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

To simplify the language in this franchise disclosure document (“Disclosure Document”), the terms “we”, “us”, “our”, “Beauty Bungalows”, and “Franchisor” mean Beauty Bungalows Franchising, LLC. The term “You” means the person or entity that buys the franchise (the “Franchisee”). If an entity is the Franchisee, “you” includes the Franchisee’s owners.

The Franchisor, any Parents, Predecessors and Affiliates

We are a Wyoming limited liability company formed on July 29, 2021. We do not do business under any other name. Our principal business address is 257 Wake Forest Road, Costa Mesa, CA 92626. We offer franchised businesses (“Beauty Bungalows Franchise(s)”) under the name “Beauty Bungalows”. Our agent for service in Wyoming is Registered Agents, Inc. with an address at 30 N Gould St, Ste. R, Sheridan, WY 82801. Our agents for service of process for other states are listed in [Exhibit C](#) to this Disclosure Document. We began offering Beauty Bungalows Franchises in September of 2021. We have never offered franchises in any other line of business. We have not conducted and are currently not conducting any other business activities other than selling and supporting Franchised Businesses.

Beauty Bungalows, Inc. (“BBI”) is a California corporation and shares our principal business address. Since October 2017, BBI has operated two (2) Beauty Bungalows locations in Huntington Beach, CA that are similar to the franchises offered under this disclosure document. We refer to these locations as the “Company-Owned Outlets” in this disclosure document. BBI does not offer franchises in any line of business and does not provide products or services to our franchisees, however the facilities operated by BBI may be utilized in a portion of the training programs we offer to franchisees.

We do not have any predecessors or parent entities. Other than the affiliates disclosed above, we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

[We have not previously conducted, nor currently conduct, a business of the type we offer in this disclosure document.](#)

Description of the Franchise

We offer franchises for the operation of a business providing build-out and lease of turn-key salon studios to salon professionals under the Beauty Bungalows trademarks, trade names, service marks, and logos (“Marks”). Throughout this Disclosure Document, your franchised business will also be referred to as your “location” or your “unit”. As a franchisee, you will typically purchase or lease existing building space ranging from 6,000 to 8,000 square feet and convert or remodel the purchased or leased space into individual salon studios which are then licensed to independent salon and beauty professionals. As a franchisee, you will provide general tenant and building management, cleaning and maintenance of common areas, and wireless internet. Each salon professional will control their independently owned business and schedule their own appointments. Each salon professional is required to obtain their own insurance, as well as business, health department, and other professional licenses from relevant state professional licensing boards, where required and depending on the types of services they offer.

The Beauty Bungalows Franchise is operated under a business format that includes our valuable know-how, information, trade secrets, methods, Manual, standards, designs, methods of trademark usage, copyrightable works, rental space sources and specifications, software, confidential electronic and other communications, methods of internet usage, marketing programs, and research and development connected with the operation and promotion of the Business (collectively, the “System”) owned and developed by us and known as Beauty Bungalows (“Business”). We are designed to support you in your ongoing business

efforts. We reserve the right to change or otherwise modify the System and add, modify, or delete any of our designs, lease processes, or services at any time in our sole discretion.

You must operate your Beauty Bungalows Franchise in accordance with our standard business operating practices and sign our standard franchise agreement (“Franchise Agreement”), which is attached to this Disclosure Document as Exhibit B. In the Franchise Agreement we grant you the right, and you undertake the obligation, to develop and operate one Beauty Bungalows franchise location at a mutually agreed upon site (the “Site”) with an area (the “Site Selection Area”) that we will specify in the Franchise Agreement. You will have no obligation, nor any right, to open any additional locations other than the Site or to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution.

Multi-Unit Development Business

We also offer, to qualified applicants, the opportunity to develop additional units by purchasing the rights to develop multiple Beauty Bungalows Franchises in a defined geographical area (the “Development Area”) in accordance with a specified business development schedule (“Development Schedule”). You will be required to sign our multi-unit development agreement (“Multi-Unit Development Agreement” or “MUDA”) at the same time you execute the Initial Franchise Agreement, and you will be required to develop these additional units within a fixed time period. The Initial Franchise Agreement will count as the first unit developed as part of your MUDA. You must sign our then-current franchise agreement for each additional unit opened under the terms of the MUDA. These franchise agreements may not be the same as the initial Franchise Agreement that you will sign for your first Franchise (“Initial Franchise Agreement”).

The Market and Competition

The Beauty Bungalows Franchise targets its services to salon, beauty, and wellness professionals, such as stylists, nail technicians, estheticians, and massage therapists. The services we provide are not seasonal in nature. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to customers. The market for a centralized salon studio rental business is, in many areas of the country, moderately developed and moderately competitive. However, there are certain areas of the country where the concept is a mature concept, is well developed and highly competitive. The market for commercial leasing services around the country is well developed and highly competitive. ~~You will also face other normal business risks that could have an adverse effect on your Beauty Bungalows Franchise. These may include industry developments, such as pricing policies of competitors, and supply and demand.~~

Industry Specific Law and Regulations

Some states may have regulations that apply to barbers and cosmetologists. As a franchisee, you may be subject to general business, employment and other laws and regulations. You should consult with your attorney and local, state, and federal government agencies before buying your Beauty Bungalows Franchise or any business to determine all legal requirements and consider their effects on you and cost of compliance. ~~It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state, and federal laws, since they vary from place to place and can change over time.~~

Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your business. For example, some states may have real estate rental laws that govern the rental of space in your Beauty Bungalows Franchise. Your Beauty Bungalows Franchise must also comply with various health standards and regulations. You must also comply with laws that apply generally to all businesses. You should investigate these laws.

General

This Disclosure Document sets forth the terms on which we currently offer Beauty Bungalows Beauty Bungalows Franchising, LLC 2024 FDD

**ITEM 7.
ESTIMATED INITIAL INVESTMENT**

A. YOUR ESTIMATED INITIAL INVESTMENT FRANCHISE AGREEMENT

Type Of Expenditure ⁽¹⁾	Low Estimate	High Estimate	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ⁽²⁾	\$49,900	\$49,900	Lump sum	Upon signing Franchise Agreement	Us
Rent & Security Deposit ³	\$20,000	\$60,000	As determined by Landlord	Upon signing lease	Landlord
Utilities ⁴	\$250	\$3,500	As incurred	Prior to opening	Suppliers, Utilities, etc.
Leasehold Improvements ⁵	\$550,000	\$1,350,000	As incurred	Prior to opening	Vendors/Suppliers
Furniture, Fixtures, and Equipment ⁶	\$75,500	\$130,600	As determined by Vendors	Prior to opening	Vendors and Suppliers
Architecture & Design ⁷	\$25,000	\$25,000	As Incurred	Prior to opening	Vendors and Suppliers
Computer Systems ⁸	\$500	\$1,000	As determined by Vendors	Prior to opening	Vendors and Suppliers
Insurance ⁹	\$1,000	\$1,500	As incurred	Prior to opening or as incurred	Insurance Company/Agent
Signage ¹⁰	\$10,000	\$20,000	As incurred	As arranged with Vendors	Vendors
Office Expenses ¹¹	\$500	\$1,000	As incurred	As incurred	Vendors and Suppliers
Grand Opening Marketing Spend ¹²	\$1,000	\$1,000	As incurred	As incurred	Vendors and Suppliers
Business Licenses and Permits ¹³	\$250	\$1,000	As incurred	As incurred	Government agencies
Professional Fees ¹⁴	\$3,500	\$5,000	As incurred	As incurred	Attorneys, accountants, and other professionals
Travel and Living Expenses to Training ¹⁵	\$3,000	\$6,000	As incurred	As incurred	Airlines, hotels, food vendors, and other merchants.
Additional Funds (3 Months) ¹⁶	\$25,000	\$50,000	As incurred	As incurred	Suppliers, Utilities
TOTALS¹⁷	\$765,400	\$1,705,500			

Notes:

1. Type of Expenditure: The amounts provided in this Item 7 include costs you will incur to start your business. These estimates are based upon Beauty Bungalow's experience developing and operating the Company-Owned outlets and based upon industry data and upon the experience of our management team in operating similar businesses. All fees and payments are non-refundable, unless otherwise Beauty Bungalows Franchising, LLC 2024 FDD

costs associated with the acquisition of real estate if you decide to operate from a building you purchase. The costs for rent, fixtures and improvements will vary ~~and may be significantly higher than projected in this table,~~ based on the square footage, location, economic climate, market conditions, prevailing interest rates, other financing costs, the conditions of the property, and other physical characteristics of your Beauty Bungalows Franchise.

2. Initial Franchise Fee: The Initial Franchise Fee is \$49,900. We will not refund the Initial Franchise Fee(s) or any other fees paid to us or our affiliates under any circumstances. Neither we nor our affiliates offer any other financing. (See Items 10 and Item 11). We describe the Initial Franchise Fee in Item 5.

3. Rent & Security Deposit: If you do not own adequate space, you must lease the space for your Business. Generally, your pre-opening lease expenses will include prepayment of your first months' rent and a security deposit equal to one month's rent payment. The numbers provided are based on our collective experience in the salon business and real estate industry. Typical Franchises are located in commercial centers, strip centers or buildings on commercial streets with heavy traffic, malls and office buildings. Generally, Beauty Bungalows are located in an existing shopping center with an approximately 6,000 to 8,000 square feet. We base our estimates for Rent or Real Estate on a prototypical store of approximately 7,000 square feet. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you. We require you to include certain lease provisions as set forth in Section 10.05 of the Franchise Agreement. Legal fees are included in our estimates for leasing the premises but not for the purchase of real estate. The purchase of real estate may have additional legal expenses.

Your rent will depend on the site's size, condition, visibility, accessibility, and location, local market conditions, and demand for the premises among prospective lessees. ~~In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C. and in certain other high demand districts, prevailing market rents could be significantly higher than the high estimate. We cannot accurately project your specific rent costs. You should consult with a local commercial real estate broker to get a more accurate estimate of costs in your market.~~

4. Utilities: Includes utility costs and deposits through the initial month of operation of your Franchise location.

5. Leasehold Improvements: The numbers provided cover the interior build out of a location and are based on our collective experience in the salon business and our combined years in the real estate industry. These estimates are based on the build out of one location. If you purchase multiple franchises at one time, you will incur additional expenses for each location purchased. Your location will typically be leased, although some franchisees own their locations. These costs are the same regardless of whether you buy a building or lease space. Franchisees can choose whether to office from home, maintain onsite offices or lease other space. This is not a Beauty Bungalows requirement. ~~The costs will vary widely and may be significantly higher than projected in this table depending on such factors as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property.~~ You should investigate all of these costs in the area where you wish to establish a Beauty Bungalows Franchise.

