

## FRANCHISE DISCLOSURE DOCUMENT

**WAXING THE CITY**

Waxing the City Franchisor LLC  
a Delaware limited liability company  
111 Weir Drive  
Woodbury, MN 55125  
866-956-4612 [ph]  
franchise@waxingthecity.com  
www.waxingthecity.com

Waxing the City Franchisor LLC is offering franchises for the use of the trademark “WAXING THE CITY®” and related trademarks and service marks for the operation of a business offering a boutique studio experience focused on body and facial waxing and the sale of related products and services (“**Waxing Studio**”).

The total investment necessary to begin operation of a Waxing the City franchise ranges from \$339,945 to \$646,195. This includes \$136,042 to \$170,242 that must be paid to the franchisor or its affiliates. We may also offer you the right to develop at least 3 Waxing Studios under an Area Development Agreement. The total investment necessary to begin operation under an Area Development Agreement ranges from \$97,500 (for 3 Waxing Studios) to \$150,000 (for 5 Waxing Studios) which must be paid to the franchisor or its affiliates.

If you sign an Area Development Agreement, you will pay to the franchisor a Development Fee based upon the number of Waxing Studios you agree to open, which replaces the Initial Franchise Fee you would have paid for these Waxing the City franchises.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact your sales representative at 111 Weir Drive, Woodbury, Minnesota 55125, telephone 866-956-4612.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: March 31, 2026

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risk(s) 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 require you to resolve disputes with the franchisor by mediation at a place selected by the mediator more than 100 miles from your principal office, by arbitration in Minnesota (or if franchisor's principal office is not in Minnesota, at the office of the American Arbitration Association located closest to its principal office) and/or by litigation only in Minnesota. 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 Minnesota 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, equipment 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. **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.
5. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

**NOTICE MANDATED BY SECTION 8 OF  
MICHIGAN'S FRANCHISE INVESTMENT ACT**

The following is applicable to you if you are a Michigan resident or your franchise will be located in Michigan.

**The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Corporate Oversight Division, Attn.: Franchise, G. Mennen Williams Building, 5<sup>th</sup> Floor, 525 West Ottawa Street, Lansing, Michigan 48913, telephone: (517) 373-7117.

## TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE</u>
1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	1
2	BUSINESS EXPERIENCE .....	5
3	LITIGATION.....	7
4	BANKRUPTCY .....	7
5	INITIAL FEES .....	8
6	OTHER FEES.....	11
7	ESTIMATED INITIAL INVESTMENT.....	19
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	23
9	FRANCHISEE’S OBLIGATIONS .....	26
10	FINANCING .....	27
11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	31
12	TERRITORY .....	43
13	TRADEMARKS .....	46
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....	47
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	48
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	48
17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION .....	49
18	PUBLIC FIGURES.....	53
19	FINANCIAL PERFORMANCE REPRESENTATIONS .....	53
20	OUTLETS AND FRANCHISEE INFORMATION.....	57
21	FINANCIAL STATEMENTS .....	64
22	CONTRACTS.....	65
23	RECEIPTS .....	65

### EXHIBITS:

EXHIBIT A:	LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT B:	TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT C:	LIST OF FRANCHISEES
EXHIBIT D:	FINANCIAL STATEMENTS AND GUARANTY
EXHIBIT E:	FRANCHISE AGREEMENT, GUARANTY, GENERAL RELEASE AND STATE SPECIFIC ADDENDA
EXHIBIT F:	AREA DEVELOPMENT AGREEMENT, GUARANTY AND STATE SPECIFIC ADDENDA
EXHIBIT G:	STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT H:	FINANCING AND LEASING DOCUMENTS
EXHIBIT I:	PROVISION SERVICES AGREEMENT
EXHIBIT J:	ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION
EXHIBIT K:	FRANCHISEE QUESTIONNAIRE

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

To simplify the language in this Franchise Disclosure Document “**Waxing the City**” or “**we,**” “**us,**” or “**our**” means Waxing the City Franchisor LLC, the “**Franchisor.**” “**You**” or “**your**” means the person, corporation, limited liability company, partnership or other business entity that buys the franchise, the “**Franchisee.**” If you are a corporation, limited liability company, partnership or other entity, “**you**” includes the franchisee’s owners.

**The Franchisor**

We are a Delaware limited liability company formed on October 25, 2021. Our principal business address is 111 Weir Drive, Woodbury, Minnesota 55125. We do business under our corporate name and as “Waxing the City,” and under no other names. We began offering franchises for the operation of Waxing Studios in November 2021. We do not conduct business in any other line of business nor do we offer franchises in any other line of business. We have no other business activities.

Our agents for service of process are disclosed on Exhibit A.

**The Business**

We offer franchises for the establishment, development and operation of businesses offering facial and body waxing services for men and women, as well as other related products and services, such as skincare, eyelash, beauty and brow enhancement, under the “WAXING THE CITY®” trademark and other trademarks, trade names, service marks, and commercial symbols we may authorize (“**Marks**”). These businesses are referred to in this Disclosure Document as a “**Waxing Studio**”. You will operate using a unique system with high standards of service, including valuable know-how, information, trade secrets, confidential information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, the sale of proprietary products, and research and development connected with the operation and promotion of Waxing Studios (“**System**”). We can change or otherwise modify the System at any time as we see fit.

You must construct and operate your Waxing Studio per our standard business operating practices and sign our standard franchise agreement (“**Franchise Agreement**”). Your Waxing Studio must offer authorized services and products, specifically including facial and body waxing services, and the sale of related products and services, offer the various types of memberships we specify, and must follow our policies and procedures. Your Waxing Studio must be open for business 7 days a week. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Waxing Studio at any time in our sole discretion, and change and modify our policies.

You will have the right to operate a single Waxing Studio at a location we specify in your Franchise Agreement. We also offer qualified people the right to develop multiple Waxing Studios within a specific territory under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Waxing Studio you develop under your Area Development Agreement. You will sign the Franchise Agreement when you sign the Area Development Agreement. The form of that agreement will be the form attached to this Disclosure Document. Later Franchise Agreements you sign will be in the form of agreement we use at the time you sign the agreement. The terms of those agreements may differ from the form attached to this Disclosure Document.

We retain the right, in our sole discretion, to choose to award or not to award a franchise to any prospective franchisee, and to cease discussions regarding the awarding of a franchise at any time, regardless of the stage of the franchise award process or the time and money spent by you or any other prospective franchisee.

## **Our Parents, Predecessors and Certain Affiliates**

### **Parents**

On April 2, 2024 we became an indirect, wholly owned subsidiary of Purpose Brands Holdings, LLC (“**Parent**”). We are a direct wholly owned subsidiary of SEB Systems LLC (“**Systems**”). Systems is a direct wholly owned subsidiary of SEB Funding LLC (“**Funding**”) which is a direct wholly owned subsidiary of SEB SPV Guarantor LLC (“**Guarantor**”). Guarantor is a direct wholly owned subsidiary of our manager Anytime Fitness, LLC (“**AFLLC**”). AFLLC is a wholly owned subsidiary of Self Esteem Brands, LLC (“**SEB**”). SEB is a direct wholly owned subsidiary of Purpose Brands Intermediate, LLC, doing business as Purpose Brands and Purpose Brands, LLC, which is a direct wholly owned subsidiary of Parent. Parent is jointly owned by Anytime Worldwide, LLC (“**AW**”) and Ultimate Fitness Holdings, LLC (“**UFH**”). All of the entities disclosed in this paragraph have the same principal business address as we do with the exception of UFH, which has a principal business address of 6000 Broken Sound Pkwy NW, Suite 200, Boca Raton, Florida 33487.

### **Predecessors**

Our predecessor is Waxing the City Worldwide, LLC (“**WCWLLC**”). WCWLLC has the same principal business address as we do. WCWLLC’s predecessor began offering franchises under the “Waxing the City” name in May 2010. In October 2012, WCWLLC purchased substantially all of the assets of its predecessor and began offering these franchises.

In November 2021, as part of the Securitization Transaction (described below), WCWLLC transferred all existing U.S. franchise, area development and related agreements for Waxing the City locations to us, and we became the franchisor of all existing and future franchise, area development and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Waxing the City locations in the U.S. were also transferred to us. WCWLLC has operated Waxing the City studios since December 2012 and offered Waxing the City franchises from October 2012 to November 2021. WCWLLC no longer offers franchises for this business, and has never offered franchises in any other line of business. WCWLLC previously operated 6 company-owned studios but sold all 6 company-owned studios to a franchisee in June 2023.

### **Affiliates**

We have affiliates that offer franchises in other lines of business as discussed below. None of these affiliates have conducted the type of business that a Waxing the City franchisee will operate nor have they offered franchises for the type of business a Waxing the City franchisee will operate. Except as disclosed below, all of these affiliates have the same principal business address as we do.

Our affiliate, Anytime Fitness Franchisor, LLC (“**Anytime Fitness**”), is the franchisor of the Anytime Fitness brand. Anytime Fitness offers franchises for the operation of fitness centers designed to operate with minimal overhead and labor costs under the trademark, “Anytime Fitness®”. It and its predecessor AFLLC have been offering Anytime Fitness franchises since October 2002 and Anytime Fitness Express franchises from October 2006 to April 2024. AFLLC has operated Anytime Fitness centers since January 2005, and an Anytime Fitness Express center from October 2006 to 2009. In November 2021 the agreements under which these franchises were operated were transferred to Anytime Fitness as part of the Securitization Transaction discussed below. As of December 31, 2025, Anytime Fitness had 2,271

franchised centers in operation in the United States and AFLLC had 11 company-owned centers. AFLLC also acts as our manager as discussed below. Our affiliate, Anytime Fitness Iberia, SLU (“**AFI**”), offers and sells Anytime Fitness franchises for Anytime Fitness locations in Spain. Its principal business address is c/ Llacuna 75-81, 08005 Barcelona, Spain. AFI has operated Anytime Fitness Centers in Spain since October 2012 and has offered Anytime Fitness franchises in Spain since 2013. As of December 31, 2025 it had 47 franchised centers and 4 company-owned centers in Spain.

Our affiliate Basecamp Fitness Franchisor LLC (“**Basecamp**”), is the franchisor of the Basecamp Fitness brand. It offers studio fitness center franchises under the Basecamp Fitness name that offer memberships allowing members to take short, regularly scheduled group training classes designed using High Intensity Interval Training strategies. It and its predecessor Basecamp Fitness, LLC (“**BFLLC**”), have been offering these franchises since April 2020. BFLLC has operated Basecamp Fitness studios since May 2019. In November 2021 the agreements under which these franchises were operated were transferred to Basecamp as part of the Securitization Transaction discussed below. As of December 31, 2025, Basecamp had 16 franchised studios operating in the United States and BFLLC had 4 company-owned studios.

Our affiliate The Bar Method Franchisor LLC (“**The Bar Method Franchising**”), is the franchisor of the Bar Method brand. It offers boutique fitness studio franchises under the Bar Method name that offer barre-based exercise classes using proprietary and non-proprietary instructional techniques, formats and methods designed to provide fitness training in an attractive atmosphere. It and its predecessor The Bar Method Franchising, LLC (“**TBM LLC**”), has been offering these franchises since January 2008. The Bar Method, LLC (“**TBM**”) offered rights for Bar Method studios from June 2003 until October 2007 and assigned those agreements to TBM LLC in January 2008 at which time TBM LLC began offering Bar Method franchises. In November 2021 the agreements under which these franchises were operated were transferred to The Bar Method Franchising as part of the Securitization Transaction discussed below. As of December 31, 2025, The Bar Method Franchising had 77 franchised studios in operation in the United States.

Our affiliate OTF Franchisor, LLC (“**OTF Franchisor**”) is the franchisor of the Orangetheory brand. It offers health and fitness studios that offer members access to exercise equipment, including cardio and strength equipment, in a simple, contemporary atmosphere characterized by its signature, energizing orange color scheme and trade dress. On April 2, 2024, OTF Franchisor became an indirect wholly owned subsidiary of Parent. As of December 31, 2025, OTF Franchisor had 1,209 franchised and 15 affiliate-owned studios operating in the United States and 172 franchised studios operating outside of the United States. The principal business address of OTF Franchisor is 6000 Broken Sound Pkwy NW, Suite 200, Boca Raton, Florida 33487.

We have 2 affiliates that sell goods or services to our franchisees. PV Distribution LLC (“**ProVision**”) sells information technology services, technology, and security systems, including computers, sound systems, software and other related components to our franchisees and can provide technology support for your Waxing Studio. SEB Distribution SPV LLC (“**SEB Distribution**”) sells Waxing the City branded and other products for use and retail sale in your Waxing Studio. The principal business address of these affiliates is the same as our principal business address. None of these affiliates have conducted the type of business that a Waxing the City franchisee will operate nor have they offered franchises for the type of business a Waxing the City franchisee will operate.

## **Securitization Transaction**

Under a securitization financing transaction which closed in November 2021 (the “**Securitization Transaction**”), SEB and its affiliates were restructured. As part of the Securitization Transaction, our predecessor, WCW LLC, transferred to us all existing U.S. franchise, area development and related agreements for Waxing the City outlets, and we became the franchisor of all existing and future franchise,

area development and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Waxing the City outlets in the U.S. were also transferred to us.

At the time of the closing of the Securitization Transaction, AFLLC entered into a management agreement with us to provide the required support and services to our franchisees under their franchise and area development agreements with us. AFLLC also acts as our franchise sales agent. We will pay management fees to AFLLC for these services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise or Area Development Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

### **Market Competition**

You will sell body and facial waxing services to the general public, as well as other related products and services, such as skincare, eyelash, beauty and brow enhancement. The market for hair removal and beauty enhancement services and products is developed and competitive. As such, you will be competing for customers with other companies and organizations who offer hair removal products and beauty enhancement services, including waxing and laser technology. Competitors may include individuals and small to medium size companies, as well as similar franchise systems and large corporations. Sales may be seasonal.

### **Regulations**

Your Waxing Studio will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act and laws related to wage and hour, occupational health and safety, equal employment opportunity, taxes, hazardous material communication to employees, data privacy, pricing and consumer disclosures, unfair and deceptive consumer practices, and business licensing requirements. In addition, you must comply with all zoning laws and regulations applicable to the Waxing Studio. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including the Payment Card Industry (“PCI”) Data Security Standard (“DSS”). Compliance with the PCI DSS is your responsibility. You must also comply with personal information, data protection and data privacy laws that affect the safekeeping of member information, and regulations that apply to electronic marketing, like faxes, emails, text messaging and telemarketing. Your business is subject to state and federal regulations that allow the government to restrict travel, require businesses to close or otherwise restrict business operations during state or national emergencies.

A number of states have licensing and permitting laws and regulations that may be applicable to the Waxing Studio. For example, many jurisdictions have laws which require aesthetician licensing, cosmetologist licensing, other related licensing, bonding, insurance, compliance with certain building codes, safety regulations, health requirements and other similar requirements. Your Waxing Studio may be required to comply with one or more of these requirements in your jurisdiction. You and your employees must obtain all required licenses and permits and ensure that your employees and others providing products and services to customers on behalf of your Waxing Studio have all required licenses and permits.

In addition, clients of Waxing the City studios have the ability to purchase memberships. Our membership program is offered through the entire system and your participation is required. Some states have laws regulating the sale and cancellation of memberships and the offering of financing arrangements used in purchasing memberships, which may require registration and acquisition of a permit to engage in such activity. These laws are designed to protect the public from being taken advantage of with respect to financing fees and terms, but some laws apply even if no financing terms apply. Compliance with escheat

laws may also be required. We require you to obtain a surety bond to protect customers who purchase memberships.

You should investigate whether there are any regulations and requirements that may apply in the geographic area in which you are interested in locating your Waxing Studio, and you should consider both their effect and the cost of compliance. You may also be required to register your business location with a state agency. You should also investigate state sales tax obligations that may affect your Waxing Studio.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Chief Executive Officer – Thomas Leverton**

Mr. Leverton has served as the Chief Executive Officer of our parent companies Purpose Brands Holdings, LLC and Purpose Brands Intermediate, LLC since November 2024. From February 2020 to November 2024, Mr. Leverton was a partner at Pritzker Private Capital, located in Chicago, Illinois.

