#">28803</a>	<a href="#">828-273-2453</a>
5364	<a href="#">John and Melanie Ludden</a>	<a href="#">11930 Providence Road West</a>	<a href="#">Charlotte</a>	<a href="#">North Carolina</a>	<a href="#">28277</a>	<a href="#">510-798-7072</a>
5365	<a href="#">John and Melanie Ludden</a>	<a href="#">11130 S Tryon Street</a>	<a href="#">Charlotte</a>	<a href="#">North Carolina</a>	<a href="#">28273</a>	<a href="#">510-798-7072</a>
5366	<a href="#">John and Melanie Ludden</a>	<a href="#">2320 N Davidson St.</a>	<a href="#">Charlotte</a>	<a href="#">North Carolina</a>	<a href="#">28205</a>	<a href="#">510-798-7072</a>
5510	<a href="#">John &amp; Melanie Ludden and Jerel &amp; Heather Tomasello</a>	<a href="#">4024 E. Franklin Blvd. #110</a>	<a href="#">Gastonia</a>	<a href="#">North Carolina</a>	<a href="#">28056</a>	<a href="#">813-523-0609</a>
5651	<a href="#">Grant, Kevin, Jay, and Eileen Seeger</a>	<a href="#">4088 S. Washington St., #207</a>	<a href="#">Grand Forks</a>	<a href="#">North Dakota</a>	<a href="#">58201</a>	
5652	<a href="#">Grant, Kevin, Jay, and Eileen Seeger</a>	<a href="#">2424 13<sup>th</sup> Ave. S., Unit 105</a>	<a href="#">Fargo</a>	<a href="#">North Dakota</a>	<a href="#">58103</a>	
5082	<a href="#">Jennifer and Jarrett Skrobareck</a>	<a href="#">1090 Yard St.</a>	<a href="#">Grandview Heights</a>	<a href="#">Ohio</a>	<a href="#">43212</a>	<a href="#">210-601-6176</a>
5097	<a href="#">Mark and Darlene Bugajski</a>	<a href="#">9437 Civic Centre Blvd.</a>	<a href="#">West Chester</a>	<a href="#">Ohio</a>	<a href="#">45069</a>	<a href="#">513-200-5669</a>
5112	<a href="#">Pedro Capiello</a>	<a href="#">11310 Montgomery Road, Suite 218</a>	<a href="#">Cincinnati</a>	<a href="#">Ohio</a>	<a href="#">45249</a>	<a href="#">513-904-7872</a>
5196	<a href="#">Jennifer and Jarrett Skrobareck</a>	<a href="#">146 Graceland Blvd.</a>	<a href="#">Columbus</a>	<a href="#">Ohio</a>	<a href="#">43214</a>	<a href="#">210-601-6176</a>
5324	<a href="#">Zach and Phil Sonnenklar</a>	<a href="#">6505 Mayfield Rd.</a>	<a href="#">Mayfield Heights</a>	<a href="#">Ohio</a>	<a href="#">44124</a>	<a href="#">412-720-0717</a>
5376	<a href="#">Guru Vasudeva</a>	<a href="#">170 W. Olentangy St.</a>	<a href="#">Powell</a>	<a href="#">Ohio</a>	<a href="#">43065</a>	<a href="#">614-313-8781</a>
5377	<a href="#">Guru Vasudeva</a>	<a href="#">6065 Memorial Dr.</a>	<a href="#">Dublin</a>	<a href="#">Ohio</a>	<a href="#">43017</a>	<a href="#">614-313-8781</a>
5475	<a href="#">Meagan Class</a>	<a href="#">8002 Washington Village Dr.</a>	<a href="#">Washington Township</a>	<a href="#">Ohio</a>	<a href="#">45458</a>	<a href="#">330-697-2024</a>
5498	<a href="#">Doug and Stephanie Schoch</a>	<a href="#">5107 Monroe Street, Suite A</a>	<a href="#">Toledo</a>	<a href="#">Ohio</a>	<a href="#">43623</a>	<a href="#">586-914-5459</a>
5636	<a href="#">Matt Pontius</a>	<a href="#">19360 Detroit Road</a>	<a href="#">Rocky River</a>	<a href="#">Ohio</a>	<a href="#">44116</a>	<a href="#">614-507-8090</a>
5216	<a href="#">Randy and Heather Lowell</a>	<a href="#">11280 NE Evergreen Pkwy.</a>	<a href="#">Hillsboro</a>	<a href="#">Oregon</a>	<a href="#">97006</a>	<a href="#">503-329-4665</a>
5102	<a href="#">Andrew and Jenn Navarro</a>	<a href="#">1991 Sproul Rd Broomall</a>	<a href="#">Broomall</a>	<a href="#">Pennsylvania</a>	<a href="#">19008</a>	<a href="#">614-578-7463</a>
5146	<a href="#">Mike and Kathy Miller</a>	<a href="#">44 Quarry Road</a>	<a href="#">Downingtown</a>	<a href="#">Pennsylvania</a>	<a href="#">19335</a>	<a href="#">215-432-3081</a>
5180	<a href="#">Andrew and Jenn Navarro</a>	<a href="#">28 East Montgomery Avenue</a>	<a href="#">Ardmore</a>	<a href="#">Pennsylvania</a>	<a href="#">19003</a>	<a href="#">614-578-7463</a>
5181	<a href="#">Andrew and Jenn Navarro</a>	<a href="#">1417 Old York Rd.</a>	<a href="#">Abington</a>	<a href="#">Pennsylvania</a>	<a href="#">19001</a>	<a href="#">614-578-7463</a>
5219	<a href="#">John and Lisa Cowan</a>	<a href="#">967 Paoli Pike, Unit 21A</a>	<a href="#">West Chester</a>	<a href="#">Pennsylvania</a>	<a href="#">19380</a>	<a href="#">484-753-4229</a>
5220	<a href="#">John and Lisa Cowan</a>	<a href="#">800 Bustleton Pike</a>	<a href="#">Richboro</a>	<a href="#">Pennsylvania</a>	<a href="#">18954</a>	<a href="#">484-753-4229</a>
5245	<a href="#">Shalaka Joshi</a>	<a href="#">4771 McKnight Rd.</a>	<a href="#">Pittsburgh</a>	<a href="#">Pennsylvania</a>	<a href="#">15237</a>	<a href="#">480-415-6119</a>
5281	<a href="#">Vinay Calyampoondi</a>	<a href="#">1109-2 North Main Street</a>	<a href="#">Warrington</a>	<a href="#">Pennsylvania</a>	<a href="#">18976</a>	<a href="#">817-366-4123</a>
5314	<a href="#">Andrew and Jenn Navarro</a>	<a href="#">200 Ridge Pike</a>	<a href="#">Conshohocken</a>	<a href="#">Pennsylvania</a>	<a href="#">19428</a>	<a href="#">614-578-7463</a>
5362	<a href="#">Mike and Kathy Miller</a>	<a href="#">1844 E. Ridge Pike</a>	<a href="#">Royersford</a>	<a href="#">Pennsylvania</a>	<a href="#">19468</a>	<a href="#">215-432-3081</a>
5480	<a href="#">Joe Carretta and Aaron Gillaspie</a>	<a href="#">3026 Tilghman St.</a>	<a href="#">Allentown</a>	<a href="#">Pennsylvania</a>	<a href="#">18104</a>	<a href="#">832-291-1964</a>
5499	<a href="#">Josh and Lauren Roberts</a>	<a href="#">2101 Greentree Road</a>	<a href="#">Scott Township</a>	<a href="#">Pennsylvania</a>	<a href="#">15220</a>	<a href="#">412-737-3442</a>
5599	<a href="#">Christ, Tim &amp; Wayne Paret, Dave Costlow, and John Trzeciak</a>	<a href="#">5600 Carlisle Pike, Suite 600</a>	<a href="#">Mechanicsburg</a>	<a href="#">Pennsylvania</a>	<a href="#">17050</a>	<a href="#">302-373-7845</a>
5600	<a href="#">Chris, Tim &amp; Wayne Paret, Dave Costlow, and John Trzeciak</a>	<a href="#">5096A Jonestown Rd., Unit 1300</a>	<a href="#">Harrisburg</a>	<a href="#">Pennsylvania</a>	<a href="#">17112</a>	<a href="#">302-373-7845</a>
5605	<a href="#">Josh Roberts</a>	<a href="#">415 Orchard Ave.</a>	<a href="#">Altoona</a>	<a href="#">Pennsylvania</a>	<a href="#">16601</a>	<a href="#">412-737-3442</a>
5268	<a href="#">Mark Lindsay</a>	<a href="#">1130 B Woodruff</a>	<a href="#">Greenville</a>	<a href="#">South Carolina</a>	<a href="#">29607</a>	<a href="#">828-273-2453</a>
5616	<a href="#">John &amp; Melanie Ludden and Mason &amp; Andrea Snyder</a>	<a href="#">4464 Devine St.</a>	<a href="#">Columbia</a>	<a href="#">South Carolina</a>	<a href="#">29205</a>	<a href="#">510-866-3062</a>
5094	<a href="#">David and Nancy Dodson</a>	<a href="#">7053 Lee Highway, Suite 301</a>	<a href="#">Chattanooga</a>	<a href="#">Tennessee</a>	<a href="#">37421</a>	<a href="#">423-653-3658</a>
5103	<a href="#">Tracey and Jim Anisi</a>	<a href="#">1984 Providence Parkway</a>	<a href="#">Mt. Juliet</a>	<a href="#">Tennessee</a>	<a href="#">37122</a>	<a href="#">630-643- 9800</a>
5158	<a href="#">Tracey and Jim Anisi</a>	<a href="#">1948 Old Fort Parkway</a>	<a href="#">Murfreesboro</a>	<a href="#">Tennessee</a>	<a href="#">37129</a>	<a href="#">630-643- 9800</a>
5159	<a href="#">Tracey and Jim Anisi</a>	<a href="#">330 Mayfield Drive</a>	<a href="#">Franklin</a>	<a href="#">Tennessee</a>	<a href="#">37067</a>	<a href="#">630-643- 9800</a>
5160	<a href="#">Tracey and Jim Anisi</a>	<a href="#">4710 Lebanon Pike</a>	<a href="#">Hermitage</a>	<a href="#">Tennessee</a>	<a href="#">37076</a>	<a href="#">630-643-9800</a>
5390	<a href="#">Brad Reardon</a>	<a href="#">1605 Germantown Pkwy, Suite. 110.</a>	<a href="#">Cordova</a>	<a href="#">Tennessee</a>	<a href="#">38016</a>	<a href="#">901-233-2706</a>
5391	<a href="#">Brad Reardon</a>	<a href="#">9091 Poplar Ave., Suite 110</a>	<a href="#">Germantown</a>	<a href="#">Tennessee</a>	<a href="#">38138</a>	<a href="#">901-233-2706</a>
5597	<a href="#">Ruby Massey</a>	<a href="#">2833 Bartlett Blvd.</a>	<a href="#">Bartlett</a>	<a href="#">Tennessee</a>	<a href="#">38134</a>	<a href="#">901-859-9618</a>