If you are able to negotiate a tenant improvement allowance from your landlord, the landlord typically may require you to provide proof that you have paid for the leasehold improvements before reimbursing you the money. Some landlords may require you to receive the tenant improvement allowance in the form of reduced rent over the life of your lease, rather than in the form of a lump sum reimbursement. ~~As a result, your actual out-of-pocket costs, and the cost of any construction financing that you may need to obtain may be significantly higher than the net leasehold improvement costs presented in this table.~~

Your actual costs will depend on, among other factors, the Franchise location, the size of the Franchise, Beauty Bungalows Franchising, LLC 2024 FDD

the condition of the premises being remodeled, national and local economic factors, the local costs of materials and labor, and the amount of tenant improvement allowances that you are able to obtain, if any. ~~In certain~~

~~major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs could be significantly higher than the estimates provided here due to local market rates for materials and labor.~~

6. Furniture, Fixtures, and Equipment: This estimate includes your costs for furniture and fixtures in the common areas and suites portions of your Franchise. Common area spaces should be equipped with an entrance logo, seating, sconces, individual studio signs, and interior decor. Individual studios should be equipped with a sink and cabinet or shampoo basin, and locking doors. Each studio will differ based on size but we will provide you with the Design and Brand Standards Manual.

7. Architecture & Design: This estimate includes your costs for architectural plan drawings (including MEP) drawings for your Beauty Bungalows Franchise. You must use an architecture design firm that we approve.

8. ~~9.~~ Computer Systems: You will be required to purchase or license computer equipment and software for the operation of your Beauty Bungalows Franchise. While we do not require any specific vendors for computer, Internet, and communications equipment, we require that you meet certain minimum standards established periodically in the Manual.

9. ~~10.~~ Insurance: You must obtain and maintain certain types and amounts of insurance. Item 8 describes in further detail these requirements. The cost figures stated above are only estimates. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees and lifestyle professionals, square footage, location, business contents, and other factors bearing on risk exposure. The above estimate contemplates insurance costs for three (3) months.

10. ~~11.~~ Signage: This estimate includes the cost of outdoor identification on the Franchise and displays and signage through the Franchise location.

11. ~~12.~~ Office Expenses: These estimates include your costs for general office supplies and furniture used in the operation of your Beauty Bungalows Franchise. You are not required to maintain a dedicated office space within your Beauty Bungalows Franchise location, but you may choose to do so depending on the size and layout of the space you secure for your Site.

12. ~~13.~~ Grand Opening Marketing Spend: You must spend a minimum of \$1,000 on approved advertising or event promotions during the week of the grand opening of your Beauty Bungalows Franchise. You must submit to us a grand opening marketing plan for our approval and provide us with sufficient evidence to show you have spent the minimum Grand Opening Marketing Spend amounts. We may permit you to reduce the amount of your Grand Opening Marketing Spend if you have at least 75% of your suites booked prior to opening your Beauty Bungalows Franchise.

13. ~~14.~~ Business Licenses and Permits: This estimate includes the cost of acquiring business licenses and permits. Your costs will vary depending upon your Beauty Bungalows location.

14. ~~15.~~ Professional Fees: This estimate includes the cost of professional fees that you may incur in establishing your business. Such expenses may include fees payable to attorneys, accountants, and finance originators that you will need to use for the review of this Disclosure Document and its Exhibits, as well as for entity formation and lease negotiation.

15. Travel and Living Expenses to Training: This estimate is for the cost of three people to attend Initial Training in Costa Mesa, California. We provide the initial training program tuition-free for up to three (3) of your representatives, however, you are required to pay the expenses that you will incur for travel, food, and lodging during the initial training program. The costs you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. The low end of this estimate assumes that one (1) person will be attending initial training at our corporate offices in Costa Mesa, California and that you will not need to purchase a flight to attend, while the high end assumes that a total of three (3) individuals will attend the initial training and will be required to purchase a flight to/from that training in order to attend. The actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices.

16. Additional Funds (3 Months): Based on our experience with our Company-Owned Outlet locations, this estimates your initial startup expenses for an initial three-month period, not including payroll costs, and does not include any revenue generated by the operation of your Business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Business. Your expenses will depend on factors such as: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions (e.g., the local market for our rental spaces), the prevailing wage rate, competition and the sales level reached during the initial period. If you have had

prior experience with successfully developing commercial real estate, then your additional fees are likely to be lower than if you do not have prior experience with successfully developing commercial real estate.

~~19.~~ 17. ~~Total~~ We relied on our collective experience in the salon business and combined years in the real estate industry to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

B. YOUR ESTIMATED INITIAL INVESTMENT - MUDA

Type of Expenditure	Low Estimate (2 Units)	High Estimate (10 Units)	Method of Payment	When Due	To Whom Payment Is Made
Development Fee (1)	\$89,900	\$314,900	Lump sum	Upon signing MUDA	Us
Estimated Initial Investment for First Business (2)	\$715,500	\$1,655,600	As incurred	As incurred	Us and third parties
TOTAL (3)	\$805,400	\$1,970,500			

1. Development Fee. Upon signing the MUDA, you must pay us the Development Fee. The Development Fee varies based on the number of Beauty Bungalows Franchises you commit to develop. The low estimate is based on a commitment to develop two (2) Beauty Bungalows Franchises and the high estimate is based on a commitment to develop ten (10) Beauty Bungalows Franchises. We may, in our discretion, permit you to enter into a MUDA for more than ten Beauty Bungalows Franchises. The Development Fee will be credited towards the initial Franchise Fee for each Beauty Bungalows Franchise developed under the MUDA. The Development Fee is not refundable. See Item 5.

2. Estimated Initial Investment for First Business. For each Beauty Bungalows Franchise that you develop under a MUDA, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single Beauty Bungalows Franchise as described in the first table of this Item 7. This estimate is based on the expenses described in the first table of this Item 7. The estimate does not include the Franchise Fee, since the Development Fee is credited towards the Franchise Fee for each Studio.

3. Total. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements.

~~4.~~

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

We require that you establish and operate your franchised location in compliance with your Franchise Agreement. You must strictly follow our specifications as set forth in the operations manual we provide to you or other written materials from us (collectively, the “Manual”), which we may modify from time to time, and which may be in print or electronic format. We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, tenant recognition, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Beauty Bungalows Franchise, all fixtures, furniture, and equipment and all salon designs must conform to our standards and specifications, which have been established through years of experience. In the future, we may modify our fixtures, furniture, and equipment and salon design specifications.

You are required to subscribe to and use the bookkeeping, accounting and record keeping and data processing system conforming to the requirements and formats that we prescribe, including our standard chart of accounts and methodology, format, submission process and timelines. You must use the operational data control system approved by us, as further described in the Manuals. You must furnish us period reports, which include and are not limited to, gross revenue and rent revenue reports, vacancy and occupancy reports, lease expirations reports, profit and loss statements, balance sheets, statement of cash flows, sales activity reports and annual tax returns for all entities and corporations related to your Beauty Bungalows Franchise. We may require you to provide us access to some or all of these reports via our accounting and/or CRM software programs.

~~We and our affiliates may derive revenue or other material benefit from required purchases or leases by Franchisees. As we have just begun franchising, we and our affiliates have not derived revenue or other material benefit from required purchases or leases of products and services by Franchisees, but we may do so in the future.~~

During the 2023 fiscal year, neither we nor our affiliates earned any revenue, rebates, or other material considerations from required purchases or leases in the 2023 fiscal year.

We estimate that your purchases from designated or approved suppliers or in accordance with our specifications will represent approximately between 60% and 85% of your total purchases in connection with the establishment of your business and will represent from 25% to 50% of your ongoing expenses.

We and our affiliates may receive rebates from suppliers and vendors based on your purchases of products and services, promotional allowances, volume discounts and other programs. As we have just begun franchising, we and our affiliates have not received any rebates from suppliers or vendors based upon franchisee purchases of products or services. None of our owners, directors, or principal officers owns any interest in any designated or approved supplier. There is one designated supplier for certain items of furniture, fixtures, and equipment that you will use in the build-out of your Beauty Bungalows franchise. We are entitled to receive a rebate equal to 5% of the amount a franchisee purchases for items sourced through this supplier. None of our owners, directors or affiliates owns any interest in this designated supplier. In the 2023 fiscal year we did not receive any amounts from our suppliers.

If you would like to purchase required items from another supplier (other than our designated supplier), you may request our approval by submitting a written request for an evaluation of the alternative product or supplier. Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier's business reputation, delivery performance, credit rating and other information. You will be required to pay our actual costs incurred by us in investigating the supplier or vendor. The additional costs are estimated to be between \$1,000 and \$2000 but may be more. The costs will include time, travel and materials associated with our reasonable efforts to investigate, inspect, test, and do reasonable due diligence on the proposed supplier or vendor. We expect to complete our review and advise you of our decision within 30 days after you submit the required information. The specifications and standards for these required purchases are in the Manual. We reserve the right to disapprove any previously approved vendor whose performance falls below our standards. We will make any approvals of new vendors or revoke approval of vendors in writing based on the vendor's credit worthiness, delivery standards, and cost and will incorporate our decision in the Manual. The specifications and standards for these required purchases are in the Manual.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may implement a centralized purchasing system in the future, and we may negotiate purchase arrangements with suppliers and distributors, including price terms, for the benefit of the Beauty Bungalows system as a whole, including us, our affiliates, and our Franchisees, in the future. We may receive rebates or volume discounts from our purchase of salon equipment, beauty supplies, hair care products or salon or spa inventory that we 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 Beauty Bungalows Franchising,

by-case basis, considering factors such as size, appearance, and other physical characteristics or the site, demographic characteristics, traffic patterns, competition from other businesses in the area (including other Beauty Bungalows locations) and other commercial characteristics such as purchase price, rental obligations, and other lease terms. We will assist you with a list of site criteria to help you locate a suitable site. ~~Our approval of the site, however, does not and cannot provide any guarantee of representation that the site will be successful.~~

You must construct and develop your location at your own cost and expense. You must develop your location in accordance with such exterior and interior materials and finishes, dimensions, design, image, interior layout, décor, fixtures, furnishings, equipment, color schemes and signs consistent with System products and Marks. You must utilize an architect designated by us to draft a preliminary test fit floor plan and directly pay our designated architect for such. You must prepare all required construction plans and specifications to suit the shape and dimensions of your site and to ensure that the plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. The architect that you use for a full set of construction documents and required engineering must be approved by us. You must submit construction plans and specifications to us for our review before you begin construction of your Beauty Bungalows Franchise, and you must submit all revised and “as built” plans and specifications to us during the course of construction. Our review is not designed to assist with compliance with local ordinances and building codes, including ADA standards and requirements, or obtaining any required permits and is limited to review of such plans to assess compliance with our design standards.