### **Board Member – Dave Mortensen**

Mr. Mortensen served as the President for us, Anytime Fitness, Basecamp and The Bar Method Franchising from October 2021 to November 2024. He served as the President and Secretary of our predecessor WCWLLC from September 2012 to November 2024. He has served as a Governor of WCWLLC since September 2012. He is also one of the founders of Anytime Fitness. He served as the Secretary of AFLLC from December 2009 to November 2024 and as its President from January 2013 to November 2024. He has served as a Governor of AFLLC since December 2009. He served as President, Chief Financial Officer/Treasurer and Secretary of our affiliate ProVision Security Solutions, LLC from October 2009 to November 2024. In December 2009, he was appointed as a Governor of this organization. He held these same positions for ProVision from October 2021 until November 2024. Mr. Mortensen served as the Vice President of BFLLC from August 2018 to November 2024, and the Vice President of TBMLLC from September 2019 to November 2024. He has served as a Governor of BFLLC since August 2018.

### **Board Member – Charles Runyon**

Mr. Runyon served as the Chief Executive Officer for us, Anytime Fitness, Basecamp and The Bar Method Franchising from October 2021 to November 2024. He has served as the Chief Executive Officer of our predecessor WCWLLC from September 2012 to November 2024. He has served as a Governor of WCWLLC since September 2012. He is also one of the founders of Anytime Fitness, and has served as a Governor of AFLLC since February 2002, until he was appointed as a Governor, President and Chief Manager in December 2009. In January 2013, he transitioned from the role of President to Chief Executive Officer of AFLLC. He served in the role of Chief Manager and Chief Executive Officer until November 2024. Mr. Runyon served as the President of BFLLC from August 2018 to November 2024, and the President of TBMLLC from September 2019 to November 2024. He has also served as a Governor of BFLLC since August 2018.

### **Interim Chief Financial Officer – Robert Gunkel**

Mr. Gunkel has served as the Interim Chief Financial Officer for us, Basecamp, The Bar Method Franchising, Waxing Worldwide, OTF Franchisor, and our parent companies Purpose Brands Holdings, LLC and Purpose Brands Intermediate, LLC, on a contract basis since January 2026. Mr. Gunkel has been employed by ETONIEN, a financial consulting firm located in Manhattan Beach, California, since January 2026. From March 2025 through September 2025 he served as a consultant to Sonesta RL Hotels Franchising Inc (“SRLHCF”) located in Newton, MA. From January 2024 to March 2025 he served as

SRLHCF's Executive Vice President and Treasurer, as Treasurer for Red Lion Hotels Corporation, and as SRLHCF's Executive Vice President, Treasurer, and Chief Financial Officer. From May 2021 to December 2023, Mr. Gunkel was an Adjunct Professor at Georgia State University in Atlanta, Georgia. From August 2020 to May 2021, Mr. Gunkel was the Managing Director for Level 5 Capital in Atlanta, Georgia.

#### **Chief Commercial Officer – Luis Terife**

Mr. Terife has served as the Chief Commercial Officer for us, Anytime Fitness, Basecamp, The Bar Method Franchising, OTF Franchisor, and our parent company Purpose Brands Intermediate, LLC, since July 2025. From November 2019 to June 2025, Mr. Terife served as Vice President II of Onboard Guest Commerce at Carnival Cruise Line in Miami, Florida.

#### **General Counsel and Secretary – James Goniea**

Mr. Goniea has served as the General Counsel and Secretary for us, Anytime Fitness, Basecamp and The Bar Method Franchising since October 2021. He has held these same positions with BFLLC since August 2018 and TBMLLC since September 2019. He has held the position of General Counsel with our predecessor WCWLLC since October 2017 and with AFLLC since October 2017. He has also served as the General Counsel and Secretary of Purpose Brands Intermediate, LLC since July 2024.

#### **Chief Development Officer - Patricia Perry**

Ms. Perry has served as the Chief Development Officer for us, Anytime Fitness, Basecamp, The Bar Method Franchising, Waxing Worldwide, OTF Franchisor, and our parent company Purpose Brands Intermediate, LLC, since December 2025. From April 2024 to December 2025, Ms. Perry worked at Gala Capital Partners in Costa Mesa, California, where she served as Head of Development for various brands. Ms. Perry served as Senior Vice President of Franchise and License for Bagel Brands located in Denver, Colorado from May 2022 to December 2023. From February 2019 to May 2022, she served as Vice President of Development, Licensing, CPG and Business Gifting, at Edible Brands located in Atlanta, Georgia.

#### **Chief Technology Officer - Ameen Kazerouni**

Mr. Kazerouni has served as the Chief Technology Officer of our parent companies Purpose Brands Holdings, LLC and Purpose Brands Intermediate, LLC since July 2024. He was the Chief Technology Officer for Ultimate Fitness Group from February 2023 until July 2024. From October 2020 to February 2023, he was the Chief Analytics Officer of Ultimate Fitness Group.

#### **Brand President – Stephanie Schon**

Ms. Schon has served as our Brand President since April 2025. She has also served as the Bar Method Brand President since November 2021 and as the Brand President for TBMLLC since November 2020.

#### **Director of Technical Training and Service Innovation – Alexandria Arlotta**

Ms. Arlotta has served as the Waxing the City Director of Technical Training and Service Innovation since November 2021. She served in this same role with our predecessor WCWLLC, since April 2014. Before that, she served as a Director of Training with WCWLLC beginning in October 2012. Ms. Arlotta is one of the founders of the Waxing the City brand. She has also served as the Chief Technical Officer and an aesthetician for WCWLLC's predecessor, Waxing the City Franchising, LLC, since February 2010. Ms. Arlotta has also served as a Chief Technical Officer of MARS Dallas since September 2009, which has been operating a Waxing the City business in Texas.

### **Senior Director of Brand Operations – Kary Seman**

Ms. Seman has served as the Waxing the City Senior Director of Brand Operations since July 2023. Before that, she was the Senior Manager of Brand Operations from January 2022 to July 2023. She was a District Manager for WCWLLC from June 2018 to January 2022. From October 2016 to June 2018, Ms. Seman worked as a District Manager for a Waxing the City multi-unit franchisee, MWFC, LLC.

### **Senior Vice President of Franchise Administration – Jennifer Yiangou**

Ms. Yiangou has served as the Senior Vice President of Franchise Administration for our parent companies Purpose Brands Holdings, LLC and Purpose Brands Intermediate, LLC since July 2024. She served in the same role for WCWLLC, AFLLC, BFLLC and TBMLLC from September 2020 to July 2024. From October 2012 to September 2020 she was the Vice President of Franchise Administration for WCWLLC. She also served as the Vice President of Franchise Administration of AFLLC from January 2008 to September 2020, with BFLLC from August 2018 to September 2020, and with TBMLLC from September 2019 to September 2020.

## **ITEM 3 LITIGATION**

There is no litigation required to be disclosed in this Item regarding the Waxing the City brand. The following disclosures relate to our affiliate, TBM and TBMLLC, in connection with the offering of boutique fitness studios that offer barre-based exercise classes under the name Bar Method®:

Illinois v. The Bar Method Franchising Inc. and The Bar Method Inc. (Case No. 2009CH 0125, Seventh Judicial Circuit of Illinois, filed February 9, 2009). The Illinois Attorney General brought this action against Defendants alleging the agreement between TBM and an Illinois resident that TBM assigned to TBMLLC in January 2008 constituted a franchise that was not registered under the Illinois Franchise Disclosure Act, and that TBM did not provide a franchise disclosure document to the operator as that statute requires. On February 9, 2009, Defendants agreed to the entry of a Final Judgment and Consent Decree in which, while not admitting any liability for any violations, Defendants agreed to the entry of a permanent injunction prohibiting Defendants from offering or selling franchises in Illinois without being registered as a franchisor or failing to provide the franchise disclosure document to residents of Illinois as the Illinois Franchise Disclosure Act requires. TBMLLC also agreed to offer rescission of the agreement to the Illinois operator and to the payment of penalties and costs to the State of Illinois in the amount of \$5,000. The Illinois operator did not accept the offer of rescission and its agreement continues in effect.

In the Matter of the Investigation by Andrew Cuomo, Attorney General of the State of New York, of The Bar Method Inc. and Carl Diehl (Assurance No. 08-108). On April 2, 2009, TBM and Mr. Diehl, as its Vice President, entered into an Assurance of Discontinuance (“AOD”) under which, without admitting any violation of the law, they agreed to offer rescission of an agreement that TBM signed in New York without being registered to sell franchises in that state. As part of the AOD, TBM and Mr. Diehl agreed to comply with the provisions of the New York Franchises Act and not to sell franchises in New York without a current registration. TBM also paid to the State of New York the sum of \$2,500. The New York operator did not accept the offer of rescission and she continues to operate her studio under the agreement.

Other than these actions, no litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

Except as set forth below, no bankruptcy information is required to be disclosed in this Item.

Thomas Leverton, the Chief Executive Officer of our parent companies Purpose Brands Holdings, LLC and Purpose Brands Intermediate, LLC, was the Chief Executive Officer of CEC Entertainment, Inc. located at 1707 Market Place Boulevard, Irving, Texas 75063 from July 2014 to February 2020. On or about June 24, 2020, approximately 4 months after Mr. Leverton left that company, CEC Entertainment and its debtor affiliates filed for protection under Chapter 11 of the United States Bankruptcy Code, Case No. 20-33163, United States Bankruptcy Court, Southern District of Texas (Houston). On December 15, 2020 the Court confirmed CEC and its debtor affiliates Plan of Reorganization. On December 30, 2020 the Court provided for the discharge of the debtors.

## ITEM 5 INITIAL FEES

### Standard Franchises

You must pay us an initial franchise fee (“**Initial Franchise Fee**”) for a single Waxing Studio payable when you sign your Franchise Agreement.

The Initial Franchise Fee for a single Waxing Studio is \$42,500. However, we offer other pricing options for veterans, existing franchisees who are not in default under their existing Franchise Agreement(s) with us, and for prospects signing an Area Development Agreement to operate multiple franchises. A schedule of the various pricing options and fees follows:

Franchise Agreement Pricing	New Franchisee	New Franchisee Who Meets Veteran Requirements <sup>1</sup>	Existing Franchisee <sup>2</sup>	Existing Franchisee Who Meets Veteran Requirements <sup>1, 2</sup>
Waxing the City Franchise	\$42,500	\$38,250	\$37,500	\$33,750

1. To qualify for a veteran fee, you must be a current member of the United States military, or a veteran who received an honorable discharge from a branch of the United States military.

2. We offer a pricing option for existing franchisees of ours or of our affiliates, Anytime Fitness, The Bar Method, Basecamp Fitness, and Orangetheory, that are open and operating, and are in good standing, i.e. not subject to any uncured default notice.

In each case, the different Initial Franchise Fees only apply to Franchise Agreements you enter into with us during the time they are offered, and do not apply to Development Fees that are payable under an Area Development Agreement. We have the right to modify or terminate any of these programs at any time. In all cases, the Initial Franchise Fee is due in full when you sign the Franchise Agreement, deemed fully earned by us once paid and is non-refundable.

You will have 12 months from the date you sign the Franchise Agreement to open and begin operating your Waxing Studio (or 90 days from the date you sign the Franchise Agreement if you are converting an existing waxing business to a Waxing Studio or other required opening date provided under an Area Development Agreement, if applicable). After 12 months from the date you sign the Franchise Agreement, you must begin paying the Minimum Royalty Fee (see Item 6) to us, whether or not your Waxing Studio is open. If you are actively working with our real estate team in locating a site or have signed a lease with the assistance of our real estate team, we will waive the Minimum Royalty Fee until your Waxing Studio is open.

During 2025, we received Initial Franchise Fees ranging from \$27,583 to \$42,500.

## Area Development

We also offer Area Development Agreements to develop 3, 5 or more Waxing Studios.

### *Initial Franchise Fees*

You must pay an Initial Franchise Fee in connection with each Franchise Agreement you sign under the Area Development Agreement. We offer pricing options for people who are new franchisees, veterans, and existing franchisees who are not in default under their existing Franchise Agreement(s) with us, as follows:

<b>Initial Franchise Fee Pricing under Area Development Agreements</b> (Standard Waxing the City Franchise)	<b>New Franchisee</b>	<b>New Franchisee Who Meets Veteran Requirements</b>	<b>Existing Franchisee</b>	<b>Existing Franchisee Who Meets Veteran Requirements</b>
3 locations	\$97,500	\$87,750	\$82,500	\$74,250
5 locations	\$150,000	\$135,000	\$125,000	\$112,500
Each additional location	+\$30,000 each	+\$27,000 each	+\$25,000 each	+\$22,500 each

If you sign an Area Development Agreement, the initial franchise fee is referred to as a Development Fee, and you pay it in full for all the Waxing Studios you commit to open, when you sign the Development Agreement. In all other cases, the initial franchise fee is due in full when you sign the Franchise Agreement. All portions of the initial franchise fee (and Development Fee) are deemed fully earned by us once paid and are non-refundable.

In all cases, the fees described above only apply to Area Development Agreements you enter into with us during the time we offer the programs. We have the right to modify or terminate any of these programs at any time.

The number of Waxing Studios we will allow you to open under an ADA may be limited by various factors, including the capacity of the market in which you choose to develop.

## Initial Supplies and Retail Products

Before you begin operating, you must purchase initial waxing supplies and a package of retail products to offer for sale in your Waxing Studio from us or our affiliate. This includes an initial inventory of body waxing and service offering supplies and retail products including branded products for retail sale, wax, applicators, gloves, linens and other supplies and products as described in the Operations Manual. The cost of these supplies and products together range from approximately \$13,656 to \$14,480 and are non-refundable.

## Compliance Drawing and Construction Documents

We will create a specific studio layout/design (“**Compliance Drawing**”) of your Waxing Studio using the as-built drawings, surveys, technical data, and site plans you provide. If Compliance Drawings beyond the one we initially provide are needed, you will pay us \$250 per Compliance Drawing. The Compliance Drawing is not sufficient for construction and permitting. This fee is not refundable and is due upon receipt of an invoice. You must retain our designated architectural vendor to create a complete set of detailed construction documents and to complete construction of your facility in compliance with the Compliance Drawing and our mandatory specifications (“**Construction Documents**”), and to obtain any required permits, and conform the premises to local ordinances or building codes.

## **Furniture, Fixtures & Equipment**

You must purchase all of the components that you will need to build-out your Waxing Studio from us or our affiliate, including some or all of the following: (i) the furniture, fixtures, millwork and merchandising hardware kit for your Waxing Studio, including for your waxing treatment rooms, your waiting area, and your retail cash wrap counter; and (ii) design elements. We expect you will order all these items through our on-line portal and we estimate that the total payments for these components will range from \$39,405 to \$59,809. The actual amount you pay for these components will vary based on how many non-mandatory items you purchase from us, the requirements of your particular Waxing Studio, how many treatment rooms you include as part of your Waxing Studio, what products we are offering at the time of your purchase, and which of the non-mandatory products you choose to obtain from an alternate supplier. These fees are not refundable. If we find any deficiencies, you will be required to fix those deficiencies before you open your Waxing Studio.

## **Computers and Technology**

You must purchase information technology services, technology, and network hardware including tablet or mobile devices for use in treatment rooms, computers, sound systems, software and other related components for your Waxing Studio. We recommend, but do not require, that you purchase these items from our affiliate, ProVision.

We require that you purchase the mobile device management software for your in-room tablets or mobile devices through ProVision and you must purchase, install and maintain monthly mobile device management services for those devices also through ProVision. The use of mobile devices in your studio and mobile device management services is mandatory and the monthly mobile device management software and services charges are included in your monthly Technology Fee. The monthly Technology Fee is due on the first business day of the month after your studio management software account is activated before your Waxing Studio opens for business and is nonrefundable. The current monthly Technology Fee is \$799 per month. See Item 6 for information on the monthly Technology Fee.