<a href="#">5031</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">6115 La Vista Dr. #200</a>	<a href="#">Dallas</a>	<a href="#">Texas</a>	<a href="#">75214</a>	<a href="#">832-291-1964</a>
<a href="#">5040</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">3901-C Bellaire Blvd.</a>	<a href="#">Houston</a>	<a href="#">Texas</a>	<a href="#">77025</a>	<a href="#">832-291-1964</a>
<a href="#">5045</a>	<a href="#">Lynnette and Gene Felder</a>	<a href="#">4120 South Staples</a>	<a href="#">Corpus Christi</a>	<a href="#">Texas</a>	<a href="#">78411</a>	<a href="#">361-215-5929</a>
<a href="#">5060</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">1928 State Hwy 46 W. #105</a>	<a href="#">New Braunfels</a>	<a href="#">Texas</a>	<a href="#">78132</a>	<a href="#">832-291-1964</a>
<a href="#">5063</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">6780 Abrams St Suite 209</a>	<a href="#">Dallas</a>	<a href="#">Texas</a>	<a href="#">75231</a>	<a href="#">832-291-1964</a>
<a href="#">5065</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">4557 East Sam Houston Parkway S</a>	<a href="#">Pasadena</a>	<a href="#">Texas</a>	<a href="#">77505</a>	<a href="#">832-291-1964</a>
<a href="#">5077</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">6406 N Interstate 35 Frontage Rd</a>	<a href="#">Austin</a>	<a href="#">Texas</a>	<a href="#">78752</a>	<a href="#">832-291-1964</a>
<a href="#">5085</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">19075 I-45 s. Suite #250</a>	<a href="#">Shenandoah</a>	<a href="#">Texas</a>	<a href="#">77385</a>	<a href="#">832-291-1964</a>
<a href="#">5087</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">606 Embassy Oaks Building 105</a>	<a href="#">San Antonio</a>	<a href="#">Texas</a>	<a href="#">78216</a>	<a href="#">832-291-1964</a>
<a href="#">5126</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">2900 Canton St Suite 200</a>	<a href="#">Dallas</a>	<a href="#">Texas</a>	<a href="#">75226</a>	<a href="#">832-291-1964</a>
<a href="#">5127</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">5811 Worth Parkway, Suite 103</a>	<a href="#">San Antonio</a>	<a href="#">Texas</a>	<a href="#">78257</a>	<a href="#">832-291-1964</a>
<a href="#">5055</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">2711 La Frontera Blvd. #110</a>	<a href="#">Round Rouck</a>	<a href="#">Texas</a>	<a href="#">78681</a>	<a href="#">832-291-1964</a>
<a href="#">5133</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">12651 Vance Jackson Suite 110</a>	<a href="#">San Antonio</a>	<a href="#">Texas</a>	<a href="#">78249</a>	<a href="#">832-291-1964</a>
<a href="#">5134</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">1507 W 18th St</a>	<a href="#">Houston</a>	<a href="#">Texas</a>	<a href="#">77008</a>	<a href="#">832-291-1964</a>
<a href="#">5135</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">2200 Edwards St</a>	<a href="#">Houston</a>	<a href="#">Texas</a>	<a href="#">77007</a>	<a href="#">832-291-1964</a>
<a href="#">5136</a>	<a href="#">Aaron Gillaspie</a>	<a href="#">5350 Burnet Road</a>	<a href="#">Austin</a>	<a href="#">Texas</a>	<a href="#">78756</a>	<a href="#">832-291-1964</a>
<a href="#">5613</a>	<a href="#">Matt and Alicia Lippman</a>	<a href="#">3116 N. Loop 250 W., Suite 500</a>	<a href="#">Midland</a>	<a href="#">Texas</a>	<a href="#">79707</a>	<a href="#">432-352-8490</a>
<a href="#">5095</a>	<a href="#">Brad Wyman</a>	<a href="#">5470 S. Redwood Rd.</a>	<a href="#">Taylorsville</a>	<a href="#">Utah</a>	<a href="#">84123</a>	<a href="#">310-908-0053</a>
<a href="#">5053</a>	<a href="#">JT Fauber</a>	<a href="#">8030 G &amp; H West Broad Street</a>	<a href="#">Richmond</a>	<a href="#">Virginia</a>	<a href="#">23294</a>	<a href="#">540 874-8080</a>
<a href="#">5091</a>	<a href="#">JT Fauber</a>	<a href="#">11500 Midlothian Turnpike, #252</a>	<a href="#">Richmond</a>	<a href="#">Virginia</a>	<a href="#">23235</a>	<a href="#">540 874-8080</a>
<a href="#">5066</a>	<a href="#">Robin and Bruce Gearey</a>	<a href="#">12373 Hornsby Lane</a>	<a href="#">Newport News</a>	<a href="#">Virginia</a>	<a href="#">23602</a>	<a href="#">602-315-6080</a>
<a href="#">5092</a>	<a href="#">JT Fauber</a>	<a href="#">4501 S. Laburnum Road, #515</a>	<a href="#">Richmond</a>	<a href="#">Virginia</a>	<a href="#">23231</a>	<a href="#">540 874-8080</a>
<a href="#">5107</a>	<a href="#">JT Fauber</a>	<a href="#">10971 W. Broad Street</a>	<a href="#">Glen Allen</a>	<a href="#">Virginia</a>	<a href="#">23060</a>	<a href="#">540 874-8080</a>
<a href="#">5494</a>	<a href="#">Nick Grivas and Jasmine Zurcher</a>	<a href="#">19324 Town Green Drive</a>	<a href="#">Leesburg</a>	<a href="#">Virginia</a>	<a href="#">20176</a>	<a href="#">703-231-5122</a>
<a href="#">5560</a>	<a href="#">Vaibhav Bhatt</a>	<a href="#">1169 Nimmo Parkway, Suite 224</a>	<a href="#">Virginia Beach</a>	<a href="#">Virginia</a>	<a href="#">23456</a>	<a href="#">856-366-9753</a>
<a href="#">5054</a>	<a href="#">Madeleine and Julius Manzano</a>	<a href="#">17214 Highway 99</a>	<a href="#">Lynnwood</a>	<a href="#">Washington</a>	<a href="#">98037</a>	<a href="#">206-963-6501</a>
<a href="#">5304</a>	<a href="#">Adam Teske and Ryan Wildy</a>	<a href="#">2511 4th Ave W.</a>	<a href="#">Olympia</a>	<a href="#">Washington</a>	<a href="#">98502</a>	<a href="#">217-493-9499</a>
<a href="#">5073</a>	<a href="#">John Weiss</a>	<a href="#">14625 West Capitol Drive</a>	<a href="#">Brookfield</a>	<a href="#">Wisconsin</a>	<a href="#">53005</a>	<a href="#">262 909-5353</a>
<a href="#">5178</a>	<a href="#">John Weiss</a>	<a href="#">5170 S 76th St</a>	<a href="#">Greenfield</a>	<a href="#">Wisconsin</a>	<a href="#">53220</a>	<a href="#">262 909-5353</a>

**Current Franchisees with Signed Agreements But Not Yet Opened Outlets  
as of December 31, 2023:**

<u>Store Number</u>	<u>Owner Summary</u>	<u>City</u>	<u>State</u>	<u>Phone</u>
<u>5539</u>	<u>Michael and Jennifer Heim</u>	<u>Mesa</u>	<u>Arizona</u>	<u>480-208-9011</u>
<u>5254</u>	<u>Prashant Khanna</u>	<u>West San Jose</u>	<u>California</u>	<u>408-219-5002</u>
<u>5315</u>	<u>Mary Morris and Anne Bowman, Jim Morris</u>	<u>Riverside</u>	<u>California</u>	<u>310-560-9609</u>
<u>5586</u>	<u>Sean and Ellie Dunne</u>	<u>Modesto</u>	<u>California</u>	<u>732-995-4265</u>
<u>5619</u>	<u>Caryn, Jeff, and Tara Kickert</u>	<u>Carlsbad</u>	<u>California</u>	<u>512-650-5009</u>
<u>5654</u>	<u>Haris Hanifi</u>	<u>Concord/Tracy/Walnut Creek</u>	<u>California</u>	<u>571-238-7630</u>
<u>5279</u>	<u>Ed Korenman and Sarah Feldstein</u>	<u>Berkeley-Richmond</u>	<u>California</u>	<u>415-595-9997</u>
<u>5634</u>	<u>Cathee and Rob Sherr,</u>	<u>Centennial</u>	<u>Colorado</u>	<u>303-548-6348</u>
<u>5647</u>	<u>Andrew Powers</u>	<u>Colorado Springs</u>	<u>Colorado</u>	
<u>5650</u>	<u>Dennis and Maria Luisa McGrath</u>	<u>Boulder</u>	<u>Colorado</u>	<u>303-763-0731</u>
<u>5625</u>	<u>Dhru Swadia</u>	<u>South Windsor</u>	<u>Connecticut</u>	<u>413-539-1825</u>
<u>5124</u>	<u>Jim and Kim Provo</u>	<u>Middletown</u>	<u>Delaware</u>	<u>302-233-6847</u>
<u>5115</u>	<u>Scot Cummin</u>	<u>Estero</u>	<u>Florida</u>	<u>239-771-3052</u>
<u>5195</u>	<u>Wendy and Brian Bernhard</u>	<u>Largo</u>	<u>Florida</u>	<u>610-306-6080</u>
<u>5368</u>	<u>Chris Davidson</u>	<u>Pensacola</u>	<u>Florida</u>	<u>251-648-3468</u>
<u>5375</u>	<u>Kenny Greer</u>	<u>Winder Haven</u>	<u>Florida</u>	<u>504-256-7667</u>
<u>5430</u>	<u>Jaclyn Carillo</u>	<u>Orlando</u>	<u>Florida</u>	<u>504-290-9055</u>
<u>5509</u>	<u>Jerel and Heather Tomasello</u>	<u>Tampa</u>	<u>Florida</u>	<u>813-523-0609</u>
<u>5583</u>	<u>Patrick Manchi</u>	<u>Fort Myers</u>	<u>Florida</u>	<u>(713) 542-1882</u>
<u>5639</u>	<u>Cassie Zimmermann</u>	<u>Tampa</u>	<u>Florida</u>	
<u>5640</u>	<u>Bradley, Corey, Judy, &amp; Terrell Corbitt</u>	<u>Winter Garden/Ocoee/Clement</u>	<u>Florida</u>	<u>406-592-0948</u>
<u>5660</u>	<u>Aksel Bekirov and Lisa Rostov</u>	<u>Miami Lakes</u>	<u>Florida</u>	<u>248-875-7451</u>
<u>5473</u>	<u>Aksel Bekirov and Lisa Rostov</u>	<u>Doral</u>	<u>Florida</u>	<u>248-875-7451</u>
<u>5229</u>	<u>Brad and Aba Rogers</u>	<u>Decatur</u>	<u>Georgia</u>	<u>770-331-5839</u>
<u>5433</u>	<u>Kevin and Sarah Isenberg</u>	<u>East Cobb</u>	<u>Georgia</u>	<u>901-299-9218</u>
<u>5581</u>	<u>Lee Brody</u>	<u>Buford</u>	<u>Georgia</u>	<u>248-310-0409</u>
<u>5286</u>	<u>Toni and Jeanne Gozali</u>	<u>Deerfield/Naperville</u>	<u>Illinois</u>	<u>847-607-8188</u>
<u>5193</u>	<u>Naveen Krish</u>	<u>Chicago</u>	<u>Illinois</u>	<u>810-533-0382</u>
<u>5441</u>	<u>Anabelle Fabellar</u>	<u>Noblesville</u>	<u>Indiana</u>	<u>314-960-4907</u>
<u>5438</u>	<u>Jason &amp; Kim Bassett and Kristen &amp; Wes Snyder</u>	<u>Fishers</u>	<u>Indiana</u>	<u>317-513-2756</u>