In developing and operating your location, you must use only the fixtures, furnishings, equipment, and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function, and performance. You must use our designated or approved suppliers for fixtures, furnishings, equipment, and décor for developing your location. These approved suppliers are the only ones that meet our specifications and standards for these items, and you must purchase these items from these approved suppliers. You may only display at your Beauty Bungalows Franchise the signs, emblems, lettering, logos, and display materials that we approve in writing. We have the right to install all required signs at the premises at your expense, although our current practice is to require you to install the signs.

Website and Social Media

You may not promote, offer, or sell any products or services relating to your Beauty Bungalows Franchise, or use any of the Marks, through the Internet without our consent. We or our affiliates are the lawful, rightful, and sole owner of the www.beautybungalows.com domain name and you may not claim any ownership interests in any similar phrase or any similar Internet domain name. You (and your owners if you are a business entity) agree not to register any Internet domain name in any class or category that contains the Marks or any abbreviation, acronym, combination, derivative, or variation of the Marks.

You will use the Beauty Bungalows website www.beautybungalows.com (the “Franchise Website”) in strict compliance with the standards, protocols, and restrictions we include in the Manuals. You must implement all reasonable procedures we prescribe periodically to prevent unauthorized use and strict compliance with the standards, protocols, and restrictions we include in the Manuals regarding the use of the Franchise Website among your owners, general managers, assistant managers, and the like. You must notify us when any partner or employee ceases to be affiliated or employed with your Beauty Bungalows Franchise so we can remove their access to the Franchise Website. You recognize and understand the crucial importance of the Franchise Website users not transmitting Confidential Information, documents, or data from or via the Intranet or Internet without first encrypting the transmission with the encryption program we may either require you to purchase or approve of your purchase.

~~1.~~ methods of territory determination set forth in the Manuals. (See Sections 4 and 10 of the Franchise Agreement).

~~2.~~ 2. Provide you with access to an electronic copy of our confidential operating Manual, which contains mandatory and suggested specifications, standards, operating procedures, and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit F to this Disclosure Document. The Manual currently contains 188 pages.

~~3.~~ 3. Provide advice about selecting and analyzing a Site for the Franchise. Your Site must meet our minimum requirements as set forth in the Manuals for square footage, layout, visibility, and other factors that we may determine from time to time. Site selection is your responsibility, but we will assist you in the site selection process by considering population density, traffic patterns, and proximity of the proposed site to other Beauty Bungalows or any other reasonable criteria. You must secure a Site that we have approved by signing a lease or purchase agreement within ninety (90) days of the date of this Agreement. We may extend the deadline for acquisition of a Site by 90 days in our sole discretion, and we may require you to pay a \$2,500 extension fee and execute a general release as a condition of us agreeing to grant such extension. We will approve or disapprove your proposed Site within 30 days after we receive notice from you of your proposed Site. ~~Our assistance in no way constitutes a representation or warranty with respect to the property.~~ (See Section 8.02 and 10.01 of the Franchise Agreement). If you enter into a MUDA with us, then upon execution of the MUDA, we will designate an exclusive Development Area within which you will develop and establish franchised locations. You must execute our then-current form of franchise agreement for each franchised location to be developed under a MUDA. For each franchised location under a Franchise Agreement executed pursuant to a MUDA, we will approve the Site, and provide the site selection assistance, in accordance with such Franchise Agreement as summarized in this Item 11 and in Item 12. We generally do not own your premises and lease it to you. (See Sections 1.1 and 3.1 of MUDA.)

~~4.~~ 4. Upon your request, provide you advice about the negotiation of the lease or purchase of a location for your Beauty Bungalows Franchise, which will be leased or purchased by you from independent third parties. We do not own premises that are then leased to you. We are not acting as your direct representative or attorney in lease negotiations and our assistance in no way constitutes a representation or warranty with respect to the lease or purchase. (See Section 8.02 and 10.01 of the Franchise Agreement)

~~5.~~

5. Provide information regarding our pre-approved salon equipment vendors, design firms and beauty supplies for your opening inventory and supplies used in the Business. We do not deliver to or install any of these items in your Business.

6. We will advise you regarding the planning and execution of a grand opening event at or around the time of opening your Beauty Bungalows Franchise.

7. Prior to opening your Beauty Bungalows franchise, we will provide training to you as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation and Overview	4	0	Costa Mesa; California, an existing Beauty Bungalows location, or virtual

obtain a building or lease, obtain general business permits, training, financing, or building permits, zoning and local ordinances, weather conditions, shortages, and installation of equipment, fixtures and signs. Our assistance does not include conforming the premises to local ordinances and building codes or obtaining any required permits. Unless otherwise agreed to in writing by the parties if you do not make reasonable efforts to open your franchise by the end of twelve (12) months we may terminate the Franchise Agreement and retain all monies received. (See Section 10.03, Franchise Agreement).

Schedule for Opening

It is estimated that the length of time between the signing of the Initial Franchise Agreement and the opening of your Business will usually be about 12 to 18 months. Factors affecting this length of time include financing arrangements, property lease terms, construction or conversion requirements, and scheduling and completion of the training program.

If you enter into a MUDA with us and unless otherwise agreed to in writing, you will be required to sign our MUDA (Exhibit H) and agree to open your additional units upon a set schedule that we determine (your "Development Schedule"). Your failure to meet the development schedule is a default under your MUDA. Upon default we may terminate your rights to develop one or more of the additional franchises in your Development Schedule or terminate the MUDA in its entirety. However, a default under the MUDA will not, by itself, be a default of any effective Franchise Agreements between you and us.

Ongoing Assistance

During the operation of the franchised business, we will:

1. Offer you a reasonable amount of continuing advisory services by telephone during normal business hours. We may also provide additional trainings or conferences, for which you may incur a fee. We may also provide to you visits by our field representative, but any additional on-site consultation or advisory services you request may incur a fee. (See Sections 8.01, 8.05, and 8.06 of the Franchise Agreement).
2. We will include information about your Beauty Bungalows Franchise on our website. (See Section 8.11 of the Franchise Agreement).
3. Provide marketing, promotional materials, and services to you. Materials provided may include video and photography, copy-ready print marketing materials, posters, mailers, banners social media graphics and copy, digital advertising collateral, and miscellaneous items. You will receive one sample of each at no charge. If you want additional copies, you must pay duplication costs. We may use either national advertising agency or a regional advertising agency and marketing agencies and internal staff to create advertising. You may develop marketing materials for your own use, at your own cost. We must approve the marketing materials in advance and in writing within fifteen days from receipt. We reserve the right to utilize marketing and photography/videography developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.02 of the Franchise Agreement).
- ~~5.~~ 4. We may hold periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, studio rental developments, training, bookkeeping, accounting, advertising programs and new service procedures. We may require you to attend these conferences at our then-current conference attendance fee, currently \$500 per attendee. If we charge a conference fee, you will be required to pay the fee regardless of your attendance at the conference (See Item 6). You must pay all of the travel and living expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters or at another location chosen by us. We estimate the cost of the travel and living expenses to attend the conferences to be between \$1,500 and \$3,000. We may provide other trainings/conferences from time to time, and you may be required pay an Additional Training Conference fee for attending these additional trainings/ conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference. You must

no fiduciary duty to you regarding the Fund or your contributions to the Fund. We have no obligation to make expenditures for franchisees in their area or territory or that are equivalent or proportionate to any individual franchisee's contribution to the Fund or ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or deployment of marketing purchased with money from the Fund. If the Fund operates at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Fund on any terms we determine. We are not required to use all contributions collected for the Fund in a given year, and we may retain the amount to spend on the Fund in future years. An unaudited annual financial statement of the Fund will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request.

There were no contributions made to the Brand Fund as of the close of our previous fiscal year.

The Fund is intended to maximize public recognition and acceptance of the Beauty Bungalows brand, increase business, and enhance the collective success of all salons operating under the System. We will administer contributions to the Brand Fund in our sole determination for the creation and development of marketing, advertising, promotions, and related programs and materials, including electronic, print, and internet media, as well as the planning and purchasing of national, regional, and/or local advertising. We will direct all advertising and marketing programs funded by the Fund, including but not limited to research methods, branding, creative concepts and materials, sponsorships, and endorsements, selection of geographic and media markets, and media placement and allocation thereof. We may reimburse our self from the Fund for its expenses in administering the Fund or any MAM Program(s), including expenses related to third-party services, in-house services, contractors, employees and other costs related to the managing the Fund and the collecting Fund contributions. The Fund or any MAM Program(s) may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising or marketing, including, without limitation, (a) the costs or preparing and conducting marketing campaigns intended to enhance the brand, including marketing, advertising, or promotions that are directed at consumers, salon professionals or general business professionals such as lenders to franchisees, landlords and beauty industry participants, (b) digital marketing, (c) social media marketing, (d) in-store and point of purchase marketing, (e) public relations activities or events, intended to enhance the brand, that are directed at consumers, salon professionals or general business professionals such as lenders to franchisees, landlords and beauty industry participants, (f) employing or engaging advertising and/or marketing personnel, contractors or agencies, (g) development, enhancement and maintenance of Beauty Bungalows- sponsored or promoted websites and mobile applications, (h) costs incurred by Beauty Bungalows for personnel and other departmental costs for marketing purposes, (i) Beauty Bungalows programs and differentiators relating to education and support, (j) technologies and platforms used by Beauty Bungalows franchisees and Customers, and (k) other internal or administrative costs, expenses, or overhead caused by or related to the collecting, administering and managing the Fund or any MAM Program(s) or creating, preparing, distributing, monitoring and managing marketing related marketing or advertising programs or campaigns, websites and mobile applications.

We will not use the Fund or any MAM Program(s) for advertising that is principally a solicitation for the sale of Beauty Bungalows Franchises, but we reserve the sole right to pursue any franchisee or business opportunity that results from any MAM Program or any use of the Fund, including marketing, promotional, public relations, and advertisement activities. We reserve the right to include notations in any advertisement or marketing platform, including websites or mobile applications, that Beauty Bungalows Franchises are available (or similar phrasing) along with contact forms or informational pages. ~~As we have just begun franchising, we~~ We did not collect any contributions to the Fund in our previous fiscal year.

We may develop advertising internally, or contract with local, regional, or national agencies to develop advertising for the brand fund.