ProVision offers two packages if you purchase these items from ProVision, which range in cost between \$13,084 to \$25,806. The base package includes all of the technology components we require you to have to operate your Waxing Studio. The additional package includes optional components that you may choose to purchase and install. This range includes taxes, shipping and installation. This cost may be financed through a third party. These payments are not refundable.

## **Grand Opening and Ramp Up Advertising / Marketing**

You must spend a minimum of \$25,000 on your approved Grand Opening and Ramp Up Plan as described in Items 6 and 11. Currently, we do not require that you pay these amounts to us but if you fail to spend the minimum required amount, we may require you to pay the difference between what you should have spent on your Grand Opening and Ramp Up Plan and what you actually spent, into the General Advertising and Marketing Fund. We may require you to pay to us the minimum required amount for the Grand Opening and Ramp Up Plan and we will execute the Grand Opening and Ramp Up Plan on your behalf. This amount would not be refundable.

**ITEM 6  
OTHER FEES**

<b>Type of Fee</b>	<b>Amount (Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee (Note 2)	Greater of (a) the Minimum Royalty Fee (\$100/week), or (b) 6% of Gross Revenue.	Payable on the first Monday of each week for the prior week. (Note 3)	Gross Revenue, also referred to as Net Collections, includes all monies generated by your Waxing Studio, including by the sale of gift cards or membership package sales (counted at time of sale), but excluding bona fide refunds, credits given or allowed to customers for the return of merchandise and amounts collected from customers and remitted by you to any governmental taxing authority in satisfaction of sales taxes. Chargebacks are not deducted from collections.
General Advertising and Marketing Fund Contributions	Currently 2% of your Gross Revenue each month.	Payable on the fifth (5th) day of each month for the prior month. (Note 3)	We reserve the right to increase the General Advertising and Marketing Fund Contribution upon 60 days' written notice to you, provided that it will not exceed 3% of monthly Gross Revenue.
Ongoing Purchases of Wax & Service Offering Products and Other Promotional Items	Typically \$50,000 to \$77,000 per year, but may vary based on your purchases and inventory levels.	Before shipment.	We are the sole source of supply for the hard and soft wax, and waxing strips, that you will use in your Waxing Studio, and for other retail and other service-related products you will sell in your Waxing Studio. We do not currently, but we may implement a program that automatically ships supplies or other products that we designate to your Waxing Studio on a monthly basis which you are required to purchase from us or our vendors for resale to members and customers or for use in your Waxing Studio, including in conjunction with promotions with vendors, distributors, manufacturers and licensing partners, based on your need and inventory levels at your cost.
Technology Fee (Note 4)	Currently \$799 per month.	Payable on the first (1st) day of each month for the prior month by ACH. (Note 3)	You pay this fee to us. We pay most of it to the studio management software provider that will license this software to you. The fee also covers email hosting and our website maintenance. This fee is subject to an annual increase of 10%, compounded annually and cumulative.
Pre Transfer / Renewal Technology Inspection Fee	\$550	Immediately after notice from us	You will be charged this fee if you choose to have ProVision conduct an inspection of your technology system to determine compliance with system standards in advance of renewal or a transfer of your franchise.

<b>Type of Fee</b>	<b>Amount (Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Charitable Contribution	\$100 per month	On or before the first day of each month.	This is a voluntary contribution you may make once you open your Waxing Studio, but only if you decide to participate in our Charitable Contribution Program.
Marketing Materials	Currently \$650 to \$1,200 for first year and thereafter may vary based on your purchases	When incurred.	You must purchase marketing materials we require, including retail display merchandising and Point of Purchase, or "POP kits." We may prescribe minimum amounts you must purchase. POP kits automatically ship to your studio at your cost.
Conference Fee	Currently, \$799 for first ticket, \$499 for additional tickets during early registration and \$599 for additional tickets for regular registration. We may increase this fee not to exceed \$1,000 per ticket.	When you register for the Conference	You must pay this fee for one studio, regardless of how many studios you open, even if you do not register for our Conference. Payment of this fee covers registration for a Principal Owner of your Waxing Studio to attend our Conference. (Note 5)
Regional Meeting or Other Franchisee Meeting Fee	Currently no charge. We reserve the right to charge up to \$250 per person to attend.	As incurred	You must pay this fee to attend regional meetings, town halls or other franchisee meetings or trainings.
Continuing Engagement Credit Fees	Up to \$1,200 per Waxing Studio for each year you fail to complete 1,200 continuing engagement credits, as outlined in our Operations Manual. We do not currently charge this fee but we reserve the right to do so in the future.	During the first quarter of each calendar year.	We will contribute these fees to the General Advertising and Marketing Fund. We will prorate the requirement, and the fee, during the first year you operate.
No Show Fees	Currently, \$500, or the actual costs of rescheduling travel, whichever is greater. We may increase this fee, not to exceed \$1,500 or the actual costs of rescheduling travel, whichever is greater.	Immediately after notice from us.	If you are scheduled for an on-site visit by a franchise business consultant or register for a paid training program, and you cancel, fail to attend, fail to have the appropriate parties attend, or fail to stay for the entire program, and you did not provide us at least 2 weeks' notice that you would not be attending, then you must pay this fee.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Training Compliance Fee	\$500 - \$2,500, per month, per violation, until compliant	Immediately after notice from us.	You only pay this fee if you or any of your aestheticians or cosmetologists perform waxing services prior to training for those specific services, such as additional services training (\$500 fee per month, per violation), or if you open your studio before completing your pre-opening obligations and have not obtained our consent to open (\$2,500 fee per month until compliant).
Training for Each New Aesthetician or Cosmetologist (Note 6)	Currently no charge for virtual support. We reserve the right to charge up to \$250 per hour for virtual support in the future and those charges may be paid to us or a third party. If support is provided by us in-person at any location, the current fee up to \$1,500 per day, plus actual travel and lodging expenses per trainer. We may increase this fee, not to exceed \$3,000 per day, plus actual travel and lodging expenses per trainer.	Payable before training begins.	If applicable, you are also responsible for the cost of all travel and living expenses incurred for your aestheticians and cosmetologists to attend this training. Some Cerologist training may be provided by approved, independent contractors and their fees are directly negotiated with you and are variable. We recommend they charge from \$100 to \$200 per hour depending on the training provided plus travel and accommodation costs.
Additional Services Training	Currently, no charge for aestheticians or cosmetologists who attend virtual training, if offered. We reserve the right to charge up to \$250 per hour for virtual additional services training provided in a virtual format and those charges may be paid to us or to a third party. If training is provided on-site at your location we will charge up to \$1,500 per day, plus actual travel and lodging expenses per trainer for additional waxing services training. We may increase this fee, not to exceed \$3,000 per day, plus actual travel and lodging expenses per trainer.	Immediately after notice from us.	Some Additional Services training may be provided by approved, independent contractors and their fees are directly negotiated with you and are variable. We recommend they charge from \$100 to \$200 per hour depending on the training provided plus travel and accommodation costs.

<b>Type of Fee</b>	<b>Amount (Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Retail Training	Currently, we do not charge a fee for retail training but may charge a fee of up to \$250 per hour in the future	Immediate after notice from us.	You are responsible for all travel and living expenses that your employees incur to attend this training program.
Additional Customer Experience / Operations Training	Currently, up to \$1,500 per day, per representative, plus reimbursement of our cost of travel, lodging and meals. We may increase this fee, not to exceed \$3,000 per day, plus actual travel and lodging expenses per representative.	Before training	If you require additional operations or customer experience training beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we agree to provide this training, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you request.
Leadership Training	Currently, we do not charge a fee for leadership training but may charge up to \$1,500 per day per representative, plus reimbursement of our cost of travel, lodging and meals. We may increase this fee, not to exceed \$3,000 per day, plus actual travel and lodging expenses per representative.	Immediate after notice from us.	This training currently takes two (2) days to complete. You are responsible for all travel and living expenses that your employees incur to attend this training program.
Lash Lift & Lamination Certification	Currently, \$125 per Cerologist, per certification. We may increase this fee upon notice to you but will not increase it to more than \$250 per Cerologist, per certification.	As incurred	Your Cerologists must be certified to perform Lash Lift and Lamination procedures.
Renewal Fee	\$6,000, reduced to \$5,000 if we receive the fee, and all your signed renewal documents, at least 30 days before your franchise expires	At least 15 days before the term of your Franchise Agreement expires.	You only pay this fee if you want to renew your franchise.
Transfer Fee	\$7,500 or \$12,000 (Note 7)	Before you transfer the franchise.	You only pay this fee if you sell your franchise or your interest in it.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Relocation Fee	\$1,500 plus our expenses	When you submit a request to move your Waxing Studio.	You only pay this fee if you want to relocate your studio. If we do not approve your request, we will refund the fee. It is currently our policy to waive the fees if you work with our real estate team to obtain a new site.
Audit	Cost of audit	30 days after billing	Payable only if audit shows an understatement of at least 2% of Gross Revenue for any reporting period.
Inspection Fee	Up to \$500 per failed inspection.	Immediately after notice from us.	We will have someone conduct an inspection of your studio on a periodic basis, no more than annually. If you fail the inspection based on our criteria, we will re-inspect within 120 days and you must pay this fee to cover our costs of re-inspection. If you pass the inspection, you will not incur this cost.
Additional On-site Training	Currently, up to \$1,500 per day plus travel costs and expenses, per trainer. We may increase this fee, not to exceed \$3,000 per day plus travel costs and expenses per trainer.	Immediately after notice from us.	(See Note 8)
Compliance Fee	Up to \$500 per violation per month.	Immediately after notice from us.	In addition to our right to default or terminate the Franchise Agreement, if you breach certain provisions of your Franchise Agreement, you must pay us a fee of up to \$500 per month until you are in compliance in order to offset our costs incurred to address the default. This compliance fee is in addition to any damages or costs we may incur as a result of your being out of compliance.
Insurance Handling Fees	Currently \$100. We may increase this fee, not to exceed \$300.	Immediately after notice from us.	You only pay this fee to us if you fail to obtain insurance, and we obtain the insurance coverage for you. This fee does not include the cost of insurance premiums, for which you must also reimburse us.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Waxing Studio.
Liquidated Damages	\$10,000	If you fail to develop a Waxing Studio by the deadline provided in an Area Development Agreement that you sign.	This fee only applies if you sign an Area Development Agreement, and it then applies for each Waxing Studio you fail to develop under that agreement.

<b>Type of Fee</b>	<b>Amount (Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees, will vary under the circumstances.	Immediately after notice from us.	You only pay this amount if we are successful in any legal action we bring against you, or in defending any claim you bring against us.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law.	As incurred	Payable on all overdue amounts.
Late Report Fee	\$100 per violation	As incurred	Payable only if a required report or financial statement is not delivered when due.
Insufficient Funds Fee	\$100 per check that you submit to us that is returned for insufficient funds, and \$100 each time that we are unable to collect via EFT due to insufficient funds.	As incurred	
Re-Invention Program	\$0.50 per square foot per month.	Each month after you begin operating.	These are funds that we recommend you set aside to remodel your Waxing Studio to current standards before you can renew your franchise. However, we have the right to require you to pay these amounts to us to hold for you. (Note 9)
Recertification or Re-Training Fee	Up to \$1,500 per day, plus actual travel and lodging expenses per trainer. We may increase this fee, not to exceed \$3,000 per day plus actual travel and lodging expenses per trainer.	Six to 12 months after your studio opens and annually thereafter	We do not currently charge this fee, but reserve the right to begin doing so in the future. (Note 10)
Additional Email Addresses	\$20 per month for each additional package of 5 email addresses and mailboxes	As incurred	The Technology Fee includes up to 5 @waxingthecity.com email addresses.
Grand Opening and Ramp Up Plan	\$25,000	As incurred	You must spend \$25,000 on digital marketing, local marketing/advertising and community outreach marketing activities during the period between the date the lease is signed (up to 120 days pre-open) and 180 days following opening. We may prescribe a minimum amount that you must spend for Grand Opening and Ramp Up in the 60 days prior to opening. If you fail to meet this requirement we may require you to pay the difference into the General Advertising and Marketing Fund. We can require this amount be paid to us to spend in your market area.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Local Advertising	\$1,500 per month  We may charge a one-time setup fee up to \$350 if we conduct the local marketing on your behalf	As incurred	After the Grand Opening and Ramp Up Plan, you must spend at least \$1,500 per month on approved local advertising. If you fail to meet this requirement we may require you to pay the difference into the General Advertising and Marketing Fund. We may require you to pay to us the minimum required amount each month for local advertising, plus our current one-time setup fee, and we will conduct the local advertising on your behalf.

Except as otherwise stated, all fees paid to us or our affiliates are non-refundable under any circumstances and are uniform for all new franchisees. Any limitation on our ability to increase a fee or other amount disclosed in this Disclosure Document only applies to Franchise Agreements signed in connection with this Disclosure Document. All limitations expire or otherwise terminate on the expiration or termination of the Franchise Agreement. You must pay fees and other amounts due to us via electronic funds transfer or other similar means. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to this Disclosure Document or other form that we may require) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported the Gross Revenue for your Waxing Studio, withhold our access to accounting and financial systems or data, or otherwise fail to pay amounts due to us for any reporting period, then we will be authorized, at our option, to debit your account for (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Revenue was provided to us; or (b) the amount due based on information we have retrieved from your operating system.

**Notes:**

- (1) If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you must pay an additional amount equal to the amount of this tax. This does not apply to any federal or Minnesota income taxes we or our affiliates have to pay.
- (2) The Minimum Royalty Fee will not begin until the earlier of: (i) the first full month of the month after you open your Waxing Studio; or (ii) the date that is 12 months from the date you signed your Franchise Agreement. If you are working with our real estate team in locating a site or have signed a lease with the assistance of our real estate team, we will waive the Minimum Royalty Fee until your Waxing Studio is open.
- (3) If the due date is a banking holiday or weekend, the payment will be due on the following business day.
- (4) We may increase the amount and calculation of the Technology Fee 10% annually. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than the permitted percentage increase, was implemented. This fee is paid for support of your studio management / POS software

and its updates as well as other studio operations software and services. You will start paying the fee on the first business day of the month after your studio management software account is activated before your Waxing Studio opens for business. Tablets or mobile devices are required to be used in treatment rooms and you must purchase, install and maintain mobile device management software and services for those devices through ProVision. The use of mobile devices in your studio and mobile device management services is mandatory. The cost of the mobile device management software subscription for those devices is included in your monthly Technology Fee.