<a href="#"><u>5622</u></a>	<a href="#"><u>Anda Ngo and Sean Lewis</u></a>	<a href="#"><u>Ellicott City</u></a>	<a href="#"><u>Maryland</u></a>	<a href="#"><u>267-570-9270</u></a>
<a href="#"><u>5296</u></a>	<a href="#"><u>Deepak Mokha</u></a>	<a href="#"><u>Hagerstown</u></a>	<a href="#"><u>Maryland</u></a>	<a href="#"><u>240-793-8606</u></a>
<a href="#"><u>5516</u></a>	<a href="#"><u>Grant and Alric Wiggill</u></a>	<a href="#"><u>Walpole</u></a>	<a href="#"><u>Massachusetts</u></a>	<a href="#"><u>7814729598</u></a>
<a href="#"><u>5610</u></a>	<a href="#"><u>Vitaly Evdokimov</u></a>	<a href="#"><u>Marlborough</u></a>	<a href="#"><u>Massachusetts</u></a>	<a href="#"><u>207-284-3127</u></a>
<a href="#"><u>5648</u></a>	<a href="#"><u>Vitaly Evdokimov</u></a>	<a href="#"><u>Easton</u></a>	<a href="#"><u>Massachusetts</u></a>	<a href="#"><u>207-284-3127</u></a>
<a href="#"><u>5625</u></a>	<a href="#"><u>Dru and Noopur Swadia</u></a>	<a href="#"><u>Holyoke</u></a>	<a href="#"><u>Massachusetts</u></a>	<a href="#"><u>413-539-1825</u></a>
<a href="#"><u>5373</u></a>	<a href="#"><u>Alpesh Trivedi</u></a>	<a href="#"><u>Northville</u></a>	<a href="#"><u>Michigan</u></a>	<a href="#"><u>248-880-8810</u></a>
<a href="#"><u>5671</u></a>	<a href="#"><u>Alpesh Trivedi</u></a>	<a href="#"><u>Shelby Township</u></a>	<a href="#"><u>Michigan</u></a>	<a href="#"><u>248-880-8810</u></a>
<a href="#"><u>5661</u></a>	<a href="#"><u>Chad and Emily Hunt</u></a>	<a href="#"><u>Kirkwood</u></a>	<a href="#"><u>Missouri</u></a>	<a href="#"><u>314-808-2690</u></a>
<a href="#"><u>5554</u></a>	<a href="#"><u>Dee Baird</u></a>	<a href="#"><u>South Omaha</u></a>	<a href="#"><u>Nebraska</u></a>	<a href="#"><u>319-533-4541</u></a>
<a href="#"><u>5521</u></a>	<a href="#"><u>Stephen Smith</u></a>	<a href="#"><u>Middletown</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>856-904-0700</u></a>
<a href="#"><u>5551</u></a>	<a href="#"><u>John Vagner and Sal Yakub</u></a>	<a href="#"><u>Howell Township</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>646-209-5180</u></a>
<a href="#"><u>5552</u></a>	<a href="#"><u>John Vagner and Sal Yakub</u></a>	<a href="#"><u>Freehold</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>646-209-5180</u></a>
<a href="#"><u>5566</u></a>	<a href="#"><u>Celia and Mario Pastilha</u></a>	<a href="#"><u>Rockaway</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>973-760-7124</u></a>
<a href="#"><u>5567</u></a>	<a href="#"><u>Celia and Mario Pastilha</u></a>	<a href="#"><u>West Orange</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>973-760-7124</u></a>
<a href="#"><u>5486</u></a>	<a href="#"><u>Joe and Brenda Allen</u></a>	<a href="#"><u>Glassboro</u></a>	<a href="#"><u>New Jersey</u></a>	<a href="#"><u>609-315-4762</u></a>
<a href="#"><u>5591</u></a>	<a href="#"><u>Ethan and Jacqueline Wingfield</u></a>	<a href="#"><u>Manhattan</u></a>	<a href="#"><u>New York</u></a>	<a href="#"><u>703-217-0129</u></a>
<a href="#"><u>5512</u></a>	<a href="#"><u>Brian and Rebecca Muellers</u></a>	<a href="#"><u>Selden</u></a>	<a href="#"><u>New York</u></a>	<a href="#"><u>516-353-0036</u></a>
<a href="#"><u>5513</u></a>	<a href="#"><u>Brian and Rebecca Muellers</u></a>	<a href="#"><u>Oceanside</u></a>	<a href="#"><u>New York</u></a>	<a href="#"><u>516-353-0036</u></a>
<a href="#"><u>5251</u></a>	<a href="#"><u>Sandesh Joshi, Shalaka Joshi</u></a>		<a href="#"><u>North Carolina</u></a>	<a href="#"><u>919-995-0570</u></a>
<a href="#"><u>5266</u></a>	<a href="#"><u>Steve and Gale Schwartz</u></a>	<a href="#"><u>Charlotte (South Park)</u></a>	<a href="#"><u>North Carolina</u></a>	<a href="#"><u>703-615-1749</u></a>
<a href="#"><u>5635</u></a>	<a href="#"><u>Jerel and Heather Tomasello, John and Melanie Ludden</u></a>	<a href="#"><u>Mooresville</u></a>	<a href="#"><u>North Carolina</u></a>	<a href="#"><u>813-523-0609</u></a>
<a href="#"><u>5641</u></a>	<a href="#"><u>Jerel and Heather Tomasello, John and Melanie Ludden</u></a>	<a href="#"><u>Charlotte</u></a>	<a href="#"><u>North Carolina</u></a>	<a href="#"><u>813-523-0609</u></a>
<a href="#"><u>5642</u></a>	<a href="#"><u>Jerel and Heather Tomasello, John and Melanie Ludden</u></a>	<a href="#"><u>Charlotte</u></a>	<a href="#"><u>North Carolina</u></a>	<a href="#"><u>813-523-0609</u></a>
<a href="#"><u>5665</u></a>	<a href="#"><u>Keith and Patti Galloway</u></a>	<a href="#"><u>Briar Creek</u></a>	<a href="#"><u>North Carolina</u></a>	<a href="#"><u>919-452-4293</u></a>
<a href="#"><u>5197</u></a>	<a href="#"><u>Jennifer and Jarrett Skrobarcek</u></a>	<a href="#"><u>Columbus</u></a>	<a href="#"><u>Ohio</u></a>	<a href="#"><u>210-601-6176</u></a>
<a href="#"><u>5598</u></a>	<a href="#"><u>Jacob &amp; Chelsea Pontius</u></a>	<a href="#"><u>Lewis Center</u></a>	<a href="#"><u>Ohio</u></a>	<a href="#"><u>614-406-6168</u></a>
<a href="#"><u>5663</u></a>	<a href="#"><u>Jacob &amp; Chesea Pontius</u></a>	<a href="#"><u>Grove City and Hillard</u></a>	<a href="#"><u>Ohio</u></a>	<a href="#"><u>614-406-6168</u></a>
<a href="#"><u>5378</u></a>	<a href="#"><u>Guru Vasudeva and Rashmi Nemade</u></a>	<a href="#"><u>Dublin-Westerville</u></a>	<a href="#"><u>Ohio</u></a>	<a href="#"><u>614-313-8781</u></a>
<a href="#"><u>5476</u></a>	<a href="#"><u>Eric McKinney and Meagan Class</u></a>	<a href="#"><u>Dayton</u></a>	<a href="#"><u>Ohio</u></a>	<a href="#"><u>330-697-2024</u></a>
<a href="#"><u>5681</u></a>	<a href="#"><u>Eric Goodman and Greg Tishkoff</u></a>	<a href="#"><u>Gahanna</u></a>	<a href="#"><u>Ohio</u></a>	
<a href="#"><u>5313</u></a>	<a href="#"><u>Andrew and Jenn Navarro</u></a>	<a href="#"><u>Philadelphia</u></a>	<a href="#"><u>Pennsylvania</u></a>	<a href="#"><u>614-578-7463</u></a>
<a href="#"><u>5314</u></a>	<a href="#"><u>Andrew and Jenn Navarro</u></a>	<a href="#"><u>Conshohocken</u></a>	<a href="#"><u>Pennsylvania</u></a>	<a href="#"><u>614-578-7463</u></a>

<u>5354</u>	<u>Zach and Phil Sonnenklar</u>	<u>Pittsburgh</u>	<u>Pennsylvania</u>	<u>412-720-0717</u>
<u>5580</u>	<u>Jeff Baker</u>	<u>Allentown</u>	<u>Pennsylvania</u>	<u>215-870-2850</u>
<u>5614</u>	<u>Randy Clause</u>	<u>Erie</u>	<u>Pennsylvania</u>	<u>724-730-1901</u>
<u>5480</u>	<u>Aaron Gillaspie and Joe Carretta</u>	<u>Allentown</u>	<u>Pennsylvania</u>	<u>832-291-1964</u>
<u>5602</u>	<u>Aaron Gillaspie and Joe Carretta</u>	<u>Wyomissing</u>	<u>Pennsylvania</u>	<u>832-291-1964</u>
<u>5684</u>	<u>Siva Pothireddy</u>	<u>Newtown</u>	<u>Pennsylvania</u>	<u>609-480-2655</u>
<u>5688</u>	<u>Terry and Angel Grier</u>	<u>Bensalem</u>	<u>Pennsylvania</u>	
<u>5577</u>	<u>Dianne Miller</u>	<u>Savannah</u>	<u>South Carolina</u>	<u>864-313-8950</u>
<u>5615</u>	<u>Mason Snyder, John and Melanie Ludden</u>	<u>Columbia</u>	<u>South Carolina</u>	<u>510-866-3062</u>
<u>5685</u>	<u>Mason and Andrea Snyder and Scott Perkins</u>	<u>Spartanburg</u>	<u>South Carolina</u>	<u>510-866-3062</u>
<u>5645</u>	<u>Ruby Massey</u>	<u>Memphis</u>	<u>Tennessee</u>	<u>901-859-9618</u>
<u>5646</u>	<u>Ruby Massey</u>	<u>Memphis</u>	<u>Tennessee</u>	<u>901-859-9618</u>
<u>5161</u>	<u>Tracey and Jim Anisi</u>	<u>Nashville</u>	<u>Tennessee</u>	<u>630-643-9800</u>
<u>5380</u>	<u>Aaron Gillaspie</u>	<u>Euless</u>	<u>Texas</u>	<u>832-291-1964</u>
<u>5607</u>	<u>Mitesh Patel</u>	<u>El paso</u>	<u>Texas</u>	<u>512-695-1514</u>
<u>5657</u>	<u>Aaron Gillaspie</u>	<u>Austin</u>	<u>Texas</u>	<u>832-291-1964</u>
<u>5653</u>	<u>Teresa Delph, Laney (Madison) Hull</u>	<u>Charlottesville</u>	<u>Virginia</u>	<u>804-937-6541</u>
<u>5346</u>	<u>Andy and Nirali Shah</u>	<u>Centreville</u>	<u>Virginia</u>	<u>804-627-3676</u>
<u>5559</u>	<u>Vaibhav Bhatt</u>	<u>Virginia Beach – North</u>	<u>Virginia</u>	<u>856-366-9753</u>
<u>5179</u>	<u>John Weiss</u>	<u>Racine</u>	<u>Wisconsin</u>	<u>262-909-5353</u>

### **Former Franchisees:**

The name and last known business address (city and state) and current business telephone number of every franchisee who had a MY SALON Suite Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023 to December 31, 2023, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.



<u>Account Name</u>	<u>Billing State/Province (text only)</u>	<u>Phone</u>
<u>Amit and Pragya Sharma</u>	<u>Arizona</u>	<u>602-743-2620</u>
<u>Benjamin Pierce</u>	<u>Arkansas</u>	<u>479-409-1857</u>
<u>Chase and Annie Fisher</u>	<u>California</u>	<u>248-752-5322</u>
<u>Nareg and Zareh Amirian</u>	<u>California</u>	<u>818-370-6639</u>
<u>Bernard Baskin, Edward Mossuto, Tony Lopez, and Frank Caperino</u>	<u>California</u>	<u>818-644-7852</u>
<u>Andrew and Kristin Powers</u>	<u>Colorado</u>	<u>303-927-9732</u>
<u>Gregory Lee and Joseph Vrska III</u>	<u>Indiana</u>	<u>317-459-1749</u>
<u>Josh and Debbie Fredberg</u>	<u>Massachusetts</u>	<u>617-834-8754</u>
<u>David Ott and Al Jefferson</u>	<u>Mississippi</u>	<u>601-579-6960</u>
<u>Brad Snitzer, Drake Powers, and Guy Link</u>	<u>Missouri</u>	<u>314-397-4204</u>
<u>Paul and Christi Hilgenkamp</u>	<u>Missouri</u>	<u>720-389-7669</u>
<u>Nick &amp; Suzanne Leja-Mac, Gregory Mac and Chad Capista</u>	<u>Missouri</u>	<u>248-514-6777</u>
<u>Carmella Geraci and George Cappello</u>	<u>Nevada</u>	<u>702-219-4010</u>
<u>Mark Dresdner</u>	<u>New Jersey</u>	<u>201-710-7575</u>
<u>Douglas and Stephanie Schoch</u>	<u>Ohio</u>	<u>586-914-5459</u>
<u>Mitesh and Anisa Patel and Jaymini Amin</u>	<u>Texas</u>	<u>512-695-1514</u>
<u>James Fauber, Garland Dempsey, and Cheryl Cannon</u>	<u>Virginia</u>	<u>540-874-8080</u>
<u>Anirudh Shah</u>	<u>Virginia</u>	<u>804-627-3676</u>

**EXHIBIT J**

**FINANCIAL STATEMENTS**

**EXHIBIT J-1**

ACTIVE 685860889v1

F-1

## **GUARANTY OF PERFORMANCE**

For value received, Propelled Brands Franchising, LLC, a Delaware limited liability company (the "Guarantor"), located at 2542 Highlander Way, Carrollton, Texas 75006, absolutely and unconditionally guarantees to assume the duties of Suite Management Franchising, LLC, located at 2542 Highlander Way, Carrollton, Texas 75006 (the "Franchisor") under its franchise registration in each state where its franchise is registered or exempt from registration, as applicable, and under its Franchise Agreement as identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended, from time to time. This guaranty continues until all such obligations of the Franchisor under the franchise registration or franchise exemption (as applicable) and Franchise Agreement are satisfied or until liability of the Franchisor under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by the franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assigns.