Regional Advertising Cooperative

the geographic area, including those operated by us and our affiliates, if applicable. We may require you to join a Marketing Cooperative existing or established in a geographic area encompassing your Beauty Bungalows franchise. We will determine how any Marketing Cooperative is organized and governed, but the Marketing Cooperative's members are responsible for its administration and determination of contribution levels, provided your required contribution to the Marketing Cooperative will not exceed 2% of your Beauty Bungalows Franchise's location's monthly Gross Revenue. Each Marketing Cooperative will operate under written governing documents prepared by us or our designee. Such documentation will be made available to members of the Marketing Cooperative upon reasonable request. Marketing Cooperatives will prepare an annual unaudited financial statement and make it available to members upon reasonable request. All material decisions of the Marketing Cooperative, including contribution levels, will require the affirmative vote of at least 51% of all Beauty Bungalows operating within the Marketing Cooperative's area (including those that we and our affiliates operate, if any), with each Beauty Bungalows franchisee group receiving one vote. We may form, modify, change, dissolve, or merge Marketing Cooperatives. Funds contributed to a Marketing Cooperative will not be utilized to solicit new franchise sales. Any fees you pay to a Marketing Cooperative will count towards your Local Area Marketing Requirement, though the fees imposed by the Marketing Cooperative may exceed your required Local Area Marketing Requirement obligation.

Other Advertising Information Council

~~We have the right to form, change, dissolve, or merge franchisee advisory council(s).~~ Currently, we have not formed any council of Beauty Bungalows franchisees, but we may do so in the future. We have the right to form, change, dissolve, or merge franchisee advisory council(s). When established, the Beauty Bungalows Franchise Advisory Board ("BBFAB") will provide us with general input but will not have decision making authority or the ability to obligate us to any particular course of action outside of our obligations set forth in the Franchise Agreement. Council members may be selected for any characteristics, such as region and experience. We will give due consideration to all input from the council, but we retain the ultimate decision-making authority and responsibility for all matters. If we submit a matter for approval by the BBFAB and that matter is approved by a majority vote of the BBFAB, that approval will be fully binding on you.

Computer Systems, Proprietary Software, and Internet Access

We do not currently require you to purchase any particular brand of computer hardware to establish or operate the Business, but we do specify the standards for computer and communication equipment and Internet access. The minimum hardware requirement is a laptop or desktop computer with 4 GB RAM, a 128 GB Hard Drive, internet access, the ability to run the business management software we designate, and the ability to run basic business function software programs such as Microsoft Office and bookkeeping software. This hardware may be obtained from any computer reseller such as Staples, Office Depot or Best Buy and will cost from \$500 to \$1,000.

You must provide us real-time internet access to the information contained in the computer system and/or the software utilized in the operation of your Beauty Bungalows Franchise. However, we will be restricted to the information relating only to your Beauty Bungalows Franchise. Beauty Bungalows has the contractual right to pull the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. Beauty Bungalows will not have the right to access other types of data on your computer and does not have the ability to access it independently. Neither we nor our affiliates have any obligation to provide ongoing maintenance, repair, upgrades or updates to any computer system or software.

We reserve the right to specify computer hardware or software standards in the future. You must have access to the Internet, have an electronic mail address and periodically check your electronic mailbox and the portion of our website devoted to franchise owners. We have the sole right to market and sell on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all Beauty Bungalows Franchising,

accordance with the Franchise Agreement for such franchised unit and our then-current site selection criteria, as summarized below.

Each Franchised unit purchased will operate from one location approved by us and must receive our permission before relocating. We will grant approval to relocate if you are in compliance with the Franchise Agreement and/or the MUDA, you have paid all money owed to us and/or our affiliates, and the proposed location meets our site selection criteria as specified in the Manual. In order to relocate the franchisee must pay the relocation fee and meet the then-current site selection criteria, which we will provide. You must submit proposals for the location within three (3) months of signing the Franchise Agreement. We will approve or disapprove your proposed site within thirty (30) days after we receive notice from you of your proposed site. You may also request our site selection services and pay the Site Selection Assistance Fee (See Items 5 and 7). Our assistance in no way constitutes a representation or warranty with respect to the property.

Neither Beauty Bungalows, nor any affiliate, will operate, a Business using the Marks you are authorized to use nor grant franchisees the right to operate a Business using the Marks you are authorized to use within your Protected Territory, but Beauty Bungalows, its affiliate and its franchisees have the right to operate a Business using the Marks anywhere outside your Protected Territory. Neither Beauty Bungalows, nor any affiliate currently plan to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer. Unless otherwise agreed to in writing by the parties, the boundaries of your Protected Territory will not be adjusted during the Term regardless of whether the population of your Protected Territory increases or decreases over time.

Your Protected Territory does not extend to, and you may not advertise independently on, the Internet or World Wide Web. We will maintain Beauty Bungalows web pages that will include information regarding your Beauty Bungalows Franchise. You may not solicit or advertise to customers of another Beauty Bungalows franchisee (other than general solicitation through direct mail and social media advertising across large, multiple geographic areas) and your advertising must be approved by us and cannot be used without our express written permission.

~~There are no restrictions on franchisees from soliciting or accepting orders from consumers outside its territory.~~ There is no compensation the franchisor must pay franchisee for soliciting or accepting orders within the franchisee's territory.

There is no minimum sales quota; however, there is a minimum royalty fee to encourage development of business in your territory. The minimum monthly royalty fee of \$250 per week is required regardless of your particular level of sales. Failure to pay the royalties or minimum royalty is a material breach of the Franchise Agreement and may result in termination of your Franchise Agreement.

You do not receive the right to acquire additional franchises within your area or any contiguous area by this agreement alone. You do not receive any right of first refusal or right of first offer to acquire additional franchises within your Site Selection, Development Area, or any contiguous area. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional franchises within or outside your local trade area. You do not receive any rights to use any other channel of distribution for our products or services without our written consent.

We and our affiliates may sell products under the Marks within and outside your Protected Territory through any method of distribution other than a dedicated Beauty Bungalows location, including, sales through such channels of distribution as the Internet, catalog sales, telemarketing, or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Protected Territory except as described in the following paragraph and you will receive no compensation for our sales through alternative distribution channels except as described in the following paragraph.

Trademark	Registration Number	Registration Date
BEAUTY BUNGALOWS	6824857	August 23, 2022
BEAUTY BUNGALOWS	6521235	October 12, 2021
	7135897	August 15, 2023

There is no currently effective determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the Marks that is relevant to your use of these Marks.

No currently effective litigation affects our use or ownership rights in a trademark. There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed in this section in a manner material to the franchise.

You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Beauty Bungalows Franchise and will use the appropriate Marks as indicated by us. You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time in our discretion.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action. We will indemnify you for any claims of infringement or challenges resulting from your approved use of our Marks in accordance with the Franchise Agreement, and we will be responsible for the defense and the cost thereof. If your use of the Marks in a manner that is unapproved under the Franchise Agreement or the Manuals results in any action against, we will not have any obligation to indemnify or defend you in any action resulting from that unapproved use.

You must modify or discontinue the use of a Mark if we modify or discontinue use. The use of a new or modified trademark may be required, and you may be required to replace existing signs using new signs displaying our new or modified trademark. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Beauty Bungalows Franchising,

Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. ~~You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before starting your Beauty Bungalows Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Beauty Bungalows Franchise name.~~

While we have not yet been required to renew any registrations, we intend to file all affidavits and renewals as required by the USPTO to maintain our Marks.

ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no pending patent applications that are material to the franchise. We hold no patents and have no pending patent applications. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Confidential Operating Manual.

There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights, which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Marks described in Item 13 of this Disclosure Document.

Confidential Information

You may not, during the Initial Term, any Renewal Term, or after the expiration or termination of the Franchise Agreement, reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you who perform work for the business or who have access to our confidential information must first sign our then-current form of Nondisclosure and Noncompetition Agreement, the current form of which is attached to this Disclosure Document as Exhibit G.

Our confidential information will include services, technologies and procedures relating to the operation of a Beauty Bungalows Franchise; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the Beauty Bungalows System; the Manual: methods of advertising and promotion: instructional materials; and other matters.

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

You or a fully trained and qualified manager (“Manager”), who has completed our training program, must directly supervise, and participate in the actual day-to-day operation of the Beauty Bungalows Franchise on a full-time basis. Neither you nor your Manager may have an interest or business relationship with any of our business competitors. In the event that your Manager resigns or is otherwise terminated, you must hire a replacement approved by us in writing who meets our then current standards for Managers and who is approved by us in writing before hiring, within 30 days after the resignation or termination of the former Manager. You must train the new Manager within 30 days of hiring. If you are an entity, we do not require that your designated Manager own an equity interest in such entity. You are responsible for ensuring that your Manager, employees and contractors do not disclose our confidential information. Each of your officers, directors, partners, shareholders, or members (and, if you are an individual, immediate family members) who perform work for the business or who have access to our confidential information must execute our then-current form of Nondisclosure and Non-Competition Agreement, the current form of which is attached to this Disclosure Document as Exhibit G. Other than the above, we make no other recommendations and have no other requirements regarding

T	Integration/merger clause	Section 18.01	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and the Franchise Agreement may not be enforceable. Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document.
U	Dispute resolution by arbitration or mediation	Section 16	Except for certain claims, all disputes must be arbitrated (subject to state law).
V	Choice of forum	Section 16.06	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of California (subject to state law).
W	Choice of law	Section 16.06	California law applies, excluding the California Franchise Relations Act and the California Franchise Investment Law except with respect to franchises which are physically located in California and/or operated by residents of the state of California (subject to state law).

See Exhibit E, the state specific addenda to the Franchise Agreement and Disclosure Document for special state disclosures.

THE MULTI-UNIT DEVELOPER RELATIONSHIP

This table lists certain important provisions of the Multi-Unit Development Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

	Provision	Section in MUDA Agreement	Summary
A	Length of the MUDA term	Section 5	The term expires upon the deadline to develop the Franchised Businesses specified in the Development Schedule or upon the development of all Franchised Businesses.
B	Renewal or extension of term	Not Applicable	Not Applicable
C	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
D	Termination by franchisee	Not Applicable	Not Applicable Breach by us of material provision and failure to cure following proper notice (subject to state law).
E	Termination by franchisor without cause	None	Not Applicable

	<u>Provision</u>	<u>Section in MUDA Agreement</u>	<u>Summary</u>
G	“Cause” defined - curable defaults	Not Applicable	Not Applicable
	Provision	Section in MUDA Agreement	Summary
H	“Cause” defined - non-curable defaults	Section 6.1	You fail to have open and operating the minimum number of Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement.
I	Franchisee’s obligations on termination/nonrenewal	Section 6.2	You will lose the right to continue to develop Franchised Businesses in your Development Area.
J	Assignment of contract by franchisor	Section 7	Fully assignable and transferrable by us.
K	“Transfer” by franchisee - defined	Section 7	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are a business entity, any interest in the entity.
L	Franchisor approval of transfer by franchisee	Section 7	We have the right to approve or not approve all transfers in our sole discretion.
M	Conditions for franchisor approval of transfer	Section 7	We have sole discretion in setting conditions for our approval of a transfer.
N	Franchisor’s right of first refusal to acquire franchisee’s Business.	Section 7	We have the first right of refusal on all transfer, exercisable withing 30 days of receiving an executed copy of the contract of transfer.
O	Franchisor’s option to purchase franchisee’s Business	Not Applicable	Not applicable
P	Death or disability of franchisee	Not Applicable	We have the right approve or disapprove any transfer in our sole discretion.
Q	Non-competition covenants during the term of franchise	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement
R	Non-competition covenants after the franchise is terminated or expires	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement.
S	Modification of agreement	Section 9	No modifications to the Development Agreement unless you and we agree in writing. We may amend the Operations Manual at any time.