- (5) A person owning a 10% or greater interest in you or your Waxing Studio (“**Principal Owner**”), is required to attend our Conference when offered, typically every other year. If they do not register for a Conference, we will bill you for the cost of a first ticket.
- (6) Each of your aestheticians must complete our Cerologist™ CORE training program (“**Initial Cerology Training**”) and may not provide waxing or other services at your Waxing Studio until they have completed this training. We provide virtual resources and support for the initial training of aestheticians before you begin operating and we do not currently charge a fee for this support; however, we reserve the right to charge for virtual support in the future and those charges may be paid to us or a third party. For new Studios we offer in-person Initial Cerology Training at your Waxing Studio or in another location which we may designate in our discretion. This training may be provided by us or by an approved contractor. All training must be provided by us or contractors that we have approved. We may charge up to \$1,500 per day, plus travel and lodging expenses, per trainer and the training is typically 3 days. Training provided in person is not mandatory at this time but we reserve the right to make it mandatory for new Waxing Studios. If applicable, you are also responsible for any travel and living expenses that your employees incur to attend training.
- (7) If you transfer the franchise before you open the Waxing Studio, the fee will be \$12,000. If you transfer the franchise after you open, the transfer fee is \$7,500. In addition, prior to the transfer, you or the proposed transferee must pay to us or the applicable broker, as we designate, any broker fees or commissions that we or you incur in connection with the transfer.
- (8) We may require you to receive additional assistance, such as technical or operations training, if you are not meeting our requirements, if you are not meeting certain minimum financial performance thresholds, if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive or correct any deficiencies in your business. All training must be provided by us or contractors that we have approved. We currently charge up to \$1,500 per day per Trainer, plus travel and lodging expenses, per trainer and the training is typically 3 days. If applicable, you are also responsible for any travel and living expenses that your employees incur to attend training.
- (9) You must upgrade your Waxing Studio as a condition to renewal of your franchise. These amounts should give you the majority of the funds you will need to do the necessary remodeling of your Waxing Studio. The actual costs you incur will vary, depending on the condition of your Waxing Studio, construction and other costs in your market, and our requirements at that time.
- (10) We may require your Cerologists to participate in Recertification Training, which will include a review of your Cerologists’ technical skills and the providing of additional Initial Cerology Training as needed. At our discretion, this training may be provided in person, online or in another virtual format. While we do not currently require Recertification Training, we reserve the right to do so upon 90 days’ written notice to you and will charge up to \$1,500 per day, plus travel and

lodging expenses, per trainer. All training must be provided by us or contractors that we have approved.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT Single Waxing Studio Franchise</b>					
<b>Type of Expenditure (Note 1)</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (Note 2)	\$42,500	\$42,500	Lump sum	Upon signing the Franchise Agreement	Us
Travel and Living Expenses While Training (Note 3)	\$1,395	\$2,640	As incurred	As incurred during training	Airlines, hotels, restaurants
Leasehold Improvements (Note 4)	\$114,200	\$277,720	Varied times	Before Opening	Landlord and building contractor
3 Months' Rent and Security Deposit (Note 4)	\$18,200	\$30,300	As incurred	Monthly	Landlord
Construction Management Fees (Note 4)	\$0	\$12,500	As incurred	Before Opening	Vendors
Architect/Design Fees (Note 5)	\$11,085	\$21,530	As specified in contract	At time of design	Architect
Furniture, Fixtures and Equipment (Note 6)	\$39,405	\$59,809	As agreed	Varied times	Us or vendors
Office Supplies (Note 7)	\$3,500	\$4,500	As agreed	Varied times	Us or vendors
Technology Package and Licenses (Note 8)	\$13,084	\$25,806	Lump sum	Before opening	Us, our affiliate and vendors
Interior & Exterior Signage (Note 9)	\$16,500	\$34,800	Lump sum	Before opening	Vendors
Initial Retail Inventory (Note 10)	\$5,578	\$6,108	As agreed	At delivery	Us
Initial Waxing Supply Inventory (Note 10)	\$8,078	\$8,372	As agreed	At delivery	Us
Grand Opening Advertising (Note 11)	\$25,000	\$25,000	Lump sum	Before opening	Us or vendors
Insurance	\$2,550	\$2,850	As incurred	Varied times	Third parties
Miscellaneous Expenses (Note 12)	\$4,270	\$7,100	As agreed	Varied times	Vendors

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Single Waxing Studio Franchise</b>					
<b>Type of Expenditure (Note 1)</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Additional Funds and Working Capital for First 3 Months (Note 13)	\$34,600	\$84,660	As incurred	Varied times	Vendors or third parties
<b>TOTAL (Note 14)</b>	<b>\$339,945</b>	<b>\$646,195</b>			

**Notes:**

- (1) These estimates are based on a 4 treatment room (low) or 6 treatment room (high) Waxing Studio because that is our recommended number of treatment rooms for your Waxing Studio. Our estimates assume you will build out your studio space for 4 or 6 rooms and that you initially order equipment, furniture and supplies for 4 or 6 treatment rooms. These fees are non-refundable unless otherwise noted.
- (2) The Initial Franchise Fee is described in Item 5. These estimates assume you pay the standard Initial Franchise Fee for new franchisees. If you sign an Area Development Agreement, you must commit to opening more than one Waxing Studio, and you will pay the Development Fee at the time you sign the Area Development Agreement. The Development Fee is described in Item 5. The Development Fee replaces the Initial Franchise Fee you would have paid for those Studios. There are no other incidental expenses you should incur as a Developer, as the expenses to open each Studio are accounted for in the chart.
- (3) The person you designate as the “Principal Operator” of your Waxing Studio must attend mandatory training in a virtual format or at a location(s) we designate. We also may require the Principal Operator and/or a Principal Owner to spend up to 5 days training in an existing Waxing Studio owned by us or an existing franchisee. If your Principal Operator is not also a Principal Owner, then this individual must attend the training, and a Principal Owner must also attend and complete this training to our satisfaction before you open your Waxing Studio. While we do not currently charge for this training, if applicable, you must pay all travel and living expenses for your attendees.

We will also provide resources and support so that you can provide Initial Cerology Training (also referred to as “Cerologist CORE Training”) for each of your aestheticians in a virtual format, at your location, or at another location that we designate, at our discretion, before you open for business. There currently is no fee for this support if provided in a virtual format; however, we reserve the right to charge for virtual support in the future and those charges may be paid to us or a third party. If applicable, you must pay all travel and living expenses for your attendees. Your costs will differ if your aestheticians attend Initial Cerology Training at a location other than your location or in a virtual format (see Item 6).

- (4) Our estimate for initial expenses for real estate and improvements assumes you will lease space for your Waxing Studio. Waxing Studios are generally located in commercial retail areas. low end of the range reflects a 4 room studio that is 1,200 square feet and the high end of the range reflects a 6 room studio that is 2,000 square feet. The leasehold improvement range reflects the leasehold improvement expenses incurred by our franchisees who built Waxing Studios in 2023, 2024, and 2025. Most of our franchisees receive some tenant improvement allowance from their landlord

(the range of tenant improvement allowance received by franchisees in our system in 2023, 2024 and 2025 was \$0 to \$100 per square foot and the average was \$35.23 per square foot). Rent for these locations will typically vary from per square foot per year, not including CAM or tax expenses.

This estimate also includes 3 months of base rent at \$35.65 per square foot and \$9.67 per square foot in CAM (which are the average base rent and CAM figures for all studios in our system for 2023, 2024 and 2025). Our estimate assumes you must only pay one month of rent as a security deposit.

As described in Item 8, we offer a “Construction Management Services” program through our approved vendor to oversee the construction of your Waxing Studio. The Construction Management Services are optional but are included in the high estimate. However, we may transition the Construction Management Services program to a mandatory program. If this occurs, you must purchase Construction Management Services if you have not already signed a Franchise Agreement with us or have not commenced the construction of your Waxing Studio.

The amount of your leasehold improvements will likely vary substantially based on existing conditions, size, design, including the availability and prices of labor and materials. The amounts do not include the costs of any necessary site development or site engineering work, nor do they include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment. In addition, these amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing Waxing Studio, which also would result in a significantly greater initial investment. You should carefully investigate all of these costs in the area where you wish to establish your Waxing Studio. In addition, we assumed the general contractor will include permitting fees in the construction costs.

- (5) You must retain our designated architectural vendor to create a complete set of detailed Construction Documents. We will provide one Compliance Drawing for you at no charge, but you must pay us \$250 for each additional Compliance Drawing as needed. We do not construct, remodel or decorate your premises. The estimates assumes standard tenant improvements within a structure, designed for commercial use, and excludes items such as structural modifications, site work, energy studies, surveys and/or exterior improvements. These estimates assume you only require one Compliance Drawing.
- (6) This estimate is for the total cost to purchase furniture, fixtures and equipment for the reception area, common areas, 4 or 6 waxing treatment rooms and the employee break room. The furniture, fixtures and equipment will be purchased from us.
- (7) This estimate includes costs for the purchase of office and cleaning equipment and supplies.
- (8) The low end of the range for this estimate assumes you purchase the minimum required technology package offered by ProVision, and the high end of the range assumes you purchase the larger package with additional items through ProVision. This figures include costs for shipping, installation and taxes. Your costs may vary if you purchase the required technology from a third party vendor.
- (9) The total cost for the signage varies depending on the size of the signs, quantity, whether the signs are illuminated, and the requirements of the landlord and governing authority.
- (10) Your initial inventory of retail products for sale in your Waxing Studio, body waxing and service offering supplies will include branded products for retail sale, wax, applicators, gloves, linens and

other supplies and products as described in the Operations Manual. We have the right to change the inventory requirements at any time. Waxing Studios can expect to spend on average approximately \$1,000 per month on waxing supplies during the start-up phase of business and approximately \$3,000 per month after the start-up phase. Studios can expect to spend on average approximately \$1,000 per month on retail products during the start-up phase and approximately \$2,000 per month after the start-up phase. You must also purchase marketing materials for brand level promotions, such as Point of Purchase, or POP kits. We may prescribe the minimum amounts you must purchase. We will automatically ship POP kits and marketing materials to your studio for brand level promotions at your cost.

- (11) The estimate assumes you spend the \$25,000 that we require you spend to advertise your Waxing Studio for the Grand Opening and Ramp Up Plan described in Item 11. This amount includes your purchase of digital paid media such as search and social, as well as your purchase of marketing materials such as postcards, posters, and brochures as well as additional marketing materials, like branded promotional products, printed materials, large format indoor or outdoor signage for tradeshow, and similar items, which you may purchase through our marketing portal and preferred local media vendor. You may spend more than this amount. Factors that may affect the actual amount you spend include the type of media used, the location of your Waxing Studio, the size of the area you are advertising to, local media cost, and the time of year. You will not pay these amounts to us but we may require you to submit receipts to verify you met this requirement. If you fail to meet this requirement we may require you to pay the difference into the General Advertising and Marketing Fund.
- (12) These estimates include utility costs for 3 months, licensing fees, criminal background checks, and uniforms for 6 initial employees, plus licensing and permitting fees and professional expenses such as legal and accounting. These costs can vary significantly depending on the location of the Waxing Studio and how many initial employees you have.
- (13) This amount includes estimated operating expenses you should expect to incur during the first 3 months of operations, exclusive of rent costs which are discussed above. These figures include monthly royalties, general advertising fund fees, and technology fees. This estimate does not include any taxes or other permitting or licensing fees that you may pay. The estimates also assume you pay credit card processing fees of 2% on your gross revenues, and that you pay wages and payroll for 5 to 6 Cerologists. These estimates do not include payroll taxes or benefits. Some of our studios also pay their Cerologists commission on product sales. It is up to you to determine how to pay your employees.
- (14) We have relied on ours and our predecessor's experience in operating company-owned Waxing Studios in the Minneapolis-St. Paul metropolitan area, and the experience of the franchised locations in various states to compile these estimates. We also recommend that franchisees set aside at least \$0.50 per month per sq. ft. to use to upgrade their Waxing Studio between the fifth and sixth year after they begin operating. We do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your experience in the waxing industry, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges or fees, interest or debt service obligations.

**YOUR ESTIMATED INITIAL INVESTMENT  
AREA DEVELOPMENT AGREEMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Development Fee (Note 1)	\$97,500	\$150,000	Lump sum	Upon signing the Area Development Agreement	Us
<b>TOTAL (Note 2)</b>	<b>\$97,500</b>	<b>\$150,000</b>			

**Notes:**

- (1) The Development Fee is described in Item 5. Under an Area Development Agreement, you must commit to opening more than one Waxing Studio, and you will pay the Development Fee at the time you sign the Area Development Agreement, which will vary depending on the number of Studios you agree to develop. As described in Item 5, we offer Area Development Agreements for 3, 5, or more than 5 Studios. The low estimate assumes you agree to develop 3 Studios, and the high estimate assume you agree to develop 5 Studios.
- (2) If you sign an Area Development Agreement, you must also sign the form Franchise Agreement, attached as Exhibit E, for your first Studio, and thus this estimate is in addition to the estimated initial investment for a single Studio above, with the exception that the Development Fee replaces the Initial Franchise Fee you would have paid for those Studios.

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

All branded items, marketing, equipment, furnishings, fixtures, signs, software, software support, supplies, insurance and products you purchase for use or sale in your Waxing Studio must meet our specifications. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the manual that we provide to you on-line, or we may issue them separately.

We have specifications for local advertising you create to promote your studio, we require you to use brand approved ads, templates, or other brand provided marketing materials, and we require that you obtain our prior approval at least 4 weeks before you use any advertising materials you prepare. You may not create any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, using our Marks or otherwise relates to your Waxing Studio without our approval. You must provide us with full admin access (including with log-in information) to all social media accounts, profiles and pages, business managers, and ad accounts related to your Waxing Studio or that use our marks. You must provide ownership-level access to any Google Business profiles. We require you to use our preferred vendors that provide local marketing services and we also require you to work with our preferred vendor if you wish to conduct mass marketing

to members or prospective members via email or text messages. We reserve the right to refuse, reject, adjust or require changes to any advertising material you prepare.

You must use our preferred vendors for your Grand Opening and Ramp Up Plan for your Waxing Studio, which may include us or our affiliates, and we may require you to submit your grand opening plans and local marketing plans for our prior approval, submit proof of purchase or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity.

You can expect that the items you purchase to meet our specifications will represent over 90% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you purchase that meet our specifications will represent between 70% and 90% of your total expenses.

If you want to purchase items for your Waxing Studio that we have not previously approved, or items that differ from our specifications, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material or supply meets our specifications and quality standards. Except as provided below, we do not impose any fee for our consideration.

We may require you to purchase certain furniture, equipment, inventory, supplies, services, including local marketing services, and other products used or offered at your Waxing Studio from vendors we approve. We do not currently, but we may implement a program that automatically ships supplies or other products that we designate to your Waxing Studio on a monthly basis at your cost which you are required to purchase from us or our vendors for resale to members and customers or for use in your Waxing Studio, including in conjunction with promotions with vendors, distributors, manufacturers and licensing partners. We will provide you with a list of approved suppliers, which may include mandatory vendors (persons from whom you must purchase certain items or services), designated vendors (for items or services that must be purchased from vendors we approve), and preferred vendors (for vendors we have approved, but in categories where we do not require you obtain our approval of the vendor). These suppliers may pay vendor rebates to us and they may include our company and affiliates of ours. We may modify our mandatory, designated, and/or preferred vendor(s) at any time. We may require you to offer additional services or products and some of those products or services may require that you purchase additional equipment or training for your staff.

As of the issuance date of this Disclosure Document, we have the following mandatory vendors:

1. We and our affiliate SEB Distribution are currently the sole suppliers of the hard and soft wax, other service offering products and supplies for other service offerings, and all retail products for resale that you will use in your Waxing Studio. We are also currently a designated vendor for business supplies, and marketing materials, and we or our affiliates may be a mandatory, designated and/or preferred vendor for other items in the future.
2. You must purchase all of the components that you will need to build-out your Waxing Studio from us, including some or all of the following: (i) the furniture, fixtures, millwork and merchandising hardware kit for your Waxing Studio, including for your waxing treatment rooms, your waiting area, and your retail cash wrap counter; and (ii) design elements.
3. Our affiliate ProVision is currently the sole supplier of the mobile device management software and services which are required for the operation of tablets and mobile devices inside your Waxing Studio. The cost of the mobile device management software and services are included in the Technology Fee you pay to us.

4. We have a sole supplier for financial management and processing software. We reserve the right to designate a vendor for bookkeeping software at any time.
5. We have a sole supplier for POS transaction processing, studio management, marketing (CRM) and scheduling software. You will be required to purchase the computer hardware and internet connectivity necessary to run it. The cost of the software license, however, is included in the Technology Fee you pay to us.

You must obtain a Compliance Drawing from us. We will provide one Compliance Drawing per franchise agreement. We anticipate this Compliance Drawing will be sufficient to provide to an architectural vendor to create your Construction Documents. If additional Compliance Drawings are needed, you will pay us \$250 per Compliance Drawing.

We currently have a designated architectural vendor who provides the Construction Documents. The cost for these Construction Documents ranges from \$11,085 to \$21,530 and is paid directly to the vendor. You must use our designated vendor(s) who provide millwork and fixtures for your Waxing Studio. You must provide us with detailed fabrication drawings for review prior to fabrication, and the millwork must match the material and fabrication techniques used by our designated vendor. You must use our designated vendor(s) for the interior and exterior signage for your Waxing Studio.