The Guarantor signs this guarantee at Carrollton, Texas on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Guarantor:

PROPELLED BRANDS FRANCHISING, LLC

\_\_\_\_\_  
\_\_\_\_\_  
By: Catherine Monson  
Title: Chief Executive Officer & President

~~EXHIBIT G~~

~~MY SALON SUITE~~

~~FRANCHISE OPERATIONS MANUAL  
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**EXHIBIT H**

5.1.2024\_FDD- Exhibit J-1

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**EXHIBIT K**

**SAMPLE FORM OF GENERAL RELEASE-**

**WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (the “**Release**”) is made as of \_\_\_\_\_, 20\_\_\_\_  
by \_\_\_\_\_, a(n) \_\_\_\_\_ (“**Franchisee**”),  
and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “**Releasor**”) in  
favor of Suite Management Franchising, LLC, a Florida limited liability company (“**Franchisor**,” and together  
with Releasor, the “**Parties**”).

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement (the “**Agreement**”) pursuant to which Franchisee was granted the right to own and operate a MY SALON~~My Salon~~ Suite business (the “**Franchised Business**”);

**WHEREAS**, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (**enter into a successor franchise agreement**), and Franchisor has consented to such transfer (**agreed to enter into a successor franchise agreement**); and

**WHEREAS**, as a condition to Franchisor’s consent to the transfer (**Franchisee’s ability to enter into a successor franchise agreement**), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor’s consent to the transfer (**Franchisor entering into a successor franchise agreement**), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the

“Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to Franchised Business, the execution and performance of the Agreement and the offer and sale of the franchise related thereto.



~~5.1.2023 FDD- Exhibit H~~

~~ACTIVE 685005708v1~~  
~~5.1.2024 FDD- Exhibit K~~

~~H-1~~    K-1

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Miscellaneous.

4. \_\_\_\_\_

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Texas.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. \_\_\_\_\_ If it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all ~~of~~ its reasonable costs and attorneys' fees.

d. \_\_\_\_\_

e. All provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require consummating to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

*(Signatures on following page)*

~~5.1.2023 FDD - Exhibit F~~

~~ACTIVE 685005708v1~~  
~~5.1.2024 FDD - Exhibit K~~

~~H-1~~  
K-2

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_, a

\_\_\_\_\_

\_\_\_\_\_

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

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

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

Date \_\_\_\_\_

**-FRANCHISEE'S OWNERS:**

\_\_\_\_\_

Signature

\_\_\_\_\_

Typed or Printed Name

**EXHIBIT I**

**~~LIST OF CURRENT AND FORMER MY SALON SUITE FRANCHISEES~~**

**Current Franchisees with Open Outlets as of December 31, 2022:**

Store Number	Owner	Street Address	City	State	Zip/Postal Code	Phone
5298	Al Jefferson	1616 Gadsden Hwy Suite 108	Birmingham	Alabama	35235	604-296-9023
5010	Zach and Phil Sonnenklar	7704 E. Doubletree Ranch Rd	Scottsdale	Arizona	85258	412-720-0717
5089	Breanne Brubaker	5115 W. Bell Rd Suite F	Glendale	Arizona	85306	602-574-9408
5204	Betsy Duge	7077 E. Bell Rd Suite 200	Scottsdale	Arizona	85254	602-620-4087
5236	Pragya Tiwari Sharma	143 E Germann Road, Ste B-101	Gilbert	Arizona	85297	602-743-2680
<del>5227</del>	<del>Pragya Tiwari Sharma</del>	<del>1641 South Stapley Drive, Suite A5</del>	<del>Mesa</del>	<del>Arizona</del>	<del>85204</del>	<del>602-743-2680</del>
<del>5238</del>	<del>Pragya Tiwari Sharma</del>	<del>9823 W Northern Ave</del>	<del>Peoria</del>	<del>Arizona</del>	<del>85345</del>	<del>602-743-2680</del>
5538	Jennifer Heim	3431 W Frye Rd. Ste. 4	Chandler	Arizona	85226	480-208-9044
<del>5218</del>	<del>Ben Pierce</del>	<del>2508 S Walton Blvd</del>	<del>Dentonville</del>	<del>Arkansas</del>	<del>72712</del>	<del>813-546-9385</del>
5043	Chase and Annie Fisher	100 West Coast Highway	Newport Beach	California	92663	249-752-5322
5057	Fischer, Leung, Et Al, Frank Caporino	23162 Los Alisos Blvd.	Mission Viejo	California	92694	949-534-2488
		23162 Los Alisos Blvd.	Mission Viejo	California	92694	949-510-0637
5070	Bernie Baskin, Tony Lopez, Ed Mossuto	1356 W. Valley Parkway Suite E	Escondido	California	92029	619-302-2709
		1356 W. Valley Parkway Suite E	Escondido	California	92029	760-492-3423
		1356 W. Valley Parkway Suite E	Escondido	California	92029	818-644-7852
<del>5096</del>	<del>Jim Morris</del>	<del>214A Town Center Parkway</del>	<del>Santee</del>	<del>California</del>	<del>92071</del>	<del>310-560-9609</del>
5150	Bernie Baskin, Tony Lopez, Ed Mossuto, Frank Caporino	4192 Oceanside Blvd	Oceanside	California	92056	949-534-2488
		4192 Oceanside Blvd	Oceanside	California	92056	818-644-7852
		4192 Oceanside Blvd	Oceanside	California	92056	619-302-2709
		4192 Oceanside Blvd	Oceanside	California	92056	760-492-3423
5186	Riley LeBrun	1559 Pacific Coast Highway, Suite 204	Hermosa Beach	California	90254	310-775-9255
<del>5252</del>	<del>Prashant Khanna</del>	<del>1773 E. Capitol Expressway</del>	<del>San Jose</del>	<del>California</del>	<del>95121</del>	<del>408-210-5002</del>
<del>5253</del>	<del>Prashant Khanna</del>	<del>50 Enterprice Dr.</del>	<del>Rehnot Park</del>	<del>California</del>	<del>94028</del>	<del>408-210-5002</del>
<del>5255</del>	<del>Prashant Khanna</del>	<del>1700 Newbury Park Drive</del>	<del>San Jose</del>	<del>California</del>	<del>95122</del>	<del>408-210-5002</del>
5278	Ed Korenman	2345 Valdez St	Oakland	California	94612	415-595-0907
5462	John Rowdon	6810 Five Star Blvd Suite 300	Rocklin	California	95677	916-414-8111
5463	John Rowdon	1325 Riley Street	Folsom	California	95630	916-414-8111
5565	Jaci Warren	6200 Variel Avenue, Suite 1A	Woodland Hills	California	91367	3109278199
5026	Shane and Jayne Conant	1152 S. Colorado Blvd.	GLENDAL	Colorado	80246	720-971-8392
5046	Chris and Tiffany Flynn, Shane and Jayne Conant, Cliff Stults	5641 N. Academy Blvd.	Colorado Springs	Colorado	80918	720-971-8392
		5641 N. Academy Blvd.	Colorado Springs	Colorado	80918	303-741-5723
		5641 N. Academy Blvd.	Colorado Springs	Colorado	80918	720-272-3285
<del>5051</del>	<del>Mark Christensen</del>	<del>1610 East Girard Place</del>	<del>Englewood</del>	<del>Colorado</del>	<del>80112</del>	<del>303-478-8187</del>
5064	Tracy Ulmer, Natalie Sperr	7275 W. 88th Ave., Ste. A,	Westminster,	Colorado	80021	303-641-0167
		7275 W. 88th Ave., Ste. A,	Westminster,	Colorado	80021	720-277-4221
5165	Tracy Ulmer, Natalie Sperr	1075 E. South Boulder Rd., #125	Louisville,	Colorado	80027	303-641-0167
		1075 E. South Boulder Rd., #125	Louisville,	Colorado	80027	720-277-4221
5166	Tracy Ulmer, Natalie Sperr	12840 Holly St	Thornton	Colorado	80602	720-277-4221
		12840 Holly St	Thornton	Colorado	80602	303-641-0167
5171	Paul and Christi Hilgenkamp, Job and Joni Kitching	14152 E Cedar Ave	Aurora	Colorado	80012	303-495-1104
		14152 E Cedar Ave	Aurora	Colorado	80012	303-396-3990
5514	Lashelle and Leann Reynolds	24101 E Orchard Rd, Suite E	Aurora	Colorado	80016	3033248153
5569	Jebby Mathew	98 Wadsworth Blvd, Unit # 108	Lakewood	Colorado	80226	832-472-2028
<del>5007</del>	<del>Perla Family</del>	<del>127 Stillson Road</del>	<del>Fairfield</del>	<del>Connecticut</del>	<del>06824</del>	<del>917-734-6303</del>
<del>5037</del>	<del>Perla Family</del>	<del>29 High Ridge Road</del>	<del>Stamford</del>	<del>Connecticut</del>	<del>06905</del>	<del>917-734-6303</del>
5110	Perla Family	389 Bridgeport Avenue	Shelton	Connecticut	06484	917-734-6303
5027	Jim and Kim Provo	3620 Kirkwood Highway	Wilmington	Delaware	19808	302-233-6847
<del>5075</del>	<del>Jim and Kim Provo</del>	<del>250 Gateway South Blvd</del>	<del>Dover</del>	<del>Delaware</del>	<del>19904</del>	<del>302-233-6847</del>

