

Special Risks to Consider About *This Franchise*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ITEM 13 TRADEMARKS

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

Description of Mark	Principal or Supplemental Register of the USPTO	Registration Number	Registration Date
Deka Lash	Principal	5079356	November 8, 2016
DEKALASH	Principal	5739771	April 30, 2019
	Principal	6238949	January 4, 2021

We have filed all required affidavits and renewals.

You must use the Marks in accordance with our specifications and standards. You may not use the words “Deka” or “Deka Lash” or any confusingly similar words, as any part of the name of a

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Here we set forth a historic representation of our franchise studio locations that were open and in operation for at least 12 months as of December 31, 2023. We had 130 open franchised locations as of December 31, 2023, 109 of which were open and in operation for 12 months or more -as of December 31, 2023, and which are included in the table below. Fifteen (15) franchised outlets are not included in the table below because they closed part way through 2023 and the table below only includes the results of franchised outlets.

Studio Revenue by Performance Segments

2023			
	Top 1/3	Middle 1/3	Bottom 1/3
Number of Studios	37	36	36
Average of Gross Revenue	\$495,184	\$287,860	\$152,349
Median of Gross Revenue	\$458,763	\$278,672	\$162,457
Number of Studios Which Attained or Surpassed Average	13 of 37 (35%)	15 of 36 (42%)	21 of 36 (58%)
Highest 5 Studio Revenues in Performance Segment			
	\$ 795,220	\$ 358,241	\$ 226,592
	\$ 758,843	\$ 355,627	\$ 223,306
	\$ 758,433	\$ 351,747	\$ 219,967
	\$ 684,197	\$ 340,792	\$ 219,319
	\$ 599,102	\$ 339,459	\$ 219,312
Lowest 5 Studio Revenues in Performance Segment			
	\$ 387,910	\$ 252,708	\$ 91,714
	\$ 385,286	\$ 240,931	\$ 73,330
	\$ 383,126	\$ 235,188	\$ 50,499
	\$ 379,655	\$ 233,466	\$ 38,827
	\$ 367,617	\$ 229,715	\$ 30,645

North Carolina	2021	0
	2022	3
	2023	2
Pennsylvania	2021	1
	2022	0
	2023	0
Tennessee	2021	0
	2022	0
	2023	1
Texas	2021	0
	2022	2
	2023	0
Virginia	2021	0
	2022	0
	2023	1
Total	2021	2
	2022	8
	2023	11

**Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Outlets Operating at Year End
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021	5	3	0	0	0	0	8
	2022	8	2	0	0	0	0	10
	2023	10	2	0	0	0	0	12
Colorado	2021	6	0	0	0	0	0	6
	2022	6	1	1 ₀	0	0	0 ₄	6
	2023	6	2	3 ₀	0	0	0 ₃	5
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Florida	2021	8	0	0	0	0	0	8
	2022	8	2	1 ₀	0	0	0 ₄	9
	2023	9	3	0	0	0	0	12
Georgia	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	3	1 ₀	0	0	0 ₄	11

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Outlets Operating at Year End
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Illinois	2021	8	0	0	0	0	0	8
	2022	8	0	10	0	0	04	7
	2023	7	0	10	0	0	04	6
Indiana	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Massachusetts	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Michigan	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Missouri	2021	1	0	0	0	1	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nebraska	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	10	0	0	04	2
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	6	0	0	0	0	0	6
	2022	6	2	0	0	0	0	8
	2023	8	1	20	0	0	02	7
New York	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	10	0	0	04	1
North Carolina	2021	1	2	0	0	0	0	3
	2022	3	3	0	0	0	0	6
	2023	6	0	0	0	1	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Outlets Operating at Year End
Ohio	2021	5	0	0	0	0	0	5
	2022	5	3	0	0	0	0	8
	2023	8	1	0	0	0	0	9
Oklahoma	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	7	1	0	0	0	0	8
	2022	8	3	0	0	0	0	11
	2023	11	0	<u>10</u>	0	0	<u>04</u>	10
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	2	0	1
	2023**	1	2	0	0	0	0	3
Tennessee	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	5	5	0	0	0	0	10
	2022	10	3	0	0	1	0	12
	2023	12	3	<u>34</u>	0	0	<u>02</u>	12
Utah	2021	2	0	<u>10</u>	0	0	<u>04</u>	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2023	5	0	<u>10</u>	0	0	<u>04</u>	4
Washington	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	<u>10</u>	0	0	<u>04</u>	0
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	90	15	<u>10</u>	0	1	<u>04</u>	103
	2022	103	26	<u>30</u>	0	3	<u>03</u>	123
	2023	123	23	<u>154</u>	0	1	<u>044</u>	130

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

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

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT

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

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in ~~The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by~~ Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Surety Bond. Item 5 is supplemented with the following: “Based on our current financial condition, the Illinois Attorney General’s Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General’s Office.”