We currently offer construction management services through an approved third-party vendor to assist franchisees with the build-out of Waxing the City studios (“**Construction Management Services**”). Construction Management Services generally include consulting services regarding construction-related lease requirements, construction estimates, general contractor bidding and selection (you select the general contractor), the exterior sign review and approval process, utilities set up, obtaining building permits, site conditions and work progress, FF&E operation, maintenance and trouble-shooting; providing a punch list of open issues; construction warranty work; and obtaining occupancy approval. The Construction Management Services are optional. However, we may transition the Construction Management Services program to a mandatory program. If this occurs, you will be required to purchase Construction Management Services if you have not already signed a Franchise Agreement with us or have not commenced the construction of your Waxing Studio. The cost for the services is approximately \$12,500 and is paid to the vendor directly.

As further described above, we have the right to designate a single source or sources from whom you must purchase any required products and services, and we and/or our affiliates may be that single source or one or more of the sources. Except as described above, as of the issuance date of this Disclosure Document, neither we nor our affiliate are the only approved suppliers of any required products and services. We may also negotiate preferred vendor contracts with vendors. The preferred vendor contracts will usually provide favorable pricing to our franchisees. A list of current preferred vendor contracts will be available to you from us at any time after you sign your Franchise Agreement.

When we have a designated vendor (other than a mandatory vendor), if you want to purchase from other vendors the items or services for which that vendor has been designated, you must notify us in writing and obtain our approval. If you seek approval of a new supplier (or if the supplier applies directly to us for approval), we will require the supplier pay us a nonrefundable fee of \$300 before we will consider approving their application. This fee is intended to defer our cost of reviewing the supplier. (We do not require you to pay any fee.) We may also require the supplier to sign a supplier agreement with us.

In reviewing prospective suppliers, we consider whether the product or service is consistent with our concept and brand; how they and/or their products or services would enhance our brand and make it more attractive to customers or franchisees; how the product or service would improve the studio experience of

a customer; how the product or service would increase revenue of a franchisee’s business; how the product or service would increase the efficiency of a franchisee; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; is the product of a commercial quality with a proven record of durability; does the supplier support our values; and other factors. In addition, we consider demand from franchisees, the need for the vendor based on business trends, and the ability of the vendor to serve franchisees throughout the United States. (The criteria is posted on our website for potential vendors.) We will generally notify you and the supplier of our approval or disapproval within 45-60 days of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

In the future, we may derive revenue from your purchases or leases of goods, services, supplies, fixtures, equipment, inventory and products from our mandatory, designated or preferred suppliers. These rebates will generally be up to 15% of the purchases you make from the vendor. There are also some vendors that may pay us fixed rebates on supplies and services. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of franchisee purchases.

For the fiscal year ended December 31, 2025, we received \$202,006 in revenue from the purchase, lease or sale of required goods or services to our franchisees which was 1.47% of our total revenues of \$13,771,543. ProVision received \$386,401 in revenue from the purchase, lease or sale of required goods or services to our franchisees. SEB Distribution received \$7,053,348 in revenue from the purchase, lease or sale of required goods or services to our franchisees, which included a rebate in the amount of \$40,132 from a vendor in connection with the sale of products to our franchisees. This information was taken from our and our affiliates’ internal financial records. As this information was taken from our and our affiliates’ internal financial records, revenue reported in this paragraph has not been modified for ASC 606 purposes.

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document although we reserve the right to create them in the future and may require your participation in them. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell 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 suppliers and distributors.

None of our officers own any interest in any of our other suppliers, other than us and our affiliates, and each of their predecessors.

**ITEM 9  
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 1, 7, 8 and 9	Sections 1 and 3.A	Items 7 and 11
b. Pre-opening purchases/leases	Sections 1, 7 and 9	Section 1.C	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 1, 7 and 9	Sections 1,3 and Rider	Items 7 and 11

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
d. Initial and ongoing training	Section 8	Not Applicable	Item 11
e. Opening	Sections 1 and 7	Section 3 and Rider	Items 7, 11 and 12
f. Fees	Sections 1, 2.B, 4 – 9, 11, 12.A, 13.B.9, 14.C, 18.A, and Rider	Sections 2 and 6.B, and Rider	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 6 – 9	Section 8	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Sections 3, 9, 10 and Rider	Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	Section 9	Not Applicable	Items 8, 11, and 16
j. Warranty and customer service requirements	Section 9	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Sections 1 and 3 and Rider	Item 12
l. Ongoing product/service purchases	Section 9	Section 8	Items 6, 8, and 16
m. Maintenance, appearance and remodeling requirements	Sections 2.B.3 and 9.D	Not Applicable	Item 6
n. Insurance	Section 11.A	Not Applicable	Item 7
o. Advertising	Sections 3, 6, and 9.G	Not Applicable	Items 6, 7, and 11
p. Indemnification	Section 11	Section 9	Item 6
q. Owner’s participation/management/staffing	Section 9.M	Not Applicable	Item 15
r. Records and reports	Section 12	Not Applicable	Not Applicable
s. Inspections and audits	Sections 8.J, 9 and 12.A	Not Applicable	Not Applicable
t. Transfer	Section 13	Section 7	Item 17
u. Renewal	Section 2.B	Not Applicable	Item 17
v. Post-termination obligations	Sections 16 and 17.B	Section 6	Item 17
w. Non-competition covenants	Sections 9.M, 16.H, and 17	Section 9	Items 15 and 17
x. Dispute resolution	Section 18	Section 9	Item 17
y. Other: guaranty of franchise obligations (Note 1)	Personal Guaranty (which follows the Franchise Agreement)	Personal Guaranty (which follows the Area Development Agreement)	Item 15

**Notes:**

- (1) Each individual who is an owner of any business entity that is the franchisee, and their spouse, must sign a personal guaranty of all the obligations of the franchisee. This Guaranty also includes an agreement to be bound by the confidentiality and noncompete provisions of the Franchise Agreement.

**ITEM 10  
FINANCING**

We do not offer, directly or indirectly, any financing to you to help you establish your business, except as disclosed below. However, we do have arrangements with a number of third-party equipment lenders who provide financing to our franchisees. We do not participate in any underwriting or lending determinations

with respect to any of the financing options made available by any of these lenders listed below. Our current lender relationships, as of the date of this Disclosure Document, are described below:

1. Geneva Capital, LLC (“**Geneva**”), offers financing of up to \$100,000 for a new location, including, among others, tangible equipment, security system, and signage (but excluding your initial franchise fee and working capital), based on credit approvals. Financing is offered as a lease that typically requires 1 advance payment of up to 20%. Geneva also collects a security deposit equal to 1 month’s lease payment. Lease terms vary from 12 to 36 months. Geneva offers both true tax and capital leases. Fixed equivalent interest rates are based on current market rates and conditions and on your financial and credit worthiness. As of the issuance date of this Disclosure Document, interest rates for this financing range from 7% to 13% per annum, depending on the strength of your credit and credit availability. Geneva will not require you to pledge any other assets to secure the lease, but each individual who is an owner of any business entity that is the franchisee, and their spouse, must provide a personal guaranty. The amount of your lease payments will depend on the amount financed, the term of the lease, and the interest rate. You will have the right to purchase the equipment at the end of the lease at fair market value, typically capped at 10% of the original equipment cost, assuming you have not defaulted under the lease. The ability to prepay your obligations is negotiated on a case by case basis.

You will be in default under Geneva’s lease documents if you fail to pay amounts owed when due or you breach any other provision of the lease documents. If you commit a payment default, you must pay a late charge of 15% of the payment which is late or \$25, whichever is greater or, if less, the maximum charge allowed by law. Regardless of the type of default, Geneva may retain your security deposit, elect not to renew any or all time-out controls programmed within the equipment, terminate or accelerate the lease and require that you pay the remaining balance of the lease (discounted at 3% per annum), and any purchase option due, and/or return the equipment to Geneva. Geneva may recover interest on the unpaid balance at the rate of 18% per annum or, if less, the highest rate permitted by law. It may also exercise any remedies available to it under the Minnesota Uniform Commercial Code or the law of its assignee’s principal place of business. It may also file criminal charges against you and prosecute you to the fullest extent of the law if any information supplied by you on your credit application or during the credit process is found to have been falsified or misrepresented. You must also pay Geneva’s reasonable attorneys’ fees and actual court costs. If Geneva has to take possession of the equipment, you must pay the cost of repossession including damage to the equipment or real property as a result of repossession. Under the personal guaranty, which is contained in Geneva’s equipment lease agreement, you waive all notices. If you default under the lease agreement, Geneva may obtain and use consumer credit reports to determine acceptable means of remedies, and you waive any right or claim you may otherwise have under the Fair Credit Reporting Act (Equipment Lease Agreement – Section 12). Because the lease is a noncancelable net lease you are not entitled to any reduction of rent or any setoff for any reason, nor will the lease terminate or will your obligations be affected by any defect in, damage to or loss of possession or use of any of the equipment (Equipment Lease Agreement – Section 2). You waive any and all rights or remedies not in the lease (Equipment Lease Agreement – Section 14) and you and your guarantors consent to personal jurisdiction in the state that Geneva or its assignee, as applicable, has its principal place of business and you and your guarantors waive trial by jury. If Geneva transfers the lease the transferee will not have to perform any of Geneva’s obligations and the rights of the transferee will not be subject to any claims you have against Geneva (Equipment Lease Agreement – Section 11). A copy of the current Geneva loan documents as of the date of this Disclosure Document is attached as Exhibit H-1.

We have a separate agreement with Geneva, under which we agreed to assume certain obligations if you default under your lease, including an obligation to assist Geneva in remarketing your equipment. Under that agreement, we also agreed to establish a pool to compensate Geneva for certain amounts of the losses it incurs, and to guaranty payment of certain amounts of those losses. This agreement also provides for the

payment of 1.5% of the lease amount to us as a referral fee and 1.5% of the lease amount added to the guaranty pool.

2. Guidant Financial offers a program that allows you to use your retirement funds to buy your business. Known as 401(k) business financing (or Rollovers for Business Start-up), Guidant charges a fee of \$4,995 for this service, which includes filing your business entity, designing a company 401(k) plan, helping you roll all (or a portion of) your existing retirement funds from your current custodian account to the new 401(k), and providing you with a consultation with a tax attorney to review the transaction. In addition, they provide ongoing, annual administration to your 401(k) plan for \$149 per month.

The form of agreement you would sign with them is attached as Exhibit H-2. Guidant can also help you secure an SBA loan for your business. A consulting fee of \$2,500 applies, however, this does come with a fully refundable guarantee should Guidant not be able to secure your funding or if the loan amount is greater than \$200,000, when the loan is completed.

You may use 401(k) business financing as the down payment for your SBA loan through Guidant. Guidant further offers unsecured financing. This program allows you to secure up to \$125,000 in capital, depending on credit score, and debt utilization among other factors. Minimum credit score of 680 is required. The fee for this service varies depending on the loan used.

Guidant can also secure equipment leasing for you. New locations require 10% down. Interest rates vary from 6.99 to 13.90% depending on credit score and other factors. Lease term up to 60 months. New business requires a credit score of 700 or higher while existing business require a credit score of 650 or higher. There is a fee associated with this service and it can range from \$250 to \$500.

Guidant also offers Portfolio Loans. This is a way to leverage your non-retirement stocks, bonds and mutual funds up to 80% of their value. Portfolio must be worth at least \$200,000. No minimum credit score required. The fee associated with this program is 2% to 3% of the value of the collateral. Start-up locations can also elect to defer payments for up to 2 years.

We have a separate agreement with Guidant Financial Group that requires that we are paid \$1,000 as a referral fee for each client that engages in their retirement rollover program. There is no direct affiliation between Guidant Financial Group and us.

3. United Leasing, Inc. (“**United**”) offers up to \$5 million in equipment financing for a new location, based on credit approval, either as an Equipment Financing Agreement (loan) or an Equipment Lease (lease). For leases, United typically requires an “Advance Rental Payment” in a negotiated amount, which will be applied toward the first payment, an administrative fee, and interim rent and tax calculated based on the number of days between the date of payment to the vendor or date the equipment is delivered, whichever occurs first, and the rental commencement date (either the 10<sup>th</sup> or 25<sup>th</sup> of the month following the previous date). For loans, United typically requires an initial payment which will be applied toward the first payment, and an administrative fee. Fixed interest rates are based on current market rates and conditions and on your financial and credit worthiness. As of the issuance date of this Disclosure Document, interest rates for this financing range from 9.2% to 11.5% per annum, depending on the strength of your credit and credit availability. The amount of your payments will depend on the amount financed, the term of the financing agreement or lease, and the interest rate.

Financing and lease terms vary from 24 to 60 months. Under an Equipment Lease, you will have the right to purchase the equipment at the end of the lease for \$1.00, plus a \$395.00 termination fee, assuming you have not defaulted under the lease (Equipment Lease – Purchase Options at Term). Under an Equipment Financing Agreement, at the end of the financing term, you will own the equipment upon payment of a

termination fee of \$395.00 (Equipment Financing Agreement – Section 26). The ability to prepay your obligations under either a lease or financing agreement is negotiated on a case-by-case basis. Because United finances and offers leases with a fixed interest rate, if the Agreement or any Schedule to the Agreement is terminated before the end of the term, whether as a result of default, acceleration, voluntary prepayment, or any other reason whatsoever, you will pay United a funding indemnity amount to be determined by United at time of such termination, based on the market interest and hedging rate environments then in effect, for the outstanding balance being terminated (Equipment Financing Agreement – Section 4; Equipment Lease – Section 3).

United may require you to pledge other assets to secure the financing or lease, and each individual who is an owner of any business entity that is the franchisee, and their spouse, must provide a Personal Guaranty. You must maintain current physical damage (property) insurance for the amount of equipment cost or replacement value, whichever is higher, with a maximum deductible of \$2,500, naming United and its assigns as a loss payee on a lender's loss payable endorsement; and acceptable public liability insurance naming United and its assigns as an additional insured with a combined single limit of liability at least \$1,000,000 (Equipment Financing Agreement – Section 12; Equipment Lease – Section 6).

You will be in default under United's agreements if you made any misrepresentation or delivered any untrue document to United; fail to pay amounts owed when due; you breach any other provision of the agreements; a material adverse change has occurred in your financial condition; you cease doing business; are adjudicated bankrupt; take advantage of any bankruptcy or insolvency laws; a receiver or trustee is appointed for your business; you make an assignment for the benefit of creditors; or United determines the equipment is in danger of loss or abuse (Equipment Financing Agreement – Section 15; Equipment Lease – Section 12). If you commit a payment default under the Equipment Financing Agreement, you must pay a late charge of 5% of the payment, amounts United pays others in connection with collection of the amount, and a \$50.00 returned check fee, if relevant (Equipment Financing Agreement – Section 24). If you commit a payment default under the Equipment Lease, you must pay a late charge of \$50.00 or 10%, whichever is greater, on each delinquent amount for each 10-day period or part thereof for which said amount is delinquent, or, if less, the maximum charge allowed by law (Equipment Lease – Section 15).

Regardless of the type of default, United may exercise a default interest rate of 3% above the standard loan yield rate. Upon default, United may, at its option: accelerate the remaining payments and any other amounts due; use self-help and other lawful remedies to take possession of any equipment; sell or otherwise dispose of any equipment in a commercially reasonable manner; recover from you all amounts then due and owing, less the net sales price (net of all costs and expenses of sale) of any equipment United has repossessed and sold; or utilize any other remedy available to United under the Uniform Commercial Code or otherwise at law or in equity (Equipment Financing Agreement – Section 17; Equipment Lease – Section 14). Post-default amounts bear interest at 18% per annum or at the lesser default rate as set by law until paid (Equipment Financing Agreement – Section 17; Equipment Lease – Section 14).