5005	Dan and Ana Peterson	4600 N. University Drive	Lauderhill	Florida	22210	954-817-1702
5006	Chuck and Becky Sajacki	12975 Walsingham Road	Large	Florida	22774	727-278-8926
5012	Jerel and Heather Tomasello	2810 South Dale Mabry Highway	Tampa	Florida	22629	813-523-0609
5013	Scott Cummin	2500 Vanderbilt Beach Road, Suite 2200	Naples	Florida	24109	239-771-2052
5014	Michael and Rick Dorfman	3804 Northlake Blvd	Palm Beach Gardens	Florida	23403	248-982-4700
5017	Wendy and Brian Bernhard	20669 US Highway 19 North	Palm Harbor	Florida	24684	610-206-6080
5019	Wendy and Brian Bernhard	415 3rd Street South	St. Petersburg	Florida	33704	610-206-6080
5028	Bill Capehart	525 Sybelia Parkway	Maitland	Florida	32751	386-690-3255
5024	Aksel Bekirov and Lisa Rostov	155 Majors Avenue	Coral Gables	Florida	22124	248-875-7451
5035	Mario and Kimberly Pineda	4205 SW 38th Court	Ocala	Florida	24474	352-552-2337
5036	Michael and Tonya Hilliard	4311 Norfolk Parkway Unit 110	West Melbourne	Florida	32904	321-431-9716
5038	Michael and Rick Dorfman	220 N. Congress #2	Boynton Beach	Florida	33426	248-982-4700
5041	Mario and Kimberly Pineda	4000 U.S. Highway 98	Lakeland	Florida	30809	352-552-2337
5059	Jerel and Heather Tomasello	20707 Center Oak Drive	Tampa	Florida	33647	813-523-0609
5062	Dan and Ana Peterson	1414 S Powerline Road	Pompano Beach	Florida	33069	954-817-1702
5067	Michael Radzinski	9061 San Jose Blvd.	Jacksonville	Florida	32257	204-424-9084
5071	Aksel Bekirov and Lisa Rostov	1442 NE Miami Place	Miami	Florida	22122	248-875-7451
5081	Scott Cummin	1755 Boy Scout Road	Fort Myers	Florida	33907	239-771-3052
5099	Mario and Kimberly Pineda	879 Harley Strickland Blvd. Suite 200	Orange City	Florida	32763	352-552-2337
5101	Harold and Sherry Michel	4270 Aloma Avenue Suite 120	Winter Park	Florida	32792	407-701-6396
5114	Jerel and Heather Tomasello	207 N Dale Mabry	Tampa	Florida	33609	813-523-0609
5117	Wendy and Brian Bernhard	2679 Gulf To Bay Blvd, Ste 510,	Clearwater	Florida	33759	610-206-6080
5131	Aksel Bekirov and Lisa Rostov	1340 S. Dixie Highway #150	Coral Gables	Florida	33146	248-875-7451
5132	Wendy and Brian Bernhard	1043 E State Road 60	Valrico	Florida	33594	610-206-6080
5147	Michael and Tonya Hilliard	6450 N. Wickham Rd.	Melbourne	Florida	32940	321-431-9716
5212	Harold and Sherry Michel	90 Alafaya Woods Blvd	Oviedo	Florida	22765	407-701-6396
5213	Harold and Sherry Michel	158 Tuckerville Rd.	Winter Springs	Florida	22708	407-701-6396
5246	Tim and Lynn Brose	1801 Wells Road,	Orange Park	Florida	32073	813-340-1604
5247	Tim and Lynn Brose	9041 Southside Blvd	Jacksonville	Florida	32256	813-340-1604
5248	Tim and Lynn Brose	220 Riverside Ave	Jacksonville	Florida	32202	813-340-1604
5272	Christopher Vukich	1225 Atlantic Blvd.	Neptune Beach	Florida	32266	904-571-6477
5287	Misty Lee	2300 E. Semoran Blvd	Apopka	Florida	32703	330-256-3907
5288	Misty Lee	116 E Altamonte Dr	Altamonte Springs	Florida	32704	330-256-3907
5330	Chris Davidson	2590 N. 12th Ave	Pensacola	Florida	32503	251-648-3468
5367	Chris Davidson	2727 Apalachee Pkwy	Tallahassee	Florida	32304	251-648-3468
5524	Frank Duonanotte and David Supple	6279 W. Sample Rd.	Coral Springs	Florida	23067	770-230-6815
5579	Anne Vallejos	2335 SE Federal Highway	Stuart	Florida	34994	(772)-260-9587
5016	Rob and Angie Zimmerman, Jerel and Heather Tomasello	1820 Peachtree St NW	Atlanta	Georgia	30309	813-523-0609
		1820 Peachtree St NW	Atlanta	Georgia	30309	770-687-8870
5030	Vic and Lori Tenute	227 Sandy Springs Place NE, Suite 422	Sandy Springs	Georgia	20228	678-776-0448
5042	Vic and Lori Tenute	1570 Holcomb Bridge Road	Roswell	Georgia	20076	678-776-0448
5047	Rob and Angie Zimmerman	3000 Windy Hill Road SE	Marietta	Georgia	20067	770-687-8870
5048	Tim and Marty Commons	860 Duluth Hwy. Suite 152	Lawrenceville	Georgia	20042	678-467-4201
5056	Rob and Angie Zimmerman, Jerel and Heather Tomasello	2531 Piedmont Rd NE Suite A100	Atlanta	Georgia	30324	813-523-0609
		2531 Piedmont Rd NE Suite A100	Atlanta	Georgia	30324	770-687-8870
5083	Jerel and Heather Tomasello, Rob and Angie Zimmerman	519 Memorial Drive SE	Atlanta	Georgia	30342	813-523-0609
		519 Memorial Drive SE	Atlanta	Georgia	30342	770-687-8870
5098	Tim and Marty Commons	5210 Town Center Blvd. Suite 250	Peachtree Corners	Georgia	20092	678-467-4201
5125	Vic and Lori Tenute	11800 Haynes Bridge Rd Suite 1	Alpharetta	Georgia	20009	678-776-0448
5143	Rob and Angie Zimmerman	2250 Marietta Blvd	Atlanta	Georgia	20218	770-687-8870
5182	Rob and Angie Zimmerman, Jerel and Heather Tomasello	1000 Northside Dr NW,	Atlanta	Georgia	30348	770-687-8870



		1000 Northside Dr NW,	Atlanta	Georgia	30318	813-623-0609
<del>5228</del>	<del>Brad &amp; Aba Rogers</del>	<del>4521 Olde Perimeter Way</del>	<del>Dunwoody</del>	<del>Georgia</del>	<del>30346</del>	<del>770-331-5820</del>
<del>5431</del>	<del>Kevin Jaenberg</del>	<del>3335 Cobb Pkwy NW</del>	<del>Acworth</del>	<del>Georgia</del>	<del>30101</del>	<del>901-299-0218</del>
5544	Rob and Angie Zimmerman, Corey and Lashae Myart, Sandy Grimm	1415 Highway SR-85 N, Suite 120	Fayetteville	Georgia	30214	813-501-0600
		1415 Highway SR-85 N, Suite 120	Fayetteville	Georgia	30214	770-687-8870
		1415 Highway SR-85 N, Suite 120	Fayetteville	Georgia	30214	813-501-0600
5072	Debra Muffoletto, Sharon Niewinski	220 N. Smith Street Suite 117	Palatine	Illinois	60067	630-330-6295
		220 N. Smith Street Suite 117	Palatine	Illinois	60067	847-818-1168
<del>5080</del>	<del>Naveen Krish</del>	<del>2817 N Broadway</del>	<del>Chicago</del>	<del>Illinois</del>	<del>60614</del>	<del>810-533-0382</del>
5176	Debra Muffoletto, Sharon Niewinski	860 Milwaukee Ave, Suite 200	Buffalo Grove	Illinois	60089	630-330-6295
		860 Milwaukee Ave, Suite 200	Buffalo Grove	Illinois	60089	847-818-1168
<del>5214</del>	<del>Randy and Ann Gunst</del>	<del>2044 York Road</del>	<del>Oak Brook</del>	<del>Illinois</del>	<del>60523</del>	<del>630-240-8409</del>
<del>5215</del>	<del>Randy and Ann Gunst</del>	<del>920 Roosevelt Road</del>	<del>Glen Ellyn</del>	<del>Illinois</del>	<del>60137</del>	<del>630-240-8409</del>
<del>5222</del>	<del>John Weiss</del>	<del>2842 Pfingsten Rd</del>	<del>Glenview</del>	<del>Illinois</del>	<del>60026</del>	<del>262-900-5252</del>
<del>5267</del>	<del>Randy and Ann Gunst</del>	<del>114 N Marion Street</del>	<del>Oak Park</del>	<del>Illinois</del>	<del>60301</del>	<del>630-240-8409</del>
<del>5284</del>	<del>Toni Gozali</del>	<del>8207 W. Golf Road</del>	<del>Niles</del>	<del>Illinois</del>	<del>60714</del>	<del>847-607-8188</del>
<del>5285</del>	<del>Toni Gozali</del>	<del>555 East Townline Road, Unit 22</del>	<del>Vernon Hills</del>	<del>Illinois</del>	<del>60061</del>	<del>847-607-8188</del>
<del>5086</del>	<del>Robert Gerick</del>	<del>2715 Main Street</del>	<del>Highland</del>	<del>Indiana</del>	<del>46222</del>	<del>219-393-8450</del>
<del>5201</del>	<del>Robert Gerick</del>	<del>1640 E 80th Ave</del>	<del>Merrillville</del>	<del>Indiana</del>	<del>46410</del>	<del>219-393-8450</del>
5437	Wes and Kristen Snyder, Jason and Kim Bassett	800 S Rangeline Rd Hanover Place, Ste. 200	Carmel	Indiana	46032	
		800 S Rangeline Rd Hanover Place, Ste. 200	Carmel	Indiana	46032	
5448	Matt Banning-	3000 Fountains Blvd. NE, Ste. 104	Cedar Rapids	Iowa	52411	319-330-0670
5547	Matt Banning	308 1st Avenue	Coralville	Iowa	52241	319-330-0670
5090	David and Nancy James	3521 Springhurst Blvd	Louisville	Kentucky	40241	502-403-0055
5423	Jay and Tracie Carrico	2870 Richmond Road,	Lexington	Kentucky	40509	859-533-4032
<del>5444</del>	<del>Steve Berger</del>	<del>7606 Mall Road</del>	<del>Florence</del>	<del>Kentucky</del>	<del>41042</del>	<del>513-404-5001</del>
<del>5549</del>	<del>Jay and Tracie Carrico</del>	<del>2208 Sir Barton Way Suite 120</del>	<del>Lexington</del>	<del>Kentucky</del>	<del>40509</del>	<del>859-533-4032</del>
5454	Ray and Monica Harrigill	103 Acadiana Mall Circle	Lafayette	Louisiana	70503	601-940-2165
5295	Deepak and Jodie Mokha	5600 Urbana Pike,	Frederick	Maryland	21704	240-793-8606
5331	Marc Ottinger	564 Baltimore Pike	Bel Air	Maryland	21014	410-977-3991
5332	Marc Ottinger	8450 Baltimore National Pike, #165	Ellicott City	Maryland	21043	410-977-3991
5344	Anirudh Shah	45330 Abell House Lane #102	California	Maryland	20619	804-627-3676
5084	Ed and Amy Boulter	153 Turnpike Road,	Westborough	Massachusetts	01581	508-243-1911
5198	Zoe and Ryan Salomone	252 Grove Street	Braintree	Massachusetts	02184	617-378-8226
5206	Josh and Debbie Fredberg	150 California Street	Newton	Massachusetts	02458	617-834-8754
<del>5379</del>	<del>Tim DeSantis</del>	<del>1023 Southbridge St.</del>	<del>Worcester</del>	<del>Massachusetts</del>	<del>01610</del>	<del>508-769-9333</del>
5530	Josh and Debbie Fredberg	150 Arsenal Street	Watertown	Massachusetts	02472	617-834-8754
5009	Dan and Melissa Roman, Craig M. Comer	16824 Kercheval Ave.	Grosse Pointe	Michigan	48230	248-298-6443
		16824 Kercheval Ave.	Grosse Pointe	Michigan	48230	248-342-4518
5011	Beth Garner	3582 29th Street	Kenwood	Michigan	49512	616-802-7101
<del>5040</del>	<del>Alpesh Trivedi</del>	<del>123 W Main Street</del>	<del>Northville</del>	<del>Michigan</del>	<del>48167</del>	<del>248-880-8810</del>
5052	Craig M. Comer, Dan and Melissa Roman	41140 Garfield Road	Clinton Township	Michigan	48038	248-342-4518
		41140 Garfield Road	Clinton Township	Michigan	48038	248-298-6443
<del>5078</del>	<del>Sue Leja</del>	<del>33332 W 12 Mile Rd.</del>	<del>Farmington Hills</del>	<del>Michigan</del>	<del>48334</del>	<del>248-207-7217</del>
<del>5093</del>	<del>Alpesh Trivedi</del>	<del>1129 W. 14 Mile Road</del>	<del>Clawson</del>	<del>Michigan</del>	<del>48017</del>	<del>248-880-8810</del>
<del>5100</del>	<del>Anna Marcovechio</del>	<del>1220 S. Rochester Rd</del>	<del>Rochester Hills</del>	<del>Michigan</del>	<del>48307</del>	<del>620-800-6258</del>
5105	Dan and Melissa Roman, Craig M. Comer	22441 Gratiot	East Pointe	Michigan	48021	248-298-6443
		22441 Gratiot	East Pointe	Michigan	48021	248-342-4518
5145	Alpesh Trivedi	820 W Eisenhower Pkwy	Ann Arbor	Michigan	48103	248-880-8810
5207	Nick Leja, Chad Capista	3192 S Linden Road, Suite A 122	Flint	Michigan	48507	815-260-6582