T	Integration/merger clause	Section 9	Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Development Agreement, the Franchise
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	Provision	Section in MUDA Agreement	Summary
			<u>law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.</u>
U	Dispute resolution by arbitration or mediation	Section 8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
V	Choice of forum	Section 8	The choice of forum provisions of the Franchise Agreement apply to the Development Agreement (subject to applicable state law)
W	Choice of law	Section 8	The choice of law provisions of the Franchise Agreement apply to the Development Agreement (subject to state law)

**ITEM 18.
PUBLIC FIGURES**

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

**ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial performance representation in this Item 19 is historic based upon our existing Company-Owned Outlets. It includes the historical financial and operational results from our 2 existing Company-Owned Outlets during the period beginning January 1, 2023 and ending December 31, 2023 (the “Measurement Period”). There is one additional Company-Owned Outlet which began operating in January 2023. Because this Company-Owned Outlet was not in operation throughout the entire Measurement Period, it is not included in this Item 19. There are no franchise outlets in operation as of the issuance date of this Disclosure Document. We have a reasonable basis and written substantiation for the financial performance information disclosed in this Item 19.

Part I and Part II of this Item 19 details the Gross Revenue generated by the Company-Owned Outlets during the Measurement Period along with (a) the costs and expenses associated with operating each Company-Owned Outlet (collectively, the “Operating Costs”); and (b) the estimated fees that would have been incurred by each Company-Owned Outlet in connection with the Royalty Fees, Beauty Bungalows Franchising,

(excluding those the Company-Owned Outlet also pays), if it were a franchise outlet governed by our current form of franchise agreement (collectively, the “Estimated Fees”) over the Measurement Period. Any differences between the operations of a Company-Owned Outlet and the operations of our franchised outlets are described in the footnotes to each table. The Company-Owned Outlet’s fiscal year follows the calendar year beginning January 1 and ending December 31.

Except for the Estimated Franchise Operating Expenses that are (a) estimated and calculated based on the Gross Revenue figures reported by the Company-Owned Outlet, and (b) required to be disclosed herein under applicable pre-sale disclosure laws, the data and information provided in Part I and Part II of this Item 19 are based on the historical and actual performance of the Company-Owned Outlets over the Measurement Period(s) detailed above.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

~~SOME OUTLETS HAVE SOLD THIS MUCH. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE YOU WILL SELL AS MUCH.~~
Some outlets have sold this amount. Your individual results may differ. There is no assurance you will sell as much.

Part I - Company-Owned Outlet #1 (15 Suites | ~3,000 sq ft.)¹

January 1, 2023 to December 31, 2023	
GROSS REVENUE²	\$283,619
Key Operating Expenses	
Advertising	\$400
Cleaning Supplies	\$589
Insurance	\$2,465
Janitorial	\$7,280
Legal/ licenses	\$705
Manager ³	\$0
Rent/NNN/CAMS Expense	\$141,036
Repairs & Maintenance	\$2,400
Utilities	\$11,320
Bank Fees	\$384
Total Key Operating Expenses	\$166,579
Estimated Franchise Operating Expenses⁴	
Royalty Fees (5.5%)	\$15,599
Brand Fund Contribution (1%)	\$2,836
<u>Advertising Adjustment (2% minus amount spent)</u>	<u>\$5,272</u>
<u>Technology Fee</u>	<u>\$1,800</u>
Total Franchise Expenses	\$18,435 <u>\$25,508</u>
EBITDA (if franchised)⁵	\$117,040 <u>\$91,532</u>
EBITDA (if franchised) Margin⁶	41.332.3 <u>%</u>

Suite Profiles ⁸
Total Suites: 15
Suite Size Range: 111 - 185 sq. ft.
Suite Rent Range: \$350 - \$490 per week.

Notes to Part I:

1. **Company Owned Outlet #1** – Company-Owned Outlet #1 operates in Huntington Beach, California and has been open since March 2017. It is comprised of 15 individual suites of varying sizes. ~~We estimate that your Beauty Bungalows Franchise location will typically be between 6,000 to 8,000 square feet and will contain 25-35 individual suites of varying sizes.~~

2. **Gross Revenue** – “Gross Revenue” means all amounts collected from suite rental income generated at Company-Owned Outlet #1 during each Measurement Period. Gross Revenue does not include any revenue collected in the form of taxes collected and then paid to applicable government agencies.

3. **Manager Compensation** – Company-Owned Outlet #1 was owner-operated and did not employ a dedicated Manager. You or a Manager you designate (and we approve) must personally oversee the operations of your Beauty Bungalows Franchise. Individual salon renters have secure access to their salons, and you are not required to have a staff member on site during the open hours of your Beauty Bungalows Franchise location, unless needed to oversee maintenance, upgrades, or otherwise attend to matters related to the business.

4. **Estimated Franchise Operating Expenses** – Company-Owned Outlet #1 did not pay us Royalty Fees ~~or~~, Brand Fund Contributions, or Technology Fees during the Measurement Periods. We have included a Royalty Fee ~~and~~, a Brand Fund Contribution, a Technology Fee, and an adjustment for advertising amount in the tables above as if Company-Owned Outlet #1 had paid these fees as required by the Franchise Agreement attached to this disclosure document.

5. **EBITDA (if franchised)** – “EBITDA (if franchised)” does not include expenses related to taxes, interest on debt, depreciation, or amortization costs. The numbers included in this figure are equal to the Gross Revenue, minus the Total Key Operating Expenses and Estimated Franchise Operating Expenses, for each Measurement Period.

6. **EBITDA (if franchised) Margin** – EBITDA (if franchised) Margin is calculated by dividing the EBITDA (if franchised) figure by the Gross Revenue figure for a given Measurement Period.

7. **Suite Occupancy Rate** – The Suite Occupancy Rate measures the suites at Company-Owned Outlet #1 were under contract for rent during the entirety of the Measurement Period. The occupancy rates disclosed above do not account for partial months in which tenants were moving into, or out of, a given suite.

8. **Suite Profiles** – Company-Owned Outlet #1 operated from a location with a smaller footprint, and with less total suites than we anticipate your Beauty Bungalows Franchise have. Typical Beauty Bungalows franchise locations will be 6,000 to 8,000 square feet with 30-40 suites available.

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Part II - Company-Owned Outlet #2 (27 Suites | ~5,700 sq ft.)¹

January 1, 2023 to December 31, 2023	
GROSS REVENUE²	\$509,170
Key Operating Expenses	
Advertising	\$800
Cleaning Supplies	\$622
Insurance	\$5,971
Janitorial	\$21,010
Legal/Licenses	\$207
Manager ³	\$0
Rent/NNN/CAMS Expense	\$240,838
Repairs & Maintenance	\$1,500
Utilities	\$20,496
Bank Fees	\$529
Total Key Operating Expenses	\$291,973
Estimated Franchise Operating Expenses⁴	
Royalty Fees (5.5%)	\$28,004
Brand Fund Contribution (1%)	\$5,092
<u>Advertising Adjustment (2% minus amount spent)</u>	<u>\$9,383</u>
<u>Technology Fee</u>	<u>\$1,800</u>
Total Franchise Expenses	\$33,096 <u>44,279</u>
EBITDA (if franchised)⁵	\$184,101 <u>\$172,918</u>
EBITDA (IF FRANCHISED) Profit Margin⁶	36.234.0 <u>%</u>

FY 2023 Suite Occupancy Rate
98%

Suite Profiles
Total Suites: 27
Suite Size Range: 110 - 200 sq. ft.
Suite Rent Range: \$310 - \$545 per week.

Notes to Part II

1. Company Owned Outlet #2 – Company-Owned Outlet #2 operates in Huntington Beach, California and has been open since April 2022. It is comprised of 27 individual suites of varying sizes. We estimate that your Beauty Bungalows Franchise location will typically be between 6,000 to 8,000 square feet and will contain 30-40 individual suites of varying sizes.

2. Gross Revenue – “Gross Revenue” means all amounts collected from suite rental income Beauty Bungalows Franchising, LLC 2024 FDD

~~You or a Manager you designate (and we approve) must personally oversee the operations of your Beauty Bungalows Franchise. Individual salon renters have secure access to their salons.~~

~~3. **3. Manager Compensation** – Company-Owned Outlet #2 was owner-operated and did not employ a dedicated Manager.~~

~~and you are not required to have a staff member on site during the open hours of your Beauty Bungalows Franchise location, unless needed to oversee maintenance, upgrades, or otherwise attend to matters related to the business.~~

~~4. **Estimated Franchise Operating Expenses** – Company-Owned Outlet #2 did not pay us Royalty Fees ~~or~~, Brand Fund Contributions, or Technology Fees during the Measurement Period. We have included a Royalty Fee ~~and~~, a Brand Fund Contribution, a Technology Fee, and an adjustment for advertising amount in the tables above as if Company-Owned Outlet #2 had paid these fees as required by the Franchise Agreement attached to this disclosure document.~~

~~5. **EBITDA (if franchised)** – “EBITDA (if franchised)” does not include expenses related to taxes, interest on debt, depreciation, or amortization costs. The numbers included in this figure are equal to the Gross Revenue, minus the Total Key Operating Expenses and Estimated Franchise Operating Expenses, for each Measurement Period.~~

~~6. **EBITDA (if franchised) Margin** – EBITDA (if franchised) Margin is calculated by dividing the EBITDA (if franchised) figure by the Gross Revenue figure for a given Measurement Period.~~

Notes Regarding the Company-Owned Outlets and Item 19 Generally:

~~1. The figures in the tables above use the historical information that the Company Owned Outlets provided. Upon your reasonable request, we will provide written substantiation for this financial performance representation.~~

~~2. This information may not reflect all operating expenses, or other costs or expenses that you may elect to incur which must be deducted from the gross revenues figure in order to obtain your net income or profit. This will affect the net income and/or cash flow of any outlet and must be carefully considered and evaluated. You should conduct an independent investigation of the costs and expenses that you will incur in operating your Beauty Bungalows Franchise.~~

~~3. The actual performance of any outlet will depend on a number of factors specific to the location, including:~~

- ~~• The impact of the COVID-19 pandemic and any related closures or stay at home orders;~~
- ~~• Any health care law regulatory compliance expenses;~~
- ~~• Rent, interest or other financing costs for land, buildings, equipment, and inventory;~~
- ~~• Initial franchise fee and organization costs;~~
- ~~• Economic and weather conditions of various geographic areas;~~
- ~~• Competition from a variety of other businesses;~~
- ~~• Different acquisition, development, construction, and property costs;~~
- ~~• Cost of equipment;~~
- ~~• Occupancy expenses such as rent, utilities and property taxes;~~
- ~~• Labor costs, payroll taxes and laws concerning employees and employee benefits;~~
- ~~• Different traffic counts, accessibility, visibility, and parking;~~
- ~~• Different results from advertising;~~
- ~~• Outlets have been in business for different periods of time in their respective markets;~~
- ~~• Cost of product and supply costs;~~
- ~~• Franchise payments including royalties; and~~
- ~~• Workers’ compensation and insurance coverage.~~

~~These and other expenses you incur will affect the net income and cash flow of the outlet. You should consider them and evaluate the impact on your operations.~~

~~4. The beauty services and salon suites business is highly competitive and affected by, among other things, changes in geographic area, changes in preferences, local, regional and national economic~~
~~5.~~

~~conditions, population trends, and traffic patterns. Additionally, acquiring a site is highly competitive with other businesses for suitable sites. The performance of your Beauty Bungalows Franchise will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.~~

~~6. The territory in which the Company Owned Outlets operate is in the state of California, where the Beauty Bungalows brand has likely obtained more of a reputation and positive goodwill among the relevant target market (as compared to another region of the United States where there are no Outlets in operation).~~

~~1.~~ ~~7.~~ This Item 19 does not reflect certain pre-opening costs and expenses over the Measuring Period that you are likely to incur in connection with development of a new Outlet. See Item 7 for details about pre-opening costs for your Business.