Under the Personal Guaranty, you and each guarantor waive: demand, protest, notice of protest, notice of default, notice of nonpayment or nonperformance, notice of acceptance, and notice of default; the right, if any, to the benefit of, or to direct the application of, any security hypothecated to United or its successors or assigns until all your obligations to United, however arising, have been paid or performed; and the right to require United, or its successors and assigns, to proceed against you, any other guarantor, or any security, insurance, or to pursue any other remedy in United's power (Personal Guaranty). You and your guarantors will also agree to pay all reasonable attorneys' fees, litigation expenses, and all other costs and expenses incurred by United or its successors and assigns in connection with the Personal Guaranty (Personal Guaranty; Equipment Financing Agreement – Section 33; Equipment Lease – Section 16). You and your guarantors also waive your right to a jury trial, the right to interpose any counterclaim or consolidate any other action with an action on the guaranty, and the benefit of any statute of limitations affecting liabilities

or the enforcement thereof (Personal Guaranty; Equipment Financing Agreement – Section 32; Equipment Lease – Section 35). You and your guarantors will be required to agree and submit to the jurisdiction of any state or federal court located in Vanderburgh County, Indiana (Equipment Financing Agreement – Section 29; Equipment Lease – Section 26; Personal Guaranty).

A copy of the current United Equipment Financing Agreement, Equipment Lease, and Personal Guaranty as of the date of this Disclosure Document are attached as Exhibit H-3.

We have a separate agreement with United which provides that United is to pay us 1% of the financing or lease amount, excluding taxes, to us as a referral fee. There is no direct affiliation between United and us

We do not guarantee any note, lease or other obligation you incur. Except as noted above, neither we nor our affiliates receive any consideration for placing financing with a lender. We and our affiliates have the right to sell, assign or discount to a third party all or part of any amounts you may owe to us or to our affiliates.

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

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

We may provide you any of these services through our employees or representatives, through our affiliates, or through any third party provider we designate. Under the management agreement between us and AFLLC, as described in Item 1, AFLLC has agreed to provide certain required support and services to Waxing the City franchisees under their franchise and area development agreements with us.

Before you open your Waxing Studio, we will:

(1) Once you have chosen a site location for your Waxing Studio, either approve or disapprove that location (Franchise Agreement – Section 1.C).

(2) Once we approve a site location for your Waxing Studio, provide you with a territory for your Waxing Studio (Franchise Agreement – Sections 1.E and 1.F and Rider).

(3) Provide you online access to our operations manual that contains mandatory and suggested specifications, standards and procedures (the “**Operations Manual**”). The Operations Manual consists of one or more manuals, technical bulletins or other written materials available electronically and may be modified by us periodically in our discretion. (Franchise Agreement – Sections 8 and 9). The manual may be made available to you electronically, and currently contains approximately 87 pages. A copy of the table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit B.

(4) Provide you with a prototype floor plan, as well as a list of the equipment, displays, fixtures and furnishings for setting up or remodeling your Waxing Studio (Franchise Agreement – Section 8.B).

(5) As discussed in Item 5, provide you with a Compliance Drawing (Franchise Agreement – Section 9.A). If, however, you would like additional Compliance Drawings, you must pay us a \$250 fee per Compliance Drawing.

(6) Provide, at our expense, the Initial Training Program (currently referred to as “**New Franchisee Training**”) for you, or if you are a legal or business entity, a Principal Owner and one additional person (the Principal Operator). This training may be provided in a virtual format, in-person at our

corporate offices in Woodbury, Minnesota, at another location designated by us, or in any combination of these, at our discretion. We may also require you to spend up to 5 days training in an operating Waxing Studio owned by us or an existing franchisee (Franchise Agreement - Section 8.C). You are expected to successfully complete this training program at least 60 days before you open your Waxing Studio as we determine. If you purchase an existing Waxing Studio or convert an existing business to a Waxing Studio, you are required to attend training within the first 90 days from the date you sign the Franchise Agreement. You will be responsible for all travel expenses for all participants attending the Initial Training Program, including airfare, lodging, meals, ground transportation and personal expenses, if applicable. If you will not be directly involved in the daily operation of your Waxing Studio, we will require that your Principal Operator also complete this training. In order for your Principal Operator to complete this training, and you and your Principal Operator will need to sign a confidentiality and non-disclosure agreement in a form acceptable to us and provide us with a copy.

(7) Provide you support and resources so you can provide the Initial Cerology Training to your staff. This support may be provided in a virtual format, or in-person at a location designated by us, at our discretion. (Franchise Agreement - Section 8.D). This training must be provided by us or by an approved contractor. Your aesthetician(s) are expected to successfully complete this training program before you open your Waxing Studio as we determine. We do not currently charge you for this support for any sessions provided in a virtual format; however, we reserve the right to charge for virtual support in the future and those charges may be paid to us or a third party. For Initial Cerology Training in-person, the current fee is up to \$1,500 per day, plus travel and lodging expenses per trainer. You will still be responsible for paying any travel, lodging or other expenses for your aestheticians to attend such training.

(8) Sell to you, or have our affiliate sell to you, a variety of materials and items to operate and promote your Waxing Studio, including, for example, business cards, thank you postcards, and other start-up materials as described in the Operations Manual. (Franchise Agreement – Section 6.B).

(9) Sell to you a retail product package of retail products and waxing supplies for sale or use in your Waxing Studio. (Franchise Agreement – Section 6.D).

(10) Offer to sell to you furniture, fixtures, and equipment, which includes certain components you will need to build out your Waxing Studio. (Franchise Agreement - Section 9.A).

(11) Provide you with pre-opening support by assigning you a direct contact with us (Franchise Agreement – Section 8.L).

(12) If you are signing an Area Development Agreement, identify a market area within which you will open the number of Waxing Studios you and we agree on. (Area Development Agreement Sections 1, 3 and Rider).

During the term of the Franchise Agreement, we will:

(1) Make a representative reasonably available to speak with you on the telephone, or at our option, online or via email during normal business hours to discuss your operational issues and support needs. (Franchise Agreement – Section 8.L).

(2) Arrange a mystery shopping service to shop your Waxing Studio as needed, and at our discretion, during the term of your Franchise Agreement, and provide the results to you (Franchise Agreement – Section 8.K).

(3) Establish and maintain an Internet website or Home Page for you, provide a link from our Home Page to your webpage, and provide templates to you for your web page (Franchise Agreement – Section 9).

(4) Make available additional services training that we feel is necessary to familiarize you and your management team on changes and updates in the franchise system (Franchise Agreement – Section 8.G) and additional training for Cerologists. All training must be provided by us or contractors that we have approved. (Franchise Agreement – Section 8).

(5) Maintain and administer the General Advertising and Marketing Fund (Franchise Agreement – Section 5.B).

(6) We reserve the right to establish prices for the products and services you sell, both minimum and maximum, subject to applicable law; and you must adhere to any minimum or maximum prices that we require. We may also require you to comply with any advertising policies we adopt which may prohibit you from advertising a price for a product or service that is different from our suggested retail price. All rates, discounts, and promotions are subject to our prior written approval, to the extent permitted by applicable law (Franchise Agreement – Section 9.C).

**Training**

**Initial Training Program**

Before the opening of your Waxing Studio, we provide an initial training program (“**Initial Training Program**”). The Initial Training Program, currently referred to as “New Franchisee Training,” is provided in-person at our corporate offices in Woodbury, Minnesota, in a virtual format, at another location designated by us, or in any combination of these, at our discretion. The training is held as needed to accommodate demand. There is no charge to you for this training, but you are responsible for all travel and living expenses you and your employees incur in attending the training, if applicable. The Principal Operator of your business must attend and complete this training program to our satisfaction before you open your Waxing Studio. In addition, if your Principal Operator is not also a Principal Owner, then a Principal Owner of your business must also attend and complete this training to our satisfaction before you open your Waxing Studio. (Franchise Agreement – Section 8.C).

The following represents a summary of our Initial Training Program as of the issuance date of this Disclosure Document:

**INITIAL TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Introduction to Waxing the City	1	0	Virtual or at a location we designate
Human Capital & Training	7	0	Virtual or at a location we designate
Sales / Marketing	5	0	Virtual or at a location we designate
Communications & Operations	8	0	Virtual or at a location we designate
<b>Total Training Time</b>	<b>21</b>	<b>0</b>	

The Initial Training Program instruction will be provided by multiple facilitators, and overseen by Kary Seman. Ms. Seman is the Senior Director of Brand Operations and has been with the Waxing the City brand since 2016. Throughout her tenure, she has held a variety of roles, including leadership positions in multi-unit field operations. Additional people will be involved in the initial training program. These people will have at least one year of experience in the subject they teach. Other members of our training staff at our designated training center conduct training as necessary, and we delegate our duties and share our training responsibilities.

The Operations Manual serves as our primary instructional material during the Initial Management Training Program.

If you have more than one Franchise Agreement with us, we may, at our option, provide this training one time for multiple agreements.

### **Initial Cerology Training Program**

In addition to the Initial Training Program, we provide you the support and resources to permit you to provide to your staff an “Initial Cerology Training Program,” also referred to as “Cerologist CORE Training.”

Before the opening of your Waxing Studio, at least one aesthetician that you employ must attend and complete to our satisfaction our Initial Cerology Training Program, also referred to as Cerologist CORE Training, and obtain our Cerologist™ certification. The support we provide is offered in a virtual format and, at our discretion, may be offered in person at a location we may designate. There is currently no charge for this support if provided in a virtual format; however, we reserve the right to charge for virtual support in the future and those charges may be paid to us or a third party. You are responsible for the travel and living expenses of all individuals who attend Initial Cerologist training, if applicable. Each individual you employ in your Waxing Studio as an aesthetician must complete our Initial Cerology Training Program and obtain our Cerologist™ certification. All training must be provided by us or contractors that we have approved. For new Studios we offer in-person Initial Cerology Training at your Waxing Studio or in another location which we may designate in our discretion. This training may be provided by us or by an approved contractor. If training is provided in-person at any location, we will charge up to \$1,500 per day, plus travel and lodging expenses, per trainer and the training may be up to three to five days. Training provided in person is not mandatory at this time but we reserve the right to make it mandatory for new Waxing Studios. If applicable, you are also responsible for any travel and living expenses that your employees incur to attend training. (Franchise Agreement – Section 8.D).

The following represents a summary of our Initial Cerology Training Program, also referred to as Cerologist CORE Training, as of the issuance date of this Disclosure Document:

### **INITIAL CEROLGY TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Soft Skills	12	0	Virtual or at a location we designate
Facial Waxing	2	9	Virtual or at a location we designate
Body Waxing	2	9	Virtual or at a location we designate

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Bikini/Brazilian Waxing	2	9	Virtual or at a location we designate
Mock Day	0	16	Virtual or at a location we designate
<b>Total Training Time</b>	<b>18</b>	<b>43</b>	

Our co-founder and current Director of Technical Training and Service Innovation, Alexandria Arlotta, oversees this portion of the training program. She has served in similar roles for us and our predecessor since our predecessor began operating in October 2012. All training must be provided by us or contractors that we have approved.

Other members of our staff may conduct training as necessary, and we may delegate our duties and share our training responsibilities. The Operations Manual and our other manuals serve as our primary instructional material during the Initial Cerology Training Program.

### **Continuing Education Programs**

#### *Retail Training*

We currently offer retail training geared for Cerologists that focuses on retail sales training and education about the retail products we offer for sale. This training is offered on an as needed basis, at our discretion. We may provide this training in regional locations, at the corporate office in Woodbury, MN or at your location, at our sole discretion. All training must be provided by us or contractors that we have approved. We currently do not charge for this training, but you are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur in attending these programs, if applicable. We reserve the right to charge for this training in the future. The materials we use for this training are developed each time from a variety of sources. (Franchise Agreement – Section 8.G).

#### *Additional Service Offering Training*

We currently offer training programs for additional service offerings, including, Brazilian - P wax, brow and lash tinting, Bryght, brow lamination, lash lift, calming skin treatment, detoxifying skin treatment and other beauty enhancement services that we currently offer. Additional service offering trainings will be added as additional services are integrated into the system. Some additional service offerings require support by third parties. You must pay us or these third parties their current training fees for any training. Except as noted below, and in the Operations Manual, the typical cost for additional service offering training conducted by us in any format is currently \$250 per person, although we reserve the right to change the cost, type and manner of additional service training programs at any time. In addition, you are responsible for the travel and living expenses of all individuals who attend this training, if applicable. Additional service offering training sessions may be offered in a virtual format or at another location we designate, at our discretion. If in-person training is provided we will charge a training fee, currently up to \$1,500 per day, per trainer, plus the cost of travel, lodging and meals. This training may be provided by us or an approved contractor. Our current training programs for the brow lamination, lash lift service offering and the lash lift master trainer program are virtual programs offered by a third party vendor or by our Trainers, approved contractors or vendors and the cost for those programs is currently \$125 per Cerologist per certification. (Franchise Agreement – Section 8.H).

Training for additional service offerings must take place after an aesthetician's successful completion of the Initial Cerology Training Program.

#### *Additional Customer Experience / Operations Training*

If you require additional operations or customer experience training beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we provide additional assistance at your request, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you request and we agree to provide. We may also require you to receive additional assistance if you are not meeting our requirements, you fail to meet our designated financial thresholds, or if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive. Such additional assistance will be at your expense as described above. Our current fee for additional assistance is up to \$1,500 per day, per representative, plus reimbursement of our cost of travel, lodging and meals. All training must be provided by us or contractors that we have approved.(Franchise Agreement – Section 8.L).

#### *Annual Recertification Training*

We may require your Cerologists to participate in Recertification Training, which will include a review of your Cerologists' technical skills and provision of additional Initial Cerology Training as needed. At our discretion, this training may be provided on-site, online or in another virtual format. While we do not currently require Recertification Training, we reserve the right to do so upon 90 days' written notice to you. Our current fee for Recertification Training is up to \$1,500 per day for Recertification training, plus the cost of travel, lodging and meals. All training must be provided by us or contractors that we have approved. (Franchise Agreement – Section 8.N).

#### *Conference*

We may hold a conference on a regular basis (currently, every other year) to discuss sales techniques, new services and products, training techniques, bookkeeping, accounting, performance standards, advertising programs, merchandising procedures, aesthetician training, and other topics. This conference may be live or a virtual event. You must pay the conference fee, if any (currently, the first ticket \$799 and all additional tickets are either: \$499 for early bird registration or \$599 for regular registration) and, if applicable, all travel and living expenses to attend. We may increase the cost of the Conference tickets over the course of the term of your Franchise Agreement but will not increase it above \$1,000 per ticket. We require a Principal Owner to attend these conferences. If that person does not attend, they will be billed for the first ticket rate following the Conference. The conferences will be held at various locations that we will designate. During the first 24 months following the opening of your Waxing Studio, a Principal Owner of your business must attend either our Conference or regional meetings, town halls or other franchisee meetings or trainings as designated by us. (Franchise Agreement – Section 8.F).

#### *Regional Meetings, Town Halls or other Franchisee Meetings / Training*

During the time you operate your Waxing Studio, there is additional training that we may require you to attend in order to stay current on the policies, procedures, and techniques of operating a Waxing the City studio. During the first 24 months following the opening of your Waxing Studio, a Principal Owner of your business must attend either our Conference or regional meetings, town halls or other franchisee meetings or trainings as designated by us. These trainings will be offered as needed, and at our sole discretion and will typically include 2 to 3 hours of training in two or more of the following areas: marketing, client engagement, customer service, and other topics that we designate from time to time.

These trainings may be held in a virtual format or in person, in one or more geographic regions, at our discretion. The same people who provide the initial training, and are responsible for the initial training, will primarily be responsible for these trainings. We currently do not charge you to attend these trainings (other than the conference), but you are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur in attending these programs, if applicable. We reserve the right to charge for this training in the future. (Franchise Agreement – Section 8.E).

### *Leadership Training*

Leadership Training is an optional, 1 to 2-day soft-skills development training geared for Owners and Managers but available to other Studio staff as well. It covers topics such as teamwork, building client rapport, and developing sales skills. The course is offered at various times throughout the year. It may be offered in a virtual format, in regional locations, or at the corporate offices in Woodbury, Minnesota, at our discretion. The same people who provide the initial training, and are responsible for the initial training, will primarily be responsible for this training. We currently do not charge for this training, but you are responsible for travel costs, room and board, and the salaries, fringe benefits, and other expenses you and your employees incur in attending these programs, if applicable. We reserve the right to charge for this training in the future. The materials we use for this training are developed each time from a variety of sources. (Franchise Agreement – Section 8.G).