5210	Anne Marcovecchio, Kristin Bennett	3102 S Linden Road, Suite A-122 6470 North Canton Center Road	Flint Canton	Michigan Michigan	48607 48187	248-614-6777 630-800-6358
5211	Anne Marcovecchio, Kristin Bennett	6470 North Canton Center Road 30997 5 Mile Rd.	Canton Livonia	Michigan Michigan	48187 48154	734-837-6769 630-800-6358
<del>5222</del>	<del>Alpesh Trivedi</del>	<del>29746 Southfield Rd #A106</del>	<del>Southfield</del>	<del>Michigan</del>	<del>48076</del>	<del>248-880-8810</del>
5234	Alpesh Trivedi	9375 Telegraph Rd	Redford	Michigan	48239	248-880-8810
5235	Alpesh Trivedi	16201 Ford Road, Suite 123	Dearborn	Michigan	48126	248-880-8810
5311	Anne Marcovecchio	2627 S. Rochester Rd.	Rochester Hills	Michigan	48307	630-800-6358
5335	Alpesh Trivedi	221 W Troy St	Ferndale	Michigan	48220	248-880-8810
5402	Both Garner	2660 44th St SW	Wyoming	Michigan	49519	616-802-7101
<del>5024</del>	<del>Chris Newpower</del>	<del>1721 County Road B2 West</del>	<del>Reserville</del>	<del>Minnesota</del>	<del>55112</del>	<del>612-282-0490</del>
<del>5220</del>	<del>Brian Castro and Stephanie Shields</del>	<del>10150 Hudson Road</del>	<del>Woodbury</del>	<del>Minnesota</del>	<del>55129</del>	<del>612-220-4960</del>
<del>5238</del>	<del>Brian Farrell</del>	<del>7089 Southtown Dr</del>	<del>Bloomington</del>	<del>Minnesota</del>	<del>55421</del>	<del>612-850-8443</del>
<del>5239</del>	<del>Brian Farrell</del>	<del>4100 Vinewood Lane North, Unit 102</del>	<del>Plymouth</del>	<del>Minnesota</del>	<del>55442</del>	<del>612-850-8443</del>
5340	Brian Farrell	8951 Crossroads Blvd	Chanhassen	Minnesota	55317	612-850-8443
5341	Brian Farrell	6906 153rd Street West	Apple Valley	Minnesota	55124	612-850-8443
5113	Brad Reardon	3064 Goodman rd. E Ste 122	Southaven	Mississippi	38672	901-233-2706
5452	Ray and Monica Harrigill	720 Harbour Pointe Crossing	Ridgeland	Mississippi	39157	601-940-2165
5453	Ray and Monica Harrigill	11428 Hwy 49 N	Gulfport	Mississippi	39503	601-940-2165
5068	Paul and Christi Hilgenkamp	1560 N. Church Rd	Liberty	Missouri	64068	303-396-3990
5104	Anabelle Fabellar	445 Lafayette Center	Manchester	Missouri	63011	314-960-4907
5290	Bradley Carr	5841 Suemandy Dr.	St. Peters	Missouri	63376	314-226-8113
5321	Brian Repp	10401 Olive Blvd	Creve Coeur	Missouri	63141	314-809-8515
5406	Drake Powers	1139 Colonnade Center	St. Louis	Missouri	63134	314-265-8811
5553	Dee Baird	2460 S 132nd St	Omaha	Nebraska	68144	319-533-4541
5033	Mike and Amanda Skvorzov	9850 Maryland Pkwy. #14	Las Vegas	Nevada	89183	702-263-3359
5129	Mike and Amanda Skvorzov	1520 W. Sunset Rd., Ste. 130	Henderson	Nevada	89014	702-263-3359
5481	Carmella Geraci	8090 Blue Diamond Road, Ste 220-240	Las Vegas	Nevada	89113	702-292-8792
<del>5224</del>	<del>Mario Pastilho</del>	<del>105 US 46</del>	<del>Totowa</del>	<del>New Jersey</del>	<del>07512</del>	<del>201-217-2198</del>
<del>5260</del>	<del>Mario Pastilho</del>	<del>275 Route 10</del>	<del>Succasunna</del>	<del>New Jersey</del>	<del>07876</del>	<del>201-217-2198</del>
5408	Mark Dresdner	346 Route 40	East Hanover,	New Jersey	07936	201-710-7575
5409	Mark Dresdner	407 Valley Brook Ave	Lyndhurst	New Jersey	07071	201-710-7575
<del>5478</del>	<del>Joseph Carretta</del>	<del>2100 Quakerbridge Road</del>	<del>Mercerville</del>	<del>New Jersey</del>	<del>08619</del>	<del>215-870-2850</del>
5479	Joseph Carretta, Aaron Gillaspie	430 Marketplace Blvd 430 Marketplace Blvd	Hamilton Township Hamilton Township	New Jersey New Jersey	08691 08691	832-291-1964 215-870-2850
<del>5484</del>	<del>Joe and Brenda Allen</del>	<del>648 Cuthbert Boulevard</del>	<del>Westmont</del>	<del>New Jersey</del>	<del>08108</del>	<del>609-215-4762</del>
5500	John Vagner and Sal Yakub	3813 US 9 North	Old Bridge	New Jersey	08867	6462095180
<del>5501</del>	<del>Perla Family</del>	<del>441 Elizabeth Avenue</del>	<del>Franklin Township</del>	<del>New Jersey</del>	<del>08872</del>	<del>917-734-6303</del>
5025	Evgeny Kobin	388 Tarrytown Rd	White Plains	New York	10607	908-416-3845
5050	Shel and Lisa Schenkler	5500 Main Street	Williamsville	New York	14221	617-901-3079
5076	Perla Family	55 Cole St	Yonkers	New York	10710	917-734-6303
5446	Scott Noglia	130 E. Main Street	Smithtown	New York	11787	516-680-5609
5493	Ethan and Jacqueline Wingfield	12 W 48th St	New York	New York	10036	703-217-0129
5511	Rebecca and Brian Muellers	1959 Front Street	East Meadow	New York	11554	516-384-3974
5515	Lisa Cook	1 Old Country Rd, Suite 102	Garden City	New York	11530	6347416670
5531	Justin Cole	90 Nardozzi Place	New Rochelle	New York	10805	8455278134
<del>5022</del>	<del>Keith and Patti Galloway</del>	<del>216 Colonades Way</del>	<del>Cary</del>	<del>North Carolina</del>	<del>27518</del>	<del>919-452-4293</del>
5061	Steve and Gale Schwartz	1810 Galleria Blvd	Charlotte	North Carolina	28270	703-615-1749
5069	Keith and Patti Galloway	6350 Plantation Center Drive	Raleigh	North Carolina	27616	919-452-4293
5088	Jack and Linda Bunyan	4712 New Centre Drive	Wilmington	North Carolina	28405	203-722-3827

5128	Keith and Patti Galloway	7486 Creedmoor Rd.	Raleigh	North Carolina	27613	919-452-4293
<del>5249</del>	<del>Sandesh Joshi</del>	<del>2739 NC 55</del>	<del>Cary</del>	<del>North Carolina</del>	<del>27519</del>	<del>919-995-0570</del>
<del>5265</del>	<del>Steve and Gale Schwartz</del>	<del>8324 503 Pineville Matthews Road</del>	<del>Charlotte</del>	<del>North Carolina</del>	<del>28226</del>	<del>703-615-1749</del>
5364	John and Melanie Ludden	11930 Providence Road West,	Charlotte	North Carolina	28277	510-798-7072
5365	John and Melanie Ludden	11130 S Tryon Street	Charlotte	North Carolina	28273	510-798-7072
5366	John and Melanie Ludden	2320 N Davidson St	Charlotte	North Carolina	28205	510-798-7072
5082	Jennifer and Jarrett Skrobarcek	1090 Yard St	Grandview Heights	Ohio	43212	210-601-6176
5097	Mark and Darlene Bugajski	9437 Civic Centre Blvd.	West Chester	Ohio	45069	513-200-5669
5112	Pedro Capiello	11310 Montgomery Road, Suite 218	Cincinnati	Ohio	45249	513-904-7872
5196	Jennifer and Jarrett Skrobarcek	146 Graceland Blvd	Columbus	Ohio	43214	210-601-6176
5324	Zach and Phil Sonnenklar	6505 Mayfield Rd.	Mayfield Heights	Ohio	44124	412-720-0717
5376	Guru Vasudeva	170 W. Olentangy St.	Powell	Ohio	43065	614-313-8781
5377	Guru Vasudeva	6065 Memorial Dr	Dublin	Ohio	43017	614-313-8781
5475	Meagan Class	8002 Washington Village Dr.	Washington Township	Ohio	45458	330-697-2024
5498	Doug and Stephanie Schech	5107 Monroe Street Suite A	Toledo	Ohio	43623	5869145459
5216	Randy and Heather Lowell	11280 NE Evergreen Pkwy	Hillsboro	Oregon	97006	503-329-4665
5102	Andrew and Jenn Navarro	1991 Sprout Rd Broomall	Broomall	Pennsylvania	19008	614-578-7463
5146	Mike and Kathy Miller	44 Quarry Road	Downingtown	Pennsylvania	19335	215-432-9081
<del>5180</del>	<del>Andrew and Jenn Navarro</del>	<del>28 East Montgomery Avenue</del>	<del>Ardmore</del>	<del>Pennsylvania</del>	<del>19003</del>	<del>614-578-7463</del>
5181	Andrew and Jenn Navarro	1417 Old York Rd	Abington	Pennsylvania	19004	614-578-7463
5219	John and Lisa Cowan	967 Paoli Pike Unit 21A	West Chester	Pennsylvania	19380	484-753-4229
5220	John and Lisa Cowan	800 Bustleton Pike,	Richboro	Pennsylvania	18954	484-753-4229
5245	Shalaka Joshi	4771 McKnight Rd,	Pittsburgh	Pennsylvania	15237	480-415-6119
5281	Vinay Callyampoondi	1109-2 North Main Street	Warrington	Pennsylvania	18976	817-366-4123
5499	Josh and Lauren Roberts	2101 Greentree Road	Scott Township	Pennsylvania	15220	4127373442
<del>5268</del>	<del>Mark Lindsey</del>	<del>1120 D Woodruff</del>	<del>Greenville</del>	<del>South Carolina</del>	<del>29607</del>	<del>828-272-2153</del>
5094	David and Nancy Dodson	7053 Lee Highway Suite 301	Chattanooga	Tennessee	37421	423-653-3658
5103	Tracey and Jim Anisi	1984 Providence Parkway	Mt. Juliet	Tennessee	37122	630-643-9800
5158	Tracey and Jim Anisi	1948 Old Fort Parkway	Murfreesboro	Tennessee	37129	630-643-9800
5159	Tracey and Jim Anisi	330 Mayfield Drive	Franklin	Tennessee	37067	630-643-9800
5390	Brad Reardon	1605 Germantown Pkwy, Ste. 110,	Cordeva	Tennessee	38016	901-233-2706
5391	Brad Reardon	9091 Poplar Ave Ste 110	Germantown	Tennessee	38138	901-233-2706
5031	Aaron Gillaspie	6115 La Vista Dr #200	Dallas	Texas	75214	832-291-1964
5040	Aaron Gillaspie	3901 C Bellaire Blvd.	Houston	Texas	77025	832-291-1964
5045	Lynnette and Gene Felder	4120 South Staples	Corpus Christi	Texas	78411	361-215-5929
5060	Aaron Gillaspie	1928 State Hwy 46 W. #105	New Braunfels	Texas	78132	832-291-1964
5063	Aaron Gillaspie	6780 Abrams St Suite 209	Dallas	Texas	75231	832-291-1964
5065	Aaron Gillaspie	4557 East Sam Houston Parkway S	Pasadena	Texas	77505	832-291-1964
5077	Aaron Gillaspie	6406 N Interstate 35 Frontage Rd	Austin	Texas	78752	832-291-1964
5085	Aaron Gillaspie	19075 L45 s. Suite #250	Shenandoah	Texas	77385	832-291-1964
5087	Aaron Gillaspie	606 Embassy Oaks Building 105	San Antonio	Texas	78216	832-291-1964
5126	Aaron Gillaspie	2900 Canton St Suite 200	Dallas	Texas	75226	832-291-1964
<del>5133</del>	<del>Aaron Gillaspie</del>	<del>12651 Vance Jackson Suite 110</del>	<del>San Antonio</del>	<del>Texas</del>	<del>78249</del>	<del>832-291-1964</del>
<del>5134</del>	<del>Aaron Gillaspie</del>	<del>1507 W 18th St</del>	<del>Houston</del>	<del>Texas</del>	<del>77008</del>	<del>832-291-1964</del>
<del>5135</del>	<del>Aaron Gillaspie</del>	<del>2200 Edwards St</del>	<del>Houston</del>	<del>Texas</del>	<del>77007</del>	<del>832-291-1964</del>
<del>5136</del>	<del>Aaron Gillaspie</del>	<del>5250 Burnet Road</del>	<del>Austin</del>	<del>Texas</del>	<del>78756</del>	<del>832-291-1964</del>
<del>5095</del>	<del>Brad Wyman</del>	<del>5470 S. Redwood Rd.</del>	<del>Paysonville</del>	<del>Utah</del>	<del>84123</del>	<del>310-908-0053</del>
<del>5053</del>	<del>JT Fauber</del>	<del>8030 G &amp; H West Broad Street</del>	<del>Richmond</del>	<del>Virginia</del>	<del>23204</del>	<del>540-874-8080</del>
5066	Robin and Bruce Gearey	12373 Hornsby Lane	Newport News	Virginia	23602	602-315-6080
5091	JT Fauber	11500 Midlothian Turnpike, #252	Richmond	Virginia	23235	540-874-8080