~~2.~~ ~~8.~~ You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided and our franchisees listed in Exhibit D to The ~~this Franchise Disclosure Document~~ to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.~~9.~~ Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

~~Other than the preceding financial performance representation, Beauty Bungalows Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jade Blevens, 526 Main Street, Huntington Beach, Ca 92648, and 209-996-8722, the Federal Trade Commission, and the appropriate state regulatory agencies.~~ financial performance representation does not reflect all of the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your [insert name of franchised business]. Franchisees or former franchisees, listed in Exhibit D of this Franchise Disclosure Document, may be one source of this information.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	2	0
	2021	1	1	0

**TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES
TO NEW OWNERS (OTHER THAN THE
FRANCHISOR) FOR YEARS 2021 TO 2023**

STATE	YEAR	NUMBER OF TRANSFERS
TOTAL	2021	0
	2022	0
	2023	0

**TABLE NO. 3
STATUS OF FRANCHISED
LOCATIONS FOR YEARS 2021 TO 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

**TABLE NO. 4
STATUS OF COMPANY-OWNED
OUTLETS* FOR YEARS 2021 TO 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
Totals	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2

**TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	5	0
Texas	1	2	0
Totals	2	7	0

Exhibit D lists (i) the names of all current Beauty Bungalows franchisees and the addresses and telephone numbers of their outlets as of the date of this Disclosure Document, and (ii) the name, city and state, and Beauty Bungalows Franchising, LLC 2024 FDD

has not communicated with us within ten weeks of the issuance date of this Disclosure Document. If you buy a Beauty Bungalows Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees. ~~In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Beauty Bungalows system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.~~

Associations and/or Organizations

As of the date of the issuance date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Included in Exhibit A to this disclosure document is our audited financial statements as of December 31, 2023, audited financial statements as of December 31, 2022, and audited financial statements as of December 31, 2021. Our fiscal year end is December 31.

[\[Remainder of page intentionally left blank. Item 22 begins next page.\]](#)

the property. Upon request, Franchisor will provide assistance to Franchisee in analyzing a site and in reviewing a lease for your Franchise. If a representative of Franchisor travels to your market or location to aid in site selection or market due diligence, Franchisee will be responsible for the representative's travel, meals and hotel costs. Franchisee may also be responsible for the Site Selection Assistance Fee. Upon request, Franchisor will analyze a site for the Franchise by examining population density, salon density, traffic patterns, and proximity of the proposed franchise to any other Beauty Bungalows, or any other reasonable criteria, as set forth in Section 10.02. Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. Franchisee must secure a Premises that we have approved by signing a lease or purchase agreement within ninety (90) days of the date of this Agreement. We may extend the deadline for acquisition of a Premises by 90 days in our sole discretion, and we may require you to [pay an extension fee equal to two thousand five hundred dollars \(\\$2,500.00\), and](#) execute a general release as a condition of us agreeing to grant such extension. Franchisor will approve or disapprove your site within thirty (30) days after receiving notice of the proposed Franchise location from Franchisee. If we have accepted a Premises for you Business and you are unable or unwilling to acquire such Premises or an alternative Premises that we accept within 90 days of the Effective Date of this Agreement, we may terminate this Agreement. Franchisee agrees that the location of the Franchise is a factor in the potential for success of the Business and Franchisor may reject any location in its sole discretion, but consent will not be unreasonably withheld.

8.3 Equipment, Inventory, Advertising and Services. Franchisor may specify or pre-approve certain furniture, fixtures and equipment, interior design firms and beauty supplies used in the Business, and Franchisee must comply with such specifications and approvals. Franchisor, in its sole discretion, may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which Franchisor elects.

8.4 Initial Training. If this is Franchisee's first franchise agreement with Franchisor, Franchisor will provide an initial training program as Franchisor may reasonably determine to be appropriate. Within the later of sixty (60) days of signing this Agreement or sixty (60) days of the designation of a location for your Business, Franchisor will provide the initial training program at its corporate headquarters, virtually, or at another location designated by Franchisor, to Franchisee and one designated Manager or other management-level employee. Franchisee and a designated Manager must attend and satisfactorily complete the initial training program. The initial training program consists of up to three (3) day sessions of discussion of the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise. Franchisee is responsible for personal travel, accommodation, and other costs of Franchisee, its Manager, and its employees while attending training. Franchisee will be charged Franchisor's current training fee for any additional persons attending training.

8.5 Ongoing Training. Franchisor will provide ongoing training and assistance as Franchisor may reasonably determine to be appropriate. Franchisor reserves the right to hold and require Franchisee to attend an annual conference to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. Franchisor may charge a fee for such annual conference. If a fee is charged for such mandatory conference, Franchisee will be required to pay the current conference fee, which shall not exceed \$500, regardless of attendance. Franchisee must pay all personal travel and living expenses for all of its owners and employees attending the conference. Conferences will be held at Franchisor's corporate headquarters, virtually, or at an alternate location chosen by Franchisor. Franchisor reserves the right to require Franchisee and Franchisee's Manager to participate in any continuing advanced training which Franchisor chooses to offer in the future ("Continuing Advanced Training"). The Continuing Advanced Training may be provided by various methods, including by telephone, SKYPE type video, e-mail, or webinars or distance learning. From time to time, Franchisor may host additional training conferences (other than the annual conference). If Franchisee or Franchisee's employees attend these additional training conferences ("Additional Training Conferences"), Franchisee may be required to pay a fee based upon the direct costs to Franchisor of retaining speakers and other direct expenses associated with the conference. Franchisee must pay all of the

travel and living expenses for Franchisee and any other employees or personnel who attend the Additional Training Conferences.

8.7

8.6 Opening and Continuing Assistance. Franchisor may provide on-site assistance in connection with initial training during the opening of the Franchise. Franchisor will provide ongoing assistance, at Franchisor's sole option and determination, by telephone, email, or other form of communication to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.7 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.8 Development of Programs. Franchisor may develop new interior designs and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new interior design and service methods to Franchisee on terms and costs reasonably determined by Franchisor.

8.9 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.10 Central Purchasing. Franchisor reserves the right to implement a centralized purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

8.11 Website. Franchisor will provide information regarding Franchisee's Business on its website, as set forth in Section 9.02.

9. ADVERTISING

9.1 Franchisee Local Advertising. Starting in the calendar year in which the Franchise location opens for business, Franchisee is required to spend a minimum two percent (2%) of monthly Gross Revenues on local advertising, marketing, and promotion (the "Local Area Marketing Requirement"). Expenditures that count toward the Local Area Marketing Requirement include, but are not limited to, marketing mailings and expenditures on distributor relations. The following items do not count toward your Local Area Marketing Requirement: parties, holiday gifts, fee reduction to existing Customers, referral fees, and other move-in or customer retention incentives. In addition to the Local Area Marketing Requirement, Franchisee will also be required to market and promote the Franchisee's Business for two months prior to opening the Business and during the first two months after opening the Business and must spend a minimum of \$1,000 in grand opening advertising during such period. We may reduce or waive the required grand opening marketing spend if you reach 75% or greater suite occupancy prior to opening your Business. All local advertising expenditures will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means. If you demonstrate that 75% or more of the suites within your Business are occupied, we may reduce, or waive entirely, the Local Area Marketing Requirement.

In addition to Franchisee's Local Area Marketing Requirement set forth in this Section 9.01, Franchisee must also participate in, at Franchisee's sole cost and expense, any Multi-Area Marketing Programs required by Franchisor as set forth in Section 9.03 below and contribute to the Brand Fund as set forth in Section 9.04 below. Without Franchisor's prior written consent, Franchisee may not market independently on the Internet or acquire an independent Internet domain name or website, but Franchisor will include Franchisee's Franchise on its website. Subject to Section 9.02 below, Franchisee may advertise the Franchise using social media, digital platforms, and Craigslist, but must first obtain Franchisor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

9.2 Advertising and Marketing Materials. Franchisor will provide Franchisee with advertising and marketing materials, in amounts that Franchisor determines at its sole option, which materials may include, but are not limited to, video and photography, copy-ready print marketing materials, posters, mailers, banners, social media graphics and copy, and digital advertising collateral. Franchisee must purchase any additional copies of advertising and marketing materials. Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove materials submitted by Franchisee within fifteen (15) days of receipt; and if not disapproved within such 15-day period, the materials shall be deemed approved. Franchisee hereby grants Franchisor an exclusive right to utilize any advertising and marketing materials, without cost, developed by Franchisee and Franchisor will have the right to grant other franchisees the right to use such advertising and marketing materials.