### *Continuing Engagement Credits*

Although we do not currently require Continuing Engagement Credits, we may implement this program in the future. Each calendar year, your business must obtain at least 1,200 continuing engagement credits within our system. The credits are not tied to hours, but to specific events or participation you have in our system. As outlined in the Operations Manual, there are currently 4 topic areas in which points may be earned and you must earn points in each topic area, each year, to fulfill this requirement.

There are no additional fees for receiving continuing engagement credits, or taking additional training, but you are responsible for any expenses you or your employees incur in completing any activity. We do not currently, but in the future may offer you the opportunity to take virtual or other online training to receive continuing engagement credits. We encourage you to earn more than 1,200 credits annually and we will explore options to reward and recognize top performers. However, if you fail to meet the minimum requirements in any year, you must pay us a fee of \$1.00 per Waxing Studio for each credit deficiency, which we will deposit in the General Advertising and Marketing Fund. Thus, as an example, if you have 1 Waxing Studio, and you achieved only 1,000 credits for the year, you would pay us a fee of \$200, but if you had multiple Waxing Studios, you would pay \$200 for each of those Waxing Studios. The credits required are prorated for any partial year you are open. This fee is due to us on February 1 following any year in which you fail to meet the minimum requirement.

In addition, if you register for certain training, do not cancel within 2 weeks of the training, and fail to attend, or leave early, then you must pay us a “no show” fee. The materials we use for this training are developed each time from a variety of sources (Franchise Agreement – Sections 8.E and 8.P).

## **Advertising Programs**

### **General Advertising and Marketing Fund**

Under the Franchise Agreement, each franchisee must contribute amounts to the Waxing the City General Advertising and Marketing Fund (the “**General Advertising and Marketing Fund**” or the “**Fund**”) currently equal to 2% of monthly Gross Revenue. You must contribute to this Fund on a monthly basis, based on the amount of Gross Revenue you generated in the previous reporting period. We require all our

franchisees to contribute to this fund and our company-owned studios contribute to the General Advertising and Marketing Fund at the same percentage rate as franchisees. We may periodically increase the General Advertising and Marketing Fund Contribution; provided that the General Advertising and Marketing Fund Contribution will not exceed 3% of monthly Gross Revenue.

We account for the contributions to the Fund separately from our other revenues, and we do not use them to pay any of our general operating expenses other than our costs of administering the Fund, including salaries and overhead in administering the Fund, and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Fund, such as salaries, administrative costs, travel expenses and overhead like rent and utilities. We may also reimburse ourselves, our authorized representatives or our affiliates from the Fund for any expenses we incur related to the promotion of the Waxing the City brand, the Marks or the System, including conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Fund, administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes.

The purpose of the Fund is to develop marketing and advertising programs that maximize general public recognition and acceptance of our brand. This means we may use monies in the Fund for any purpose that promotes the System or the Marks, including the creation, production and placement of consumer advertising; agency costs and commissions; costs of preparing, producing and conducting local, regional or national media of our choice, including: television, radio, internet, magazine, direct mail and newspaper, billboard, social media and digital advertising, and direct mail campaigns, and other public relations activities; developing and/or hosting maintaining and optimizing our website, other websites, and other applications or similar activities; implementing keyword or adword purchasing programs; administering regional and multi-regional advertising programs, and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms and other advertising, promotion or marketing agencies; developing marketing and advertising training programs and conducting market research (including sampling) and secret shopper programs; and other advertising, promotion and marketing activities, including participating at trade shows. Advertising may be placed in local, regional or national media of our choice. We do not guarantee that advertising expenditures from the General Advertising and Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We have an in-house marketing department, and also work with national, regional and local agencies. It is our responsibility to determine how monies in the Fund are spent. We will direct all advertising or other promotional programs produced using monies from the Fund and have the sole right to approve or disapprove creative concepts, materials and media used in those programs, the placement of the advertisements and the allocation of money in the Fund to production, placement or cost. We are not required to use monies in the Fund to benefit you or any individual market or location, or on a pro rata or other basis. However, we will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises.

During 2025, these monies were spent by us for the following purposes:

Item	Percent of Total Expenditures
Brand-level marketing, distributed regionally/locally, administrative costs, production, paid media	83%
PR, research, technology and other expenses	17%

We may reimburse ourselves, our authorized representatives or our affiliates from the General Advertising and Marketing Fund for any expenses we incur related to the promotion of the Waxing the City brand, the Marks or the System, including administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the General Advertising and Marketing Fund. Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fund earns will be used for advertising before we use any principal. At your request, we will make available to you an annual accounting for the General Advertising and Marketing Fund that shows how the Fund proceeds were spent for the previous year, but these statements will not be audited. We have no fiduciary duty to you or any other party regarding the operation or administration of the Fund. We may loan funds to the Fund. If we do, the terms of repayment and any interest charged will be as we determine.

It is our intention to solicit input on the development of advertising from franchisees who must contribute to the Fund on the development of the advertising. However, this input will be advisory only, and we will have the right to make all final decisions about how these monies are spent. We do not have any franchisee-formed local advertising cooperatives as of the issuance date of this Disclosure Document, although we reserve the right to create them in the future and may require your participation in them.

### **Advertising Cooperatives**

Although we currently do not, in the future we may establish local advertising cooperatives in market areas in which 2 or more Waxing the City studios are operating. If we establish a cooperative in your area, or there is an existing cooperative in your area when you become a franchisee, you must participate and contribute your share to the cooperative. These cooperatives will, with our approval, administer advertising programs and develop advertising, marketing and promotional materials for the area the cooperative covers. We may require the cooperative to use an advertising agency or other partner we choose.

The amount of the contribution you must contribute will be determined at the time we establish the cooperative but will not be more than 2% of your monthly Gross Revenue. All franchisees and company-owned Waxing the City studios in the market area will be expected to contribute at the same rate to the cooperative. Each Waxing the City studio contributing to a cooperative will have one vote on matters involving the activities of the cooperative. But the cooperative may not produce or use any advertising, marketing or promotional plans that have not be approved by us.

The cooperative will operate from written governing documents. Each cooperative will prepare annual financial statements which will be available for review by a franchisee participating in the cooperative, upon request of that franchisee. We may change, dissolve or merge any cooperative at any time.

### **Local Advertising Spend Requirement**

You must spend a minimum of \$1,500 per month on local advertising, after completion of the Grand Opening and Ramp Up Plan (described below), to promote your Waxing Studio. We recommend that you

spend more than \$1,500 per month during peak times for the waxing industry, such as spring and summer. We require you to submit your local marketing plans for our prior approval, submit proof of payment or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. If you fail to meet the minimum local advertising spend requirement, we may require you to pay the difference between what you should have spent, and what you actually spent, into the General Advertising and Marketing Fund. We reserve the right to audit your records upon request to determine compliance with this requirement. The amounts you spend on local advertising are in addition to the General Advertising and Marketing Fees that you must pay to us. Local advertising spend is the amounts spent by you for advertising media, including social media, search, radio, print media, promotional items, advertising on public vehicles, and, if not provided by us, the costs of producing approved materials necessary to participate in these media. Advertising expenditures do not include items which we, in our reasonable judgement deem inappropriate for meeting the minimum advertising requirement, including: permanent on-premises signs, vehicles (even if they display the Marks), personnel salaries or administrative costs, and the value of discounts, free offers, or other incentive programs. We require you to use our preferred vendors for local marketing services, which may include us or our affiliates. We may require you to pay to us the minimum required amount each month for local advertising, plus our current one-time setup fee, and we will conduct the local advertising on your behalf.

### **Grand Opening and Ramp Up Advertising / Marketing**

We require you to invest \$25,000 on local marketing/advertising and local community engagement/outreach marketing activities as part of a “Grand Opening and Ramp Up Plan.” Activities in the plan may start as early as your lease is signed (up to 120 days pre-open) and will extend up to 180 days post-opening. We may prescribe a minimum amount that you must spend for your Grand Opening and Ramp Up in the 60 days prior to opening. You must contract with one of our designated local marketing vendors for digital marketing services no less than 4 weeks prior to your Waxing Studio’s expected opening date. You may choose to spend more than the minimum investment amount and you may not be able to achieve your pre-opening and post-opening booking goals if you spend only the minimum required amount. The total cost of the Grand Opening and Ramp Up Plan will be determined by the advertising costs in your area, the time of year that you are opening, the type of media used and the competitive landscape. The Grand Opening and Ramp Up Plan is intended to be a holistic and localized program that includes guides, timelines, tools, and resources we have developed along with agency and corporate staff support to assist new studios in driving awareness and traffic to their new studio location. The Grand Opening and Ramp Up Plan may include digital media, print media, audio advertising, billboards or other outdoor signage. The amounts you spend on the Grand Opening and Ramp Up Plan are in addition to the General Advertising and Marketing Fees that you must pay to us. You must use our designated vendors for your Grand Opening and Ramp Up Plan for your Waxing Studio, which may include us or our affiliates, and we may require you to submit your grand opening plans for our prior approval, submit proof of payment or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. If you fail to spend the minimum required amount, we may require you to pay the difference between what you should have spent, and what you actually spent, into the General Advertising and Marketing Fund. We may require you to pay to us the minimum required amount for the Grand Opening and Ramp Up Plan and we will execute the Grand Opening and Ramp Up Plan on your behalf.

You must also purchase branded promotional products through our marketing portal or through our designated local marketing vendors as described in Item 5. Some of the costs purchased through the marketing portal may count toward the required minimum expenditures for the Grand Opening and Ramp-Up Plan.

## **Marketing Resources, Pre-Approvals For Marketing Materials**

You must order sales and marketing materials from our approved suppliers and per our standards and specifications. If you desire to use your own advertising materials for any marketing activity, you must obtain our prior approval at least 4 weeks before publication or your first usage, which may be granted or denied in our sole discretion. Use of logos, Marks and other name identification materials must be consistent with our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. You must also obtain our approval before establishing, or having established on your behalf, any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, relating to us, your Waxing Studio, or to the Waxing the City system. You are ultimately responsible for ensuring that your advertising complies with all applicable laws before using it.

## **Site Selection and Opening**

You will be given the right to open a Waxing Studio at a location that we agree on. You will have until the Required Opening Date on the Rider to your Franchise Agreement, but in no event more than 12 months from the date you sign the Franchise Agreement, to secure a location we approve and open and begin operating your Waxing Studio. If you fail to meet any of these conditions by the Required Opening Date, including failing to obtain our approval of your location, we can terminate your Franchise Agreement and retain all amounts you have paid to us and our affiliates. If you are converting an existing waxing business to a Waxing the City® studio, you must complete all remodeling and open your Waxing Studio within 90 days of the date you sign the Franchise Agreement. If you fail to, we can terminate your Franchise Agreement and retain all amounts you have paid us and our affiliates.

We will provide you with specifications in evaluating and selecting a site for your Waxing Studio and may provide you recommendations on sites. It is your obligation to select a site for your studio and obtain our approval of that site. While we will assist you, and we may identify various potential sites in your market area, we have no obligation to locate or select a site for you, or negotiate the purchase or lease of a site, and we do not own the premises and lease them to you. Before you acquire any site, you must submit to us information and materials we require and obtain our approval to your site. The factors we take into account in approving a site are the visibility of the site, the retail feel of the site, the location of competitors, whether the site is easily accessible, surrounding businesses and various other factors. A Waxing Studio should have at least 1,200 square feet, but we recommend having 1,200 to 2,000 square feet, with 4 to 6 waxing treatment rooms. We will tell you within 10 business days whether or not we approve your proposed site after your submission to us of all site information that we require. If you and we are unable to agree on a site for your Waxing Studio, the opening of your Waxing Studio may be delayed.

As described in Items 7 and 8, we offer Construction Management Services for the build-out of your Waxing Studio. As of the issuance date of this Disclosure Document, we do not require that you participate in the Construction Management Services program. However, we may transition the Construction Management Services program to a mandatory program. If this occurs, you will be required to purchase Construction Management Services if you have not already signed a Franchise Agreement with us or have not commenced the construction of your Waxing Studio.

You may not open your Waxing Studio until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) initial training is completed to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required

by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered, received and installed your equipment, supplies, inventory and computer system. You must be prepared to begin operating your Waxing Studio immediately after we state that your Waxing Studio is ready for opening. If you open your Waxing Studio before completing your pre-opening obligations or before obtaining our consent, you will be charged \$2,500 per month until compliant.

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Waxing Studio will be approximately 12 months. Some factors which may affect this timing are your ability to acquire space for your Waxing Studio through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment, tools and inventory and the time to convert, renovate or build the facility. Your failure to open your Waxing Studio on or before the Required Opening Date will constitute a default of your Franchise Agreement and allow us to terminate your Franchise Agreement.

Under the Area Development Agreement, you will have the right to develop, open, and operate multiple Waxing Studios. Each Waxing Studio must be developed and opened according to our then-current System standards and other approval requirements, and you must open your Waxing Studio on or before the date provided in the Development Schedule. You or your affiliates must sign our then-current form of Franchise Agreement for each Waxing Studio you develop and open under the Area Development Agreement, which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document. We will determine or approve the location of future Waxing Studios and any territories for those Waxing Studios based on our then-current System standards for sites and territories.

## **Software and Computer Equipment**

### **Computer Hardware**

You must use the POS system, computer and network hardware and software that we periodically designate for the operation of your Waxing Studio.

We recommend you purchase your hardware from our affiliate, ProVision. ProVision offers technology packages that meet or exceed our minimum requirements. Each ProVision package generally includes the following components: network and rack equipment, 3 computers, 2 tablets, and surveillance cameras and related security equipment. The larger, optional ProVision packages also include: audio equipment for your studio lobby and treatment rooms. The use of mobile devices in your Waxing Studio and mobile device management services is mandatory. You are required to purchase, install and maintain mobile device management services for those devices through ProVision. The mobile device management services fees are included in the Technology Fee paid to us. As of the date of this Disclosure Document, the ProVision technology costs range from \$13,084 to \$25,806. Package prices include taxes, shipping and installation. Equipment provided by ProVision typically has a warranty of 12 months on parts and labor from the date of installation on core hardware components only (excluding software).

### **Computer Software**

We may require you to use our designated financial management and reporting software provider.

We will arrange for you to obtain a license to use studio management and point of sale (“POS”) software that has been customized for use in Waxing studios. The cost for this license is included in the monthly

Technology Fee you pay to us, which is currently \$799 per month. We may increase the amount and calculation of the Technology Fee 10% annually. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than the permitted percentage increase, was implemented. This software is a proprietary product that has been customized for our System and we have not approved any compatible equivalent software. In connection with this software we may require you to implement add-on software to your POS system. We may also require you to use this or any other software we designate to conduct mass marketing via email and/or text messages to members or prospective members. We and the software vendor will provide the continuing monthly support you need to operate this studio management software. We also intend to provide software updates at no cost to you as part of the Technology Fee, but we are not obligated to do so, and whether we do so or not is likely to depend on the extent of any upgrades. We do not provide support for any other third-party software.

As part of the Technology Fee you pay to us, we will also provide website hosting and provide to you Microsoft Exchange Email hosting and support (including up to 5 @waxingthecity.com email addresses, and set up of an additional email mailbox). You may purchase additional email addresses and mailboxes in packages of 5, for an additional fee of \$20 per month.

### **Ongoing Maintenance and Use**

Neither we, nor any affiliate nor to our knowledge, any third party, is obligated to provide you with ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. We may require you to upgrade or update the computer system (including hardware and software) during the term of the franchise, and we anticipate that you will be required to do so. You may be required to pay initial and/or ongoing license, support or service fees associated with such upgrades or updates. There are no contractual limitations on the frequency and cost of the obligation. Other than as described above, we do not have any contractual obligation to upgrade or update any of your hardware or software, during the term of this franchise.

You must have sufficient computer skills to be able to operate your computer system, including mobile applications, and to access e-mail and the Internet. You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. You will use your computer and mobile applications for appointment scheduling, customer management, point-of-sale transactions, employee management and education, eCommerce, inventory management, business and payroll reporting, marketing, and social media integration. Our software will also give you access to our online franchisee support center, ongoing product development and online education.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems. We strongly recommend that your computer system be used for business purposes only, and not for entertainment, personal social networking site access, or other matters unrelated to your business.