5092	JT Fauber	4501 S. Laburnum Road, #515	Richmond	Virginia	<del>23221</del>	<del>540-874-8080</del>
5107	JT Fauber	10071 W. Broad Street	Glen Allen	Virginia	<del>23060</del>	<del>540-874-8080</del>
5054	Madeleine and Julius Manzane	17214 Highway 99	Lynnwood	Washington	<del>98037</del>	<del>206-963-6501</del>
5304	Adam Teske, Ryan Wildy	2511 4th Ave W,	Olympia	Washington	98502	217-493-9499
		2511 4th Ave W,	Olympia	Washington	98502	217-412-4089
5073	John Weiss	14625 West Capitol Drive	Brookfield	Wisconsin	<del>53005</del>	<del>262-900-5353</del>
5178	John Weiss	5170 S 76th St	Greenfield	Wisconsin	<del>53220</del>	<del>262-900-5353</del>

EXHIBIT L

SUMMARY OF ACKNOWLEDGMENT

Current Franchisees with Signed Agreements But Not Yet Opened Outlets as of December 31, 2022:

5.1. ~~2024~~ ~~2023~~ FDD - Exhibit [LJ](#)  
~~ACTIVE 685905746v1~~

<del>Store Number</del>	<del>Owner Summary</del>	<del>City</del>	<del>State</del>	<del>Phone</del>
5618	Robert Ortman and Bob Harvey	Goodyear	Arizona	(402) 669-0467
5079	Riley LeBrun	Torrance	California	310-775-0255
5184	Riley LeBrun	San Pedro	California	310-775-0255
5291	Riley LeBrun		California	310-775-0255
<del>5315</del>	<del>Mary Morris and Anne Bowman, Jim Morris</del>	<del>Riverside</del>	<del>California</del>	<del>310-560-9609</del>
5420	Chase and Annie Fisher	Orange County	California	248-752-5322
5532	Z Amirian	Riverside	California	8184258344
5585	Sean and Ellie Dunne	Stockton	California	(732) 995-4265
5634	Cathee and Rob Sherr,	Centennial	Colorado	(303) 548-6348
5647	Andrew Powers		Colorado	
5650	Dennis and MariaLuisa McGrath McGrath		Colorado	303-763-0731
5502	Perla Family	Danbury	Connecticut	917-734-6303
5625	Dhru Swadia	Southwindsor	Connecticut	413-539-1825
5124	Jim and Kim Provo	MIDDLETOWN	Delaware	302-233-6847
5115	Scot Cummin	Estero	Florida	239-771-3052
5173	Wendy and Brian Bernhard	Tampa	Florida	610-306-6080
5273	Christopher Vukich	Jacksonville	Florida	904-571-6477
5368	Chris Davidson		Florida	251-648-3468
5375	Kenny Greer		Florida	504-256-7667
5430	Jaelyn Carillo		Florida	504-290-9055
5472	Aksel Bekirov and Lisa Rostov	Hialeah	Florida	248-875-7451
5509	Jerel and Heather Tomasello	tampa	Florida	813-523-0609
5525	Frank Bounanotte	Plantation	Florida	770-330-6815
5582	Patrick Manchi	Port Charlotte	Florida	(713) 542-1882
<del>5583</del>	<del>Patrick Manchi</del>	<del>Fort Myers</del>	<del>Florida</del>	<del>(713) 542-1882</del>
5639	Cassie Zimmermann		Florida	
5432	Kevin Isenberg	Woodstock	Georgia	901-299-9218
5545	Rob and Angie Zimmerman, Corey and Lashae Myart	Morrow	Georgia	770-687-8870
		Morrow	Georgia	813-501-0600
5611	Lee Brody	Athens	Georgia	248.310.0409
<del>5441</del>	<del>Anabelle Fabellar</del>	<del>Noblesville</del>	<del>Indiana</del>	<del>314 960 4907</del>
5199	Ed and Amy Boulter	Leominster	Massachusetts	508-243-1911
<del>5516</del>	<del>Grant and Alrie Wiggill</del>	<del>Walpole</del>	<del>Massachusetts</del>	<del>7814729598</del>

5574	Bill Fleckner	Burlington, MA	Massachusetts	781-608-2011
5610	Vitaly Evdokimov	Marlborough	Massachusetts	(207) 284-3127
5648	Vitaly Evdokimov		Massachusetts	(207) 284-3127
5336	Alpesh Trivedi	Lansing	Michigan	248-880-8810
<del>5373</del>	<del>Alpesh Trivedi</del>	<del>Northville</del>	<del>Michigan</del>	<del>248-880-8810</del>
5403	Beth Garner	Grand Rapids	Michigan	616-802-7101
5661	Chad and Emily Hunt	Kirkwood	Missouri	314-808-2690
5130	Mike and Amanda Skvorzov	Las Vegas	Nevada	702-263-3359
5578	Erin Beloin	Bedford	New Hampshire	(603) 540-2448
5495	Jon and Lindsay Arzt	Jersey City	New Jersey	917-902-4647
5521	Stephen Smith		New Jersey	856-904-0700
5446	Scott Neglia	Port Jefferson Station	New York	516-680-5609
5512	Rebecca and Brian Muellers	Selden	New York	516-384-3974
5591	Ethan and Jacqueline Wingfield		New York	703-217-0129
5250	Sandesh Joshi	Durham	North Carolina	919-995-0570
<del>5251</del>	<del>Sandesh Joshi, Shalaka Joshi</del>		<del>North Carolina</del>	<del>919-995-0570</del>
			North Carolina	480-415-6119
5269	Mark Lindsay	Asheville	North Carolina	828-273-2453
5510	Jerel and Heather Tomasello, John and Melanie Ludden	Gastonia	North Carolina	813-523-0609
		Gastonia	North Carolina	510-798-7072
5628	Jason and Kim Bassett		North Carolina	
5635	Jerel and Heather Tomasello, John and Melanie Ludden		North Carolina	813-523-0609
			North Carolina	510-798-7072
5665	Keith and Patti Galloway		North Carolina	919-452-4293
5651	Grant Seeger	Grand Forks	North Dakota	
5598	Jacob & Chelsea Pontius	Lewis Center	Ohio	6144066168
5636	Matt & Liz Pontius	Rocky River	Ohio	614-507-8090
<del>5313</del>	<del>Andrew and Jenn Navarro</del>	<del>Philadelphia</del>	<del>Pennsylvania</del>	<del>614-578-7463</del>
<del>5314</del>	<del>Andrew and Jenn Navarro</del>	<del>Conshohocken</del>	<del>Pennsylvania</del>	<del>614-578-7463</del>
<del>5354</del>	<del>Zach and Phil Sonnenklar</del>	<del>Pittsburgh</del>	<del>Pennsylvania</del>	<del>412-720-0717</del>
5362	Mike and Kathy Miller	Royersford	Pennsylvania	215-432-3081-
5480	Joseph Carretta, Aaron Gillaspie	Allentown	Pennsylvania	832-291-1964
		Allentown	Pennsylvania	215-870-2850
5580	Jeff Baker		Pennsylvania	412.297.6023



5599	Chris Paret	Mechanicsburg	Pennsylvania	302-373-7845
5600	Chris Paret	Harrisburg	Pennsylvania	302-373-7845
5614	Randy Clause	Erie	Pennsylvania	(724) 730-1901
5577	Dianne Miller		South Carolina	864-313-8950
5615	Mason Snyder, John and Melanie Ludden	Columbia	South Carolina	(510) 866-3062
		Columbia	South Carolina	510-798-7072
5160	Tracey and Jim Anisi	Hermitage	Tennessee	630-643-9800
5597	Ruby Massey	Bartlett	Tennessee	(901) 859-9618
5619	Jeff Kickert		Tennessee	(512) 650-5009
5645	Ruby Massey		Tennessee	(901) 859-9618
5055	Aaron Gillaspie	Round Rock	Texas	832-291-1964
<del>5380</del>	<del>Aaron Gillaspie</del>	<del>Eules</del>	<del>Texas</del>	<del>832-291-1964</del>
5607	Mitesh Patel	El Paso	Texas	5126951514
5613	Matt Lippman	Midland	Texas	432-352-8490
5494	Nick Grivas	Leesburg	Virginia	703-231-5122
5560	Vaibhav Bhatt	Virginia Beach	Virginia	8563669753
5653	Teresa Delph, Laney (Madison) Hull	Charlottesville	Virginia	(804) 937-6541
		Charlottesville	Virginia	5555555555

### ~~Former Franchisees:~~

~~The name and last known business address (city and state) and current business telephone number of every franchisee who had a My Salon Suite Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2022 to December 31, 2022, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.~~



## SUMMARY OF ACKNOWLEDGEMENT

Account Name	Billing State/Province (text only)	Phone
Mary Morris and Anne Bowman	California	626-622-7541
Rick Reddell	California	909-569-4228
Jay and Kerry Tolisano	Connecticut	203-530-3202
Al and Cathy Martell	Florida	317-997-2210
Jon and Abby Adinolfi	Maryland	203-530-3202
Randy Jones	Michigan	248-259-5168
Steve Mogck	Minnesota	952-926-6976
Bill Felman	Pennsylvania	412-303-6465
Lori and Robert Trotter	Texas	936-718-5395

**EXHIBIT J**

**FRANCHISE OWNER DISCLOSURE QUESTIONNAIRE**

**~~FRANCHISE OWNER DISCLOSURE QUESTIONNAIRE~~**

Franchisee:

\_\_\_\_\_

State of Formation:

\_\_\_\_\_

Residence Addresses of Guarantors:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Indicate your acknowledgement of the following by signing below:

Franchisee acknowledges that it is not a domiciliary or a resident of any other state or it is a domiciliary or resident of\_\_\_\_\_.

Franchisee acknowledges that it has received the Franchise Disclosure Document (“FDD”) with an effective date of:\_\_\_\_\_.

Franchisee acknowledges that ~~it~~<sup>is</sup> has received the appropriate FDD~~(s)~~ at least fourteen (14) calendar days before the execution of the franchise agreement or before paying any fees to Suite Management Franchising, LLC.

Franchisee has signed and returned to Suite Management Franchising, LLC. The “Acknowledgement of Receipt” for each FDD.

Franchisee acknowledges that it has had an opportunity to read each FDD and that no representation has been made to Franchisee which is inconsistent with the information presented in the FDD~~(s)~~, and Franchisee has not relied upon any representations inconsistent with or not contained in the FDD~~(s)~~.

Franchisee acknowledges that it has had the opportunity to conduct an independent investigation of the franchised business offered and to seek independent counsel concerning the franchised business.

Franchisee acknowledges that the franchised business, as any business venture involves

-risks, and the success of the franchised business will depend largely upon the ability of Franchisee.

Franchisee acknowledges that it has not received any warranty or guarantee express or implied, as to the actual or potential volume, earnings, profits, or success of the franchised business, other than the financial performance representation provided in Item 19 of the FDD(s) received by Franchisee.