9.3 ~~9.4~~Multi-Area Marketing Programs. Franchisee will participate, at Franchisee's sole cost and expense, in any Multi-Area Marketing Program(s) required by Franchisor, in Franchisor's sole determination. Multi-Area Marketing Programs may require Franchisee's cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions, referral fees, or other amounts to Franchisor, its affiliates, or third parties. Franchisee will report to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means, any expenditures directly incurred by Franchisee at the direction of Franchisor in connection with a Multi-Area Marketing Program. Alternatively, at its sole option, Franchisor may require Franchisee to pay a fee to Franchisor, in an amount Franchisor determines at its sole option, in connection with a Multi-Area Marketing Program, which fee will be due and payable at the same time and in the same manner as the Royalty Fee. If Franchisor directly collects payments from Franchisee and other franchisees in connection with a Multi-Area Marketing Program, Franchisor will use such amounts in connection with such Multi-Area Marketing Program at Franchisor's sole determination, including to reimburse Franchisor's costs and expenses incurred in administering such Multi-Area Marketing Program. Franchisee acknowledges and agrees that a Multi-Area Marketing Program, or Franchisee's expenses or payments in connection with such Multi-Area Marketing Program, may or may not provide any benefit to Franchisee and may or may not be proportionate to expenses or payments incurred by Franchisee. Franchisor has no fiduciary duty with regard to any Multi-Area Marketing Program. Notwithstanding anything to the contrary in Section 9, Franchisee's combined total in a given calendar month of required expenses in connection with Multi-Area Marketing Programs and monthly contribution to the Brand Fund will not exceed two percent (2%) of Gross Revenue. Franchisor will not use any Multi-Area Marketing Program for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the sole right to pursue any franchisee or business opportunity that may result from a Multi-Area Marketing Program. Franchisor reserves the right to include notations in any advertisement or marketing platform, including websites or mobile applications, that Franchises are available (or similar phrasing) along with contact forms or informational pages. Franchisee must adhere to maximum pricing to the extent permitted by law in connection with any Multi-Area Marketing Programs. All Multi-Area Marketing Programs are Trade Secrets of Franchisor.

~~methods, branding, creative concepts and materials, sponsorships, and endorsements, selection of geographic and media markets, and media placement and allocation thereof. Franchisee acknowledges and~~
~~9.6~~

9.4 ~~9.5~~Brand Fund. Franchisee must contribute to the Brand Fund in an amount determined by Franchisor, which contribution amount will not exceed two percent (2%) of Gross Revenue per month, at the same time and in the same manner as the Royalty Fee. Franchisor may, at its sole option, adjust the amount of the required monthly contribution to the Brand Fund upon thirty (30) days' prior written notice to Franchisee; provided, notwithstanding anything to the contrary in Section 9, Franchisee's combined total in a given calendar month of required expenses in connection with Multi-Area Marketing Programs and monthly contribution to the Brand Fund will not exceed two percent (2%) of Gross Revenue. Franchisor will hold contributions to the Brand Fund in a separate bank account. Franchisor will administer contributions to the Brand Fund in Franchisor's sole determination for the creation and development of marketing, advertising, promotions, and related programs and materials, including

methods, branding, creative concepts and materials, sponsorships, and endorsements, selection of geographic and media markets, and media placement and allocation thereof. Franchisee acknowledges and agrees that expenditures from the Brand Fund may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. Franchisor has no fiduciary duty with regard to the Brand Fund. Franchisor may accumulate these contributions, and the balance may be carried over to subsequent years and used for the purposes determined by Franchisor. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the Brand Fund on any terms Franchisor determines. Franchisor may also utilize the Brand Fund to reimburse itself for expenses in administering the Brand Fund or any MAM Program(s), including expenses related to third-party services, in-house services, contractors, employees and other costs related to the managing the Brand Fund and the collection of required contributions to the Brand Fund, including but not limited to: (a) the costs or preparing and conducting marketing campaigns intended to enhance the brand, including marketing, advertising, or promotions that are directed at consumers, salon professionals or general business professionals such as lenders to franchisees, landlords and beauty industry participants, (b) internet marketing, (c) social media marketing, (d) in-store and point of purchase marketing, (e) public relations activities or events, intended to enhance the brand, that are directed at consumers, salon professionals or general business professionals such as lenders to franchisees, landlords and beauty industry participants, (f) employing or engaging advertising and/or marketing personnel, contractors or agencies, (g) development, enhancement and maintenance of Franchisor-sponsored or promoted websites and mobile applications, (h) costs incurred by Franchisor for personnel and other departmental costs for marketing purposes, (i) Beauty Bungalows programs and differentiators relating to education and support, (j) technologies and other platforms used by Beauty Bungalows franchisees and Customers, and (k) other internal or administrative costs, expenses, or overhead caused by or related to the collecting, administering and managing the Brand Fund or any MAM Program(s) or creating, preparing, distributing, monitoring and managing marketing related marketing or advertising programs or campaigns, websites and mobile applications. Franchisor will not use the Brand Fund for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the sole right to pursue any franchisee or business opportunity that results from the use of Brand Fund, including marketing, promotional, public relations, and advertisement activities. Franchisor reserves the right to include notations in any advertisement or marketing platform, including websites or mobile applications, that Franchises are available (or similar phrasing) along with contact forms or informational pages. An unaudited annual financial statement of the Brand Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon written request.

9.5 ~~9.7~~ Marketing Cooperatives. Franchisor may designate a geographic area in which two or more Beauty Bungalows are located as an area in which to establish a marketing cooperative ("Marketing Cooperative"). If a Marketing Cooperative exists, or Franchisor establishes a Marketing Cooperative, in a geographic area encompassing Franchisee's Franchise, Franchisee must join such Marketing Cooperative. The Marketing Cooperative's members will include all Beauty Bungalows operating in the geographic area, including any Beauty Bungalows operated by Franchisor or Franchisee's affiliates, if applicable. Franchisor will determine how any Marketing Cooperative is organized and governed, but the Marketing Cooperative's members are responsible for its administration and determination of contribution levels (up to but not exceeding two percent (2%) of monthly Gross Revenue). Any contributions Franchisee makes to a required Marketing Cooperative will also count toward the Local Area Marketing Requirement. Each Marketing Cooperative will operate under written governing documents prepared by Franchisor or Franchisor's designee. Such documentation will be made available to members of the Marketing Cooperative upon reasonable request. All material decisions of the Marketing Cooperative, including contribution levels, will require the affirmative vote of at least 51% of all Beauty Bungalows operating within the Marketing Cooperative's area (including those that operated by Franchisor or Franchisor's affiliate, if any), with each Beauty Bungalows Salon Studio receiving one vote. Franchisor may collect Marketing Cooperative fees and transfer those fees to the Marketing Cooperative, or the Marketing Cooperative may collect the fees directly, as Franchisor determines. Any fees that Franchisee pays to a Marketing Cooperative will count towards Franchisee's minimum local advertising obligation under Section 9.01. The fees imposed by the Marketing

Cooperative may exceed Franchisee's required minimum local advertising obligation under Section 9.01. Franchisor may form, modify, change, dissolve, or merge Marketing Cooperatives.

[9.6](#) ~~9.8~~

10. CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10.1 Premises Selection. You must identify a Premises in the Site Selection Area that is reasonably suitable for the conduct of the Business and is consistent with any site selection guidelines that we may provide, before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site that we, our designated broker, or you identify and determine whether to accept it using our proprietary site selection assistance criteria. You acknowledge that we may refuse to accept a proposed site for any reason. If we accept the proposed site and you obtain it, we will insert a description of the specific location on Schedule 1 to Appendix A. **YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OR PROPOSAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR BUSINESS. WHILE WE MAY PROVIDE ASSISTANCE AND GUIDANCE, IT IS SOLELY YOUR RESPONSIBILITY TO SELECT A SUITABLE SITE FOR THE BUSINESS.**

10.2 Definition of the Protected Territory. Once the Premises has been accepted, we will identify your Protected Territory in Schedule 1 to Appendix A based on the factors that we deem relevant, in our sole discretion, which might include demographics, the character and location of the Site, and nearby businesses and residences. Once we have defined the Protected Territory, you will have no territorial or other rights in those portions of the Site Selection Area that are outside the Protected Territory. You must return to us upon our request a signed copy of Schedule 1 to Appendix A acknowledging the Protected Territory we have designated.

10.3 Franchise Construction. Franchisee must construct or convert a building and equip the Franchise, at Franchisee's expense, in a good and workmanlike manner as specified by Franchisor. All interior designs, construction or conversion work must be completed in accordance with the standards and specifications of Franchisor, and must conform to all applicable zoning and other requirements of local authorities. All final space and fixture plans must be approved by Franchisor. Franchisor will approve or disapprove the plans within thirty (30) days of submission, and if not approved or disapproved within said thirty days, the plans shall be deemed approved. Franchisee must obtain required authorizations, licenses, certifications, and permits, complete construction or conversion of interior finish items and be open for retail business within eighteen (18) months from the date of this Agreement.

10.4 Property. Franchisee may purchase or lease the required real property and improvements from any source. Franchisee must submit proposals for the location of the Franchise within ten (10) months of the date of this Agreement. Franchisor will approve or disapprove your site within 30 days after we receive notice of the proposed location from you. Franchisee agrees that the location of the Franchise is a factor in the potential for success of the Business and Franchisor may reject any location in its sole discretion, but consent will not be unreasonably withheld. Franchisee must deliver to Franchisor any traffic, competition, and demographic and similar franchise information relating to any proposed site, that Franchisor reasonably requests, for review at least twenty (20) days before any proposed lease signing date. At least five (5) days before proposed lease signing date, Franchisee must deliver to Franchisor a copy of the proposed lease. Franchisee must also deliver to Franchisor a copy of the executed lease within five (5) days of the execution thereof.

10.5 Lease Rider. If Franchisee leases the real property in which the Franchise is located, Franchisee's lease must include the form of Lease Rider set forth in Exhibit G.

~~Manual (as amended or revised from time to time). Any remodeling or upgrade standards or requests will~~
~~10.7~~

10.6 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with both (i) the Manual (as amended or revised from time to time) and (ii) Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Beauty Bungalows Franchising, LLC
2024 Franchise Agreement

Manual (as amended or revised from time to time). Any remodeling or upgrade standards or requests will be applied to all franchised locations and to all locations owned by Franchisor's affiliate on a nondiscriminatory basis.

11. RECORDS AND REPORTS

11.1 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor. Franchisee must maintain its accounting using the software programs we designate (or other software as specified in the Manual) and using the account types as specified by Franchisor from time to time. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise. Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection. Business Records will specifically also include, without limitation, the following:

- (a) tax returns;
- (b) profit and loss statements detailing Gross Revenue and expenses for the period, to be prepared each month for the preceding month and quarterly for the prior quarter;
- (c) profit and loss statements, prepared or compiled annually by an independent Certified Public Accountant annually; and
- (d) balance sheets, to be prepared or compiled at least annually by an independent Certified Public Accountant.

Franchisee must keep accurate records relating to the franchised Business for a period of six (6) years after the termination or expiration of this Agreement. All reports are due in accordance with the due date prescribed by Franchisor. Franchisee will pay Franchisor a late report fee in the amount of \$100 per day ("Late Report Fee") if Franchisee fails to provide such reports within the time period prescribed by Franchisor.