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

Surety Bond:

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

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

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

Item 5 and 7 are modified to also provide:

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

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

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

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

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

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

3. PROTECTED AREA

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

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

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

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

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

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

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

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

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

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

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

4. FEES AND PAYMENTS

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

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

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

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

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

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

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

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

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

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

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

Surety Bond:

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

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

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

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

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

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

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

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

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

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

Section 12.1(b) of the Franchise Agreement is amended to strike out these words: "or another Protected Area franchises by us and in operation at that time."

The Franchise Agreement is modified to also provide:

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE

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

Signature: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR

DL Franchising, LLC
d/b/a Deka Lash

Signature: _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT

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

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

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

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

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

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

Surety Bond:

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

WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT

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

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

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

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

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

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

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

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

The Area Development Agreement is amended to also state:

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

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

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

Except to the extent modified above, all other terms and provisions of the Area Development Agreement shall remain in full force and effect.

**EXHIBIT H
FORMER FRANCHISEES**

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transfers

<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Phone Number</u>
<u>Enas Khalil</u>	<u>23628 El Toro Rd #4D</u>	<u>Lake Forest</u>	<u>CA</u>	<u>92630</u>	<u>(626) 818-8121</u>
<u>Rick Dorfman</u>	<u>14851 Lyons Rd Suite H-104</u>	<u>Delray Beach</u>	<u>FL</u>	<u>33446</u>	<u>(248) 982-4700</u>
<u>Holly Lean</u>	<u>4765 Hodges Blvd Suite 9</u>	<u>Jacksonville</u>	<u>FL</u>	<u>32224</u>	<u>(803) 683-2654</u>
<u>Tatiana Zanolini</u>	<u>8246 Mills Drive Suite 46</u>	<u>Miami</u>	<u>FL</u>	<u>33183</u>	<u>(786) 830-7741</u>
<u>Joe Gordon</u>	<u>15006 N Dale Mabry Hwy</u>	<u>Tampa</u>	<u>FL</u>	<u>33618</u>	<u>(813) 244-7774</u>
<u>Summer Butler</u>	<u>2960 Shallowford Rd #301</u>	<u>Marietta</u>	<u>GA</u>	<u>30066</u>	<u>(770) 547-9786</u>
<u>Rick Dorman</u>	<u>7092 Orchard Lake Rd</u>	<u>West Bloomfield Township</u>	<u>MI</u>	<u>48322</u>	<u>(248) 982-4700</u>
<u>Michelle Russo</u>	<u>1247 Creekshire Way Suite 12</u>	<u>Winston-Salem</u>	<u>NC</u>	<u>27103</u>	<u>(336) 967-0500</u>
<u>Michelle Russo</u>	<u>2513 Eastchester Dr</u>	<u>High Point</u>	<u>NC</u>	<u>27265</u>	<u>(336) 967-0500</u>
<u>Dwayne Knudson</u>	<u>1556 W McEwen Dr #108</u>	<u>Franklin</u>	<u>TN</u>	<u>37067</u>	<u>(970) 456-3335</u>
<u>Gauri Rana</u>	<u>21435 Epicerie Plaza Suite 135</u>	<u>Sterling</u>	<u>VA</u>	<u>20165</u>	<u>(703) 283-2512</u>

Terminations (except as to outlet shown as “Re-acquired by Franchisor”)

<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Phone Number</u>
Kathi Adams	4800 Baseline Rd., Unit #C104	Boulder	Colorado	80303	(303) 775-5889
Kearin Schulte	1485 Park Central Drive, Suite 200	Highlands Ranch	Colorado	80129	(720) 413-0064
Kearin Schulte	200 Quebec Blvd., Quebec Bldg. 600, Unit 103	Denver	Colorado	80230	(720) 413-0064
Summer Bell	2260 Marietta Blvd., Unit 212	Atlanta	Georgia	30318	(770) 547-9786

**EXHIBIT N
RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DL Franchising, LLC d/b/a Deka Lash offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The franchisor is DL Franchising, LLC located at 20 South Main Street, #248, Bountiful, UT 84010. Its telephone number is (412) 977-0220.

Issuance Date: March 5, 2024

The Franchise Sellers for this offering are:

	Shant Assarian; 20 South Main Street, #248, Bountiful, UT 84010; (412) 977-0220
	Ricki Wilkins; 10005 Old 3 C Highway, Clarksville, OH 45113; (937) 289-4050
	Stephanie Neftzer; 822 Woodlyn Dr. S, Cincinnati, OH 45230; (513) 913-5503
	Catherine Hall; 20 South Main Street, #248, Bountiful, UT 84010; (623) 251-0774
	Jennifer Blair, 20 South Main Street, #248, Bountiful, UT 84010, (412) 977-7133

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

RECEIPT

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