~~**No Waiver of Disclaimer of Reliance.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

**No Waiver of Disclaimer of Reliance.** 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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Acknowledged by:

\_\_\_\_\_

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

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

\_\_\_\_\_

Each of the undersigned has read this Summary of Acknowledgements and each individually acknowledges and states that each statement described above is true and correct:

FRANCHISEE'S GUARANTOR

\_\_\_\_\_

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

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

FRANCHISEE'S GUARANTOR

\_\_\_\_\_

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

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

\*If an entity, include the name and title of the officer signing on behalf of the entity.

**EXHIBIT ~~MK~~**

**CONVERSION PROMISSORY NOTE (DIRECT FINANCING)**

~~PROMISSORY NOTE~~

<del>Payee: Suite Management Franchising, LLC</del>	
<del>Maker: _____</del>	
<del>Principal Amount: \$35,000</del>	
<del>Interest Rate: 0% annually</del>	<del>[INSERT DATE]</del>

~~For value received, the undersigned (whether one or more, jointly and severally), individually and personally (the "Maker"), promises to pay to the order of Suite Management Franchising, LLC, a Florida limited liability company ("SMF" or "Payee") its transferees, successors or assigns, at c/o Propelled Brands, 2542 Highlander Way, Carrollton, Texas 75006-2333, or at such other address as the Payee hereof shall specify in writing to the undersigned, the sum of Thirty Five Thousand and no/100 Dollars (\$35,000), legal and lawful money of the United States of America from the date hereof until maturity.~~

~~The principal of Nine Hundred Seventy Two Dollars and 22/100 (\$972.77) shall be due and payable in thirty six (36) monthly installments on the twenty fifth (25<sup>th</sup>) day of each month. The first payment is due thirty (30) days after commencement of operation as a My Salon Suite Franchised Business by Maker.~~

~~Upon the occurrence of any of the following events of default, Payee, at its option and without notice to Maker, may declare the entire unpaid principal balance of this Note together with all other indebtedness of Maker to Payee, to be immediately due and payable: (a) Maker's failure to pay any principal, or any other charge or expense payable hereunder, when due and payable hereunder; (b) any breach or default by Maker of any warranty, representation, covenant, term or condition stated herein, in the Agreement, or in any other security instrument, affidavit or other agreement or instrument between Maker and Payee; (c) if the Franchise Agreement is terminated for any reason by Maker or Payee, (d) if Maker is generally not paying its debts as such debts become due; (e) the commencement of any proceedings under any bankruptcy or insolvency laws by or against Maker; or (f) the sale, assignment, transfer or conveyance of all or substantially all of Maker's assets. Upon any such event of default, Payee may (in addition to accelerating the debt) exercise any and all rights and remedies available to it under this Note, under any other security instrument, affidavit or other document instrument executed in connection with or pursuant to this Note, and otherwise at law and in equity, all such rights and remedies being cumulative, and not exclusive.~~

~~Upon the occurrence of any event of default, the entire indebtedness shall be matured, at the option of the Payee; and in the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection or suit is brought on the same, or the same is collected through Probate, Bankruptcy or other judicial proceedings, then Maker agrees and promises to pay a reasonable attorneys' fee for collection, which in no event shall be less than ten percent (10%) of the principal then owing. Neither the failure, partial failure, nor any delay on the part of Payee to exercise any right, power or privilege hereunder shall operate as a waiver thereof.~~

~~This Note may be prepaid, in whole or in part, without premium or penalty, as of the date of any regularly scheduled payment hereunder.~~

~~Each Maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this Note and as to each, every and all installments hereof, and each consent that the Payee or any other creditor under this Note may at any time, and from time to time, upon request of or by agreement with any of us, extend the maturity date hereof or change the time or method of payments without notice to any of the other makers, sureties or endorsers, who shall remain bound for the payment hereof.~~

~~No delay or failure of Payee in exercising any right, remedy, power or privilege hereunder shall operate as a waiver or otherwise affect such right, remedy, power or privilege, nor shall any single or partial exercise thereof preclude the exercise of any other right, remedy, power or privilege. No delay or failure of Payee at any time to demand strict adherence to the terms of this Note shall be deemed to constitute a waiver of any such rights or a course of conduct inconsistent with Payee's right at any time, before or after an event of default, to demand strict adherence to the terms of this Note. Payee shall not be deemed to have waived any of its rights hereunder unless the same shall be in writing signed by Payee, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall not impair the rights of Payee or the obligations of Maker in any other respect.~~

~~Maker shall not assign or otherwise transfer this Note (in whole or in part), nor shall Maker delegate any or all of its obligations hereunder without the prior written consent of Payee, which consent may be withheld for any reason or for no reason. No assignment or other transfer of this Note shall be construed so as to release Maker from any of its obligations or liabilities hereunder, whether accruing before or after such assignment or transfer.~~

~~This Note shall be binding upon Maker and its successors and permitted assigns and shall inure to the benefit of and be enforceable by Payee and its successors and assigns.~~

~~If any term or provision of this Note or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Note shall be valid and be enforced to the fullest extent permitted by law.~~

~~The liability of each Maker executing this Note shall be joint and several and the term "Maker" shall mean each and all such Makers.~~

~~To induce Payee to extend to Maker the loan evidenced by this Note, Maker irrevocably agrees that, subject to Payee's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS NOTE WILL BE LITIGATED EXCLUSIVELY IN THE STATE OR FEDERAL COURT OF~~

~~GENERAL JURISDICTION IN DALLAS, TEXAS. MAKER AND PAYEE EACH  
WAIVES ANY RIGHT TO A TRIAL~~

~~BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY  
RIGHTS UNDER THIS NOTE.~~

~~IN WITNESS WHEREOF, the undersigned have executed this Note as of the date and year  
first set forth above~~

~~MAKER:~~

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

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

~~This Note is personally guaranteed by (the "Guarantor"). Guarantor unconditionally  
guarantees payment to Payee of all amounts owing under the Note. This Guarantee  
remains in effect until the Note is paid in full. Guarantor must pay all amounts due  
under the Note when Payee makes written demand upon Guarantor. Payee is not  
required to seek payment from any other source before demanding payment from  
Guarantor.~~

~~GUARANTOR:~~

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

\_\_\_\_\_

**EXHIBIT L**

**STATE EFFECTIVE DATES ~~AND RECEIPTS~~**

ACTIVE 685905808v1



## **STATE EFFECTIVE DATES**

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

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

STATE	EFFECTIVE DATE
CALIFORNIA	<del>May 1, 2023</del>
HAWAII	<del>May 6, 2023</del>
ILLINOIS	<del>May 1, 2023</del>
INDIANA	<del>May 1, 2023</del>
MARYLAND	<del>June 23, 2023</del>
MICHIGAN	<del>May 1, 2023</del>
MINNESOTA	<del>August 25, 2023</del>
NEW YORK	<del>May 1, 2023</del>
NORTH DAKOTA	<del>May 19, 2023</del>
RHODE ISLAND	<del>June 3, 2023</del>
SOUTH DAKOTA	<del>April 28, 2023</del>
VIRGINIA	<del>May 22, 2023</del>
WASHINGTON	<del>May 8, 2023</del>
WISCONSIN	<del>April 28, 2023</del>

EXHIBIT N

RECEIPTS



**RECEIPT**  
**TO FRANCHISE DISCLOSURE DOCUMENT**  
**(Retain This Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Suite Management Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, Suite Management Franchising, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Suite Management Franchising, LLC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Suite Management Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on **Exhibit AD**.

TH	<u>The name, principal business address, and telephone number of each franchise seller offering the franchise is:</u>
<input type="checkbox"/>	<del>Stacy Eley, Jill Sullivan, Scott Krupa, Mark Jameson,</del>
<input type="checkbox"/>	<del>Stacy Eley, Scott Krupa, Mark Jameson</del>
	<u>Suite Management Franchising, LLC, 2542 Highlander Way, Carrollton, Texas, 75006, Attn: Legal, notices@proneledbrands.com Telephone: (855) 677-3726</u>

Issuance Date: May 1, 2024~~2023~~

I received a disclosure document issued May 1, 2024~~2023~~ which included the following exhibits:

Exhibit A List of State Administrators  
Exhibit B List of State Agents for Service of Process  
Exhibit C Franchise Agreement  
Exhibit D Conversion Addendum  
Exhibit E Development Agreement  
Rider  
Exhibit F Conversion Promissory Note (Direct Financing)  
Exhibit G Operations Manual Table of Contents  
Exhibit H ~~Exhibit E~~ State Addenda to Disclosure Document and  
Franchise Agreement Exhibit I Lists of Current and Former Franchise Owners  
Exhibit JF Financial Statements  
Exhibit JF-1 Guarantee of Performance  
Exhibit KG ~~Operations Manual Table of~~  
~~Contents~~ Exhibit H Sample Form of General  
Release Exhibit L Summary of Acknowledgement  
Exhibit M State Effective Dates  
Exhibit N Receipt  
Exhibit I Lists of Current and Former Franchise Owners Exhibit  
J Franchise Owner Disclosure Questionnaire Exhibit K  
Conversion Promissory Note (Direct Financing)

5.1.2023 FDD - Exhibit J  
AGT/IV/685095828/1  
6/7/2024 6:09 PM

\_\_\_\_\_  
Date \_\_\_\_\_ Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**

**RECEIPT  
(Our Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Suite Management Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, Suite Management Franchising, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Suite Management Franchising, LLC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Suite Management Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on **Exhibit AD**.

<b>T</b>	<b><u>The name, principal business address, and telephone number of each franchise seller offering the franchise is:</u></b>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"><div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"><span><input type="checkbox"/> Stacy Eley</span><span><input type="checkbox"/> Jill Sullivan</span><span><input type="checkbox"/> Scott Krupa</span><span><input type="checkbox"/> Mark Jameson</span></div><div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"><span><input type="checkbox"/> Stacy Eley</span><span><input type="checkbox"/> Scott Krupa</span><span><input type="checkbox"/> Mark Jameson</span></div></div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"><div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"><span>Suite Management Franchising, LLC</span><span>2542 Highlander Way, Carrollton, Texas 75006</span><span>Attn: Legalnotices@propelledbrands.com</span></div><div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"><span>Suite Management Franchising, LLC</span><span>2542 Highlander Way, Carrollton, Texas 75006</span><span>Legalnotices@propelledbrands.com Telephone: (855) 677-3726</span></div><div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"><span>Attn: Legalnotices@propelledbrands.com</span><span>Telephone: (855) 677-3726</span></div></div>	

Issuance Date: May 1, 2024~~2023~~

I received a disclosure document issued May 1, 2024~~2023~~ which included the following exhibits:           

- |  |   |
|--|---|
| Exhibit A  | List of State Administrators                              |
| Exhibit B  | List of State Agents for Service of Process               |
| Exhibit C  | Franchise Agreement                                       |
| Exhibit D  | <u>Conversion Addendum</u>                                |
| <u>Exhibit E</u>   | Development Agreement                                     |
| <u>Rider</u>   |   |
|  |   |
| <u>Exhibit F</u>   | <u>Conversion Promissory Note (Direct Financing)</u>      |
| <u>Exhibit G</u>   | <u>Operations Manual Table of Contents</u>                |
| <u>Exhibit H</u>   | <u>Exhibit E</u> State Addenda to Disclosure Document and |
| Franchise Agreement Exhibit <u>I</u> <u>Lists of Current and Former Franchise Owners</u> |   |
| <u>Exhibit JF</u>  | Financial Statements                                      |
| Exhibit <u>JF-1</u>  | Guarantee of Performance                                  |
| Exhibit <u>KG</u>  | <u>Operations Manual Table of</u>                         |
| <u>Contents Exhibit H</u>  | Sample Form of General                                    |
| Release <u>Exhibit L</u> Summary of Acknowledgement                                      |   |
| <u>Exhibit M</u>   | State Effective Dates                                     |
| <u>Exhibit N</u>   | Receipt   |

Exhibit I Lists of Current and Former Franchise Owners Exhibit

J Franchise Owner Disclosure Questionnaire Exhibit K

5.1.2023 FDD Exhibit J Conversion Promissory Note (Direct Financing)

AGT/15-685095828 Exhibit N

Date	Signature	Printed Name

Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Suite Management Franchising, LLC, 2542 Highlander Way, Carrollton, Texas ~~75006~~**750056**.