11.2 Records Standards. Franchisee must prepare in a form reasonably approved by Franchisor and in a timely manner, financial reports that accurately reflect all particulars relating to the Business. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be prepared or compiled by an independent Certified Public Accountant, and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.3 Audits. Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time on at least ten (10) days prior notice to Franchisee. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one percent (1%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

~~that Franchisor periodically may establish. Franchisee must notify Franchisor immediately regarding any~~ ~~11.5~~

11.4 Data Security and Privacy. Franchisee must comply with all applicable federal, state, and local laws, rules, and regulations regarding data security, protection, and privacy, including, without limitation Beauty Bungalows Franchising, LLC

that Franchisor periodically may establish. Franchisee must notify Franchisor immediately regarding any actual or suspected data breach at or in connection with your Franchise or Business. Further, whenever and to the extent Franchisee operates as a “Service Provider” under the CCPA or in a similar capacity under any other applicable federal, state, or local privacy law, Franchisee represents, warrants, and covenants that:

- a. Franchisee will not sell, make available or otherwise disclose any customer’s “Personal Information” (as defined in the CCPA) to any third party for valuable consideration;
- b. Franchisee will retain, use, or disclose Personal Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement;
- c. Franchisee will not retain, use, or disclose Personal Information outside of the direct business relationship between Franchisee and Franchisor;
- d. Franchisee will delete any Personal Information upon Franchisor’s request unless Franchisee can prove that such request is subject to an exception under applicable law; and
- e. Franchisee certifies that it understands and will fully comply with the restrictions of this Section 11.04. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other federal, state, or local privacy laws.

12. FRANCHISEE'S DUTIES

12.1 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its Business, (ii) pay promptly all taxes and business expenses relating to the operation of the Business, and (iii) comply with all laws applicable to the Business that concern occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, health, workers’ compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result in, or may reasonably be anticipated to result in, any public criticism of the System or any part thereof.

12.2 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time and as may be amended or revised from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee’s obligations under this Agreement, shall include such mandatory specifications, standards, and operating procedures contained in the Manual.

12.3 Uniformity and Image. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor’s standards and specifications set forth in the Manual and the System, as these may be amended or revised from time to time.

12.4 Operations. Franchisee must maintain and operate the Business in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified manager (“Manager”) approved by Franchisor must participate personally and full-time in the Business.

~~Agreement. Franchisor shall have the right to observe Franchisee and its Customers rendering services, to 12.6-~~

12.5 Right of Entry and Inspection. Franchisee permits Franchisor or its authorized agent Beauty Bungalows Franchising, LLC

Agreement. Franchisor shall have the right to observe Franchisee and its Customers rendering services, to confer with Franchisee's employees and Customers and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual. During any such entry, Franchisor will use commercially reasonable efforts not to interfere with the business or Franchisee's Customers' activities.

12.6 Restrictions on Services and Products. Franchisor and Franchisee are prohibited from requiring or mandating any exclusive products for sale or use by Franchisee's Customers within the Franchise. Franchisee is prohibited from offering to License, rent, lease or otherwise permit the use of , other space within the Premises, chairs, booths, rooms or other items not authorized by Franchisor as being a part of the System. Franchisee will purchase furniture, fixtures and equipment, beauty supplies and use the salon design firms required for the operation of the Business from suppliers designated or approved by Franchisor. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Business which are not previously approved by Franchisor as meeting its specifications, Franchisee may request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of salon design specifications, information regarding such furniture, fixtures and equipment and beauty supplies. Franchisor may charge Franchisee the actual cost incurred to inspect, investigate and test the salon equipment, beauty supplies and proposed supplier, which will include our travel and living expenses while conducting the investigation ("Supplier/Vendor Inspection Fee"). Franchisee will pay the Supplier/Vendor Inspection Fee in accordance with Franchisor's invoice. Franchisor will advise Franchisee within a reasonable time whether such furniture, fixtures and equipment and beauty supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If Franchisor has not specified or "pre-approved" a supplier for a particular item, Franchisee may seek Franchisor's approval of a supplier selected by Franchisee. Franchisor will approve Franchisee's purchase of items from such supplier so long as the proposed supplier meets all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and adequately demonstrates its capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Business.

12.7 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include general liability, professional liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business. The policies must also include waiver of subrogation and stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier plus an administrative fee equal to 20% of the premium. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

12.8 Appearance and Customer Service. Franchisee shall (i) maintain the Premises in a clean and attractive appearance, (ii) give prompt, courteous and efficient service to Customers and the public, and

FRANCHISEE ACKNOWLEDGMENT/COMPLIANCE CERTIFICATION

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE ~~IS SHOULD~~ NOT ~~REQUIRED TO~~ COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, you and we are entering into a Franchise Agreement for the operation of a Beauty Bungalows franchise. The purpose of this Compliance Certification is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

19. Acknowledgments and Representations*.

1. Did you receive a copy of our Disclosure Document at least 14 calendar days before signing the Franchise Agreement?

Check one: Yes. No.

2. Have you studied and reviewed carefully our Disclosure Document, Franchise Agreement and, if you are entering into an Area Development Agreement (“ADA”), the ADA?

Check one: Yes. No.

3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)?

Check one: Yes. No.

4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding?

Check one: Yes. No.

5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors?

Check one: Yes. No.

6. Do you understand that that the franchise granted is for the right to operate the Franchised Business in the Territory set forth in your Franchise Agreement or Area Development Agreement (if applicable), and that we and our affiliates have the right to, among other rights, issue franchises or operate competing businesses for or at locations, as we determine, outside of your Territory using any

EXHIBIT D

CURRENT AND FORMER FRANCHISEES

Franchisees Who Have Opened Beauty Bungalows Franchises (as of December 31, 2023):

None.

Franchisees Who Have Signed Agreements But Not Yet Opened (as of December 31, 2023):

Territory	Name	Address	Phone	Area Developer
Carlsbad, CA	Sheri Sharman	3915 Park Dr Carlsbad, CA 92008	760-420-3737	Yes
Dallas, TX	Peter Nwamanna	522 Moondance St Thousand Oaks, CA 91360	310-806-1750	Yes

[*The listed addresses are the personal addresses for the Franchisees.](#)

Former Franchisees Who Were Terminated, Canceled, Not Renewed, or Otherwise Voluntarily or Involuntarily Ceased to Do Business Under the Franchise Agreement During our Prior Fiscal Year (or have not communicated with us within 10 weeks of the issuance date of this disclosure document):

None.

EXHIBIT E

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, MULTI-UNIT DEVELOPMENT AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR BEAUTY BUNGALOWS FRANCHISING, LLC

The following modifications are made to the Beauty Bungalows 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 as of the Effective Date set forth in your franchise Agreement (“Franchise Agreement”). When the term “Franchisor’s Choice of Law State” is used, it means the laws of the state of California, subject to any modifications as set forth in the addenda below. When the term “Supplemental Agreements” is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum (“State Addendum”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement and the Supplemental Agreements contain provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor’s Choice of Law State. 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 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. As such, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

~~The Franchise Agreement and Supplemental Agreements require the application of the law of 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

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 and the Supplemental Agreements 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.

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 ~~Business Oversight~~ [Financial Protection and Innovation](http://www.dfpi.ca.gov). Any complaints concerning the content of this website may be directed to the California Department of ~~Business Oversight~~ at ~~www.dbo.ca.gov~~ [Financial Protection and Innovation at www.dfpi.ca.gov](http://www.dfpi.ca.gov).

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

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 and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS

FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH

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 and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

~~Item 8 of the FDD is amended to add the following:~~

~~Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.~~

~~Item 17 of the FDD is amended to add the following:~~

~~Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.~~

~~Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.~~

~~The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place: No competing business for two years within the Territory.~~

~~The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:~~

~~Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.~~

~~The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:~~

~~Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document 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, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement 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.~~

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:No competing business for two years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document 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, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement 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.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

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 Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.

2.

The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of

~~3~~the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with IndianaCode 23- 2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

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 and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of

(b) ~~(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 any and all claims.

(c) ~~(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) ~~(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 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 months' advance notice of our intent not to renew the Franchise.

(e) ~~(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) ~~(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) ~~(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 us or our subfranchisor.

(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) ~~(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) ~~(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.

(j) ~~(j)~~

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 of the 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

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 Beauty Bungalows 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.

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 and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \\$765,400 to \\$1,705,500. This amount exceeds the franchisor's stockholder's equity as of December 31, 2023, which is \\$16,910."](#)

WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court
Beauty Bungalows Franchising, LLC
FDD Exhibit E

supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

[The franchisor will defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. Please note that the initial fees for the purposes of the deferral include all initial franchise fees described in Item 5 of the Franchise Disclosure Document.](#)

[In addition, the development fee will be prorated, with a portion of the development fee being collected after each unit opens.](#)

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

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

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

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

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

[The franchisee's obligations to indemnify, reimburse, and hold harmless referenced in Section 12.12 of the Franchise Agreement do not extend to liabilities caused by the franchisor's negligence, willful misconduct, strict liability, or fraud.](#)

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 and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Section 18.11 of the Franchise Agreement shall not apply to Washington Franchisees.](#)

EXHIBIT J

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed or registered as of the Effective Date stated below:

State	Effective Date
California	May 24, 2023
Hawaii	Not registered
Illinois	Not registered
Indiana	March 4, 2024
Maryland	Not registered
Michigan	Not registered
Minnesota	Application Filed and Pending
New York	October 12, 2023
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	May 8, 2023
Washington	Application Filed and Pending
Wisconsin	Not registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA Number:

Account

Number:

Account Name:

Effective as of the date of the signature below, _____ (the "Franchisee") hereby authorizes Beauty Bungalows Franchising, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated _____ (the "Franchise Agreement") for the business operating at the location identified on Attachment A of the Franchise Agreement (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. **PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.**

AGREED ON _____:

FRANCHISEE:
[FRANCHISEE]

By:

Name:

Title:

FRANCHISOR:
BEAUTY BUNGALOWS FRANCHISING, LLC

By:

Name:

Title:

EXHIBIT L

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed or registered as of the Effective Date stated below:

<u>State</u>	<u>Effective Date</u>
<u>California</u>	<u>May 24, 2023</u>
<u>Hawaii</u>	<u>Not registered</u>
<u>Illinois</u>	<u>Not registered</u>
<u>Indiana</u>	<u>March 4, 2024</u>
<u>Maryland</u>	<u>Not registered</u>
<u>Michigan</u>	<u>Not registered</u>
<u>Minnesota</u>	<u>Application Filed and Pending</u>
<u>New York</u>	<u>April 2, 2024</u>
<u>North Dakota</u>	<u>Not registered</u>
<u>Rhode Island</u>	<u>Not registered</u>
<u>South Dakota</u>	<u>Not registered</u>
<u>Virginia</u>	<u>May 8, 2024</u>
<u>Washington</u>	<u>Application Filed and Pending</u>
<u>Wisconsin</u>	<u>Not registered</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.