## **ITEM 12 TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. When you sign

a Franchise Agreement, you will receive the right to operate a single Waxing Studio at a specific location that we must approve. If the site for your studio has been identified before you sign the Franchise Agreement, then you must operate the studio at that site. If the site becomes unavailable to you for any reason, it is your obligation to select a new location, and to obtain our approval of that location before you acquire the site, and before you obtain any rights in the location. If a site has not been identified, then we will designate an area, and you may locate your Waxing Studio at any site we approve within that area, so long as the site you select is not also within a territory of another Waxing Studio. Once the site for your Waxing Studio has been approved, we will grant you a protected territory. (If you sign an Area Development Agreement with us, we will also give you a protected territory at the time you sign that agreement.) The limitations on us in that territory are described below.

If you sign an Area Development Agreement (“**ADA**”), we will describe this territory in the Rider to that agreement. The territory will typically be described as a geographic area in which each of your Waxing Studios must be developed. The criteria we use for determining these territories is simply geographic markets in which we believe it may be feasible to develop a Waxing Studio. If you are in compliance with the Development Schedule set forth in the Rider, then until your protected territory rights expire, we will not develop or operate or grant anyone else a franchise to develop and operate a Waxing Studio from any location in the Development Territory. However, we do have the right to operate, or grant others the right to do so, waxing or hair removal studios except under the Waxing the City name within or outside your protected territory, and studios operated under the Waxing the City name or Marks outside your protected territory, even if they compete for members with your studio, and even if the territorial boundaries for that franchise overlap with the boundaries for your territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will sign the Franchise Agreement for your first Waxing Studio contemporaneously with signing the ADA. You will sign our then-current Franchise Agreement for each subsequent Waxing Studio that you open according to the Development Schedule in the ADA. We will determine or approve the location of any future Waxing Studios and any protected territories for those Waxing Studios based on our then-current standards for sites and territories.

Your rights in this territory will end at the earlier of (i) the date your Area Development Agreement terminates or expires; (ii) the date on which your last Waxing Studio must be open under the terms of the Development Schedule, and (iii) the date when the individual protected territories given to you under a franchise agreement for your final Waxing Studio are determined. If the protected territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will also expire on the date when we determine the protected territory to be given to you under a franchise agreement for your final Waxing Studio to be developed in that city, county or designated market area. When your rights in a protected territory have expired under the Area Development Agreement, you will still have the rights granted to you in any portion of these territories under an individual Franchise Agreement. When you sign a Franchise Agreement, we will give you a protected territory and describe it in a Rider to that agreement.

You are responsible if we terminate the Area Development Agreement because you are unable to secure one or more acceptable, proposed locations to fulfill the development schedule in your Area Development Agreement. If you fail to meet the terms of the development schedule in your Area Development Agreement or you fail to develop a single Waxing Studio on or before the Required Opening Date in your Franchise Agreement, we can terminate your Area Development Agreement and/or Franchise Agreement(s) in their entirety and you are not entitled to a refund of any of the Development Fees or Initial Franchise Fees paid.

## **Protected Territory**

To identify your protected territory we will use mapping and demographic software to identify the boundaries of your protected territory. The determination of your protected territory is within our sole discretion but will include a population of no more than 50,000 people based on census projections for up to 5 years from the date of your Franchise Agreement.

We may attach a map to your Franchise Agreement that will identify the protected territory or we may simply describe an area surrounding your location. The map or description may not be a specific radius from your Studio, because it will take into account traffic patterns and natural boundaries. Protected territories may overlap, but we will not approve anyone opening a Waxing the City studio, or relocating a Waxing the City studio, into a protected territory given to another studio. We cannot unilaterally change your protected territory, and there are no minimum quotas required; as long as your Franchise Agreement is in effect, you will retain the rights described in this paragraph. Upon renewal of your Franchise Agreement, we will recalculate the population in your market and reserve the right to revise your protected territory to reflect our then current guidelines. Except as provided above, your protected territory will not change even if the population within your protected territory changes.

The criteria we use for determining the boundaries of the protected territory in your Franchise Agreement include population as discussed above, growth trends of population, apparent degree of affluence of population, the density of residential and business entities, traffic generators, driving time, and natural boundaries. During the term of your Franchise Agreement, we will not operate or license to anyone else the right to operate a Waxing the City studio that is physically located in your protected territory. However, we and our affiliates can operate waxing or hair removal studios/business, or grant others the right to do so, outside your protected territory, including studios operated under the Waxing the City name or Marks, even if they compete for customers with your studio, and even if the territorial boundaries for that franchise overlap with the boundaries for your territory. We and our affiliates also have the right to operate, and to grant franchises or licenses to others to operate, any waxing or hair removal studios/business and any other business from locations within this territory under trademarks other than “Waxing the City”, without compensation to you.

We may also have situations where we designate a “TBD” (to be determined) territory. If you receive a TBD territory, you have the right to look for a site in any area that has not already been given as a protected territory to another Waxing the City studio. However, if you find a proposed site in near proximity to another Waxing the City studio, even though not in that studio’s protected territory, we may offer the site to the existing franchisee before we agree to assign that area to you or grant you the right to develop your studio at that site.

## **Relocation**

You must provide us at least 60 days’ prior notice, pay a relocation fee and reimburse our expenses in reviewing the new location, and obtain our consent before you intend to relocate your Waxing Studio. The new location must be within your protected territory, and it may not be located within any territory we grant to any other franchisee. You must upgrade the new space to comply with all of our current specifications.

## **Customers**

We do not restrict the customers you may serve, and you generally may solicit customers outside your territory, including through channels of distribution such as the Internet, telemarketing or other direct marketing sales. All of your marketing and advertising must comply with our policies and procedures and be approved by us before use. You may not establish or have established any digital or electronic medium

or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, account, hashtag, user name or application, whether web-based or otherwise, or keyword advertising, pay-per-click advertising or other search engine marketing, relating to or making reference to us, your studio, or to the Waxing the City system. We and our affiliates have the right to sell products and services (like apparel, waxing supplies, and related products) both inside and outside your territory, using the “Waxing the City®” name, any derivative or any other name, through any channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, without any compensation to you.

**Options, Rights of First Refusal, or Similar Rights**

You will not receive any options, rights of first refusal, or similar rights to additional franchises, except as provided in your Area Development Agreement.

**ITEM 13  
TRADEMARKS**

The Franchise Agreement gives you the right to operate a waxing studio under the trade names, trademarks and service marks that we establish.

The following marks have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). These are the principal trademarks you will use in operating your Waxing Studio:

Mark	Registration Number	Registration Date
WAXING THE CITY	3,562,047	January 13, 2009
CEROLOGY	4,475,000	January 28, 2014

Most of these Marks above were originally registered by MARS Ventures and later assigned to our predecessor who then assigned them to us in the securitization disclosed in Item 1. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or ownership rights in any Mark. All affidavits required to preserve and renew these Marks have been or will be filed. No currently effective agreement limits our right to use or license the use of our Marks.

You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including URLs, domain names, e-mail addresses, locators, links, metatags or search techniques. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator. You may not use our Marks in a manner not expressly authorized in writing by us, or in connection with an unauthorized website, social media post, or product or service.

We will protect and maintain all rights to use our Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of our Marks, including bringing actions

against third parties regarding the use of any of our Marks, but the Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving our Marks. You must cooperate with us and take all actions as may be desirable in the opinion of our counsel to carry out the defense or prosecution. While we are not required to defend you against a claim based on your use of our Marks, we will either do so, or we will reimburse you for your liability as long as you properly use our Marks, including against claims of infringement or unfair competition arising out of your use of the Marks.

We may change our Marks and require you to adopt new Marks as if they were part of the Franchise Agreement at the time of its execution. You must comply with these changes immediately at your expense after we notify you that we have discontinued, modified or changed one or more of our Marks. We will have no liability or obligation because of the discontinuation, modification or change. You must not directly or indirectly contest the validity of our ownership of the Marks or our right to use or license our Marks, trade secrets, confidential information or business techniques that are part of our business. You must use the designations of ®, ™, and <sup>SM</sup> in advertising and promotions using our Marks.

We do not know of any infringing uses that could materially affect your use of our Marks.

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

There are no patents or pending patent applications that are material to the purchase of a franchise. We do claim copyright protection for the Operations Manual, and to advertising and promotional materials, forms, and related materials that we produce, but we have not registered these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided in your Franchise Agreement.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrighted materials, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use of our copyrighted materials. We are not aware of any infringing uses or these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will be included in our manuals, and in materials we may separately provide to you. You may use these materials, in the manner we approve, in the operation of your Waxing Studio during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may disclose this information to your Principal Operator, but only to the extent necessary to operate the Waxing Studio, and then only while your Franchise Agreement is in effect.

You may not use any of our confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without our prior approval. You must not, without our prior written consent, input any confidential or proprietary information into any generative AI platform, or disclose any information to any provider or source of generative AI services. You must opt out of allowing any provider or source of generative AI to utilize our confidential or proprietary information for training of any AI model or for other purposes.

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

Either a signer on the Franchise Agreement with at least a 20% ownership interest in you (if you are a corporation, limited liability company, partnership or other business entity that buys the franchise) or you (if you are a person), must take an active role in the day-to-day management, training, quality control and customer service functions of your Waxing Studio by completing at least 480 hours of active “Operational Engagement” with the day-to-day operations of your Waxing Studio within the first 6 months after the Waxing Studio’s opening date. “Operational Engagement” includes participation in training and coaching staff, overseeing daily operations in the Waxing Studio, ensuring compliance with our standards and policies, engaging in marketing and community outreach activities, and other activities as described in the Operations Manual. We reserve the right to extend this obligation for an additional 6 months if we determine, in our sole discretion, that you are not meeting our key performance indicators or financial performance thresholds.

After this initial participation obligation is concluded, while we do not require that you personally supervise your Waxing Studio on a day to day basis, we strongly recommend that you do so. If you are not the “on premise” supervisor of the Waxing Studio, then you must designate a Principal Operator to serve as your on-premise supervisor. You, and your Principal Operator if you have one, must attend and participate in any on-site visits by our corporate representatives at your Studio. You must participate in any scheduled business review calls scheduled by our corporate representatives and you must provide us with accurate and complete financial statements, including profit & loss statements and balance sheets, for your Studio upon our request, and in advance of any scheduled business review call(s). We do not impose any limitations on whom you can hire as your Principal Operator, but that person must complete our initial training requirements and all other training we reasonably designate, and that person must sign a confidentiality and non-disclosure agreement with you that meets our requirements and that you provide to us before they attend training. We also require you to designate a Principal Owner of your business to attend our Conference each year, even if that person is not personally supervising your Waxing Studio. We do not require the Principal Operator of your business to have any ownership interest in your business.

If you are a legal or business entity, each individual who has any ownership interest in your business, directly or indirectly, and their spouse, must sign the Personal Guaranty and Agreement to be Bound assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement and ADA, as applicable. (See the Franchise Agreement (Exhibit E) and ADA (Exhibit E)).

All Principal Operators, managers, and aestheticians must sign non-disclosure agreements with you.

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

You must refrain from using or permitting the use of your Waxing Studio for any other purpose or activity at any time without first obtaining our written consent. You must sell or offer for sale only those services and products which are approved by us and which meet our standards and specifications. We do not currently, but we may implement a program that automatically ships supplies or other products that we designate to your Waxing Studio on a monthly basis at your cost which you are required to purchase from us or our vendors for resale to members and customers or for use in your Waxing Studio, including in conjunction with promotions with vendors, distributors, manufacturers and licensing partners.

You must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications. We have the right to change the services and products that we require you to offer at any time, without limitation. We reserve the right to establish maximum and/or minimum resale prices for use with multi-area marketing programs and special price promotions. We do not limit the persons to whom you may offer your products and services. You must offer products and services only at your Waxing Studio.

You must comply with the reciprocity, membership, loyalty, national campaigns and promotions and transfer programs we implement, as we periodically modify them.

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

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.**

<b>Provision</b>	<b>Section in Franchise or Other Agreements</b>	<b>Summary</b>
a. Length of the franchise term	Section 2.A – Franchise Agreement	The initial term is 6 years.
	Section 3.A and 4 and Rider – Area Development Agreement	The term depends on the number of franchises to be developed under the Area Development Agreement. It will typically be between 1 and 5 years.
b. Renewal or extension of the term	Section 2.B – Franchise Agreement	If you are in good standing and you meet our conditions, you can renew your franchise for an additional 5 year period.
	Area Development Agreement – Not Applicable	You cannot renew the Area Development Agreement.
c. Requirements for you to renew or extend	Section 2.B – Franchise Agreement	Give written notice, sign new franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement, including a reduction in the size of your protected territory under the new franchise agreement); be in compliance with all agreements between you and us or our affiliates; update (or move) your location to comply with then-current standards; sign general release; pay renewal fee; show that you have the right to remain in possession of the location for the renewal term; your staff completes any required refreshing training.
	Area Development Agreement – Not Applicable	You do not have the right to renew or extend the Area Development Agreement.

Provision	Section in Franchise or Other Agreements	Summary
d. Termination by you	Section 15 – Franchise Agreement  Area Development Agreement – Not Applicable	Subject to state law, if we materially breach the Franchise Agreement and fail to cure the breach within 30 days after notice, you can then terminate the Franchise Agreement by giving us an additional 10 days’ notice.  You do not have the right to terminate the Area Development Agreement (subject to state law).
e. Termination by us without cause	Franchise Agreement – Not Applicable  Area Development Agreement – Not Applicable	Not applicable.  Not applicable.
f. Termination by us with cause	Section 14 – Franchise Agreement  Section 5 – Area Development Agreement	If you do not open in 12 months (subject to an extension as described in Item 5) or are in default under the Franchise Agreement or any other agreement you have with us or with any of our affiliates.  If you are in default under the Area Development Agreement, or you or any of your affiliates are in default under any Franchise Agreement or other agreement you have with us or with any of our affiliates.  The Franchise Agreement and the Area Development Agreement contain cross-default provisions.
g. “Cause” defined – curable defaults	Section 14.B – Franchise Agreement and Section 5 – Area Development Agreement	Most defaults are curable and you will have 30 days to cure.
h. “Cause” defined – non-curable defaults	Section 14.A – Franchise Agreement	You are liquidated or dissolved; fail to operate the business for 7 consecutive days, abandon the business, lose the right to do business, or lose the right of possession of the premises where the studio is located; unapproved transfers; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; 3 notices of material breaches within 12 months; you maintain false books or records or submit any false or misleading application, statement or report to us; you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization granted to us, or initiate any stop payments against us; you misuse our marks or materially impair the value of, or the goodwill associated with our marks or the franchise system; and other stated non-curable defaults.

Provision	Section in Franchise or Other Agreements	Summary
	Section 5 – Area Development Agreement	Similar reasons as for Franchise Agreement, you fail to meet your development obligations in the Development Schedule, or we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.
i. Your obligations on termination/non-renewal	Section 16 – Franchise Agreement  Section 6 – Area Development Agreement	Stop operating the studio, stop using our names and marks, return information to us, assign to us or cancel certain registrations, listings, telephone numbers, websites and domain names, pay all amounts you owe us, and comply with your obligations if we exercise our purchase option.  You lose all remaining rights to develop Waxing Studios. You also pay \$10,000 for each undeveloped franchise as liquidated damages (subject to state law).
j. Assignment of contract by us	Section 13.A – Franchise Agreement and Section 7.A – Area Development Agreement	No restriction on our right to assign.
k. “Transfer” by you – defined	Section 13.B – Franchise Agreement and Section 7.B – Area Development Agreement	Includes transfer of contract or business, or transfer of majority control of the Franchise Agreement or of the business.
l. Our approval of transfer by franchisee	Section 13.B – Franchise Agreement  Section 7.B – Area Development Agreement	We have the right to approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met.  We have the right to approve, but you may not transfer only a portion of your rights.



Provision	Section in Franchise or Other Agreements	Summary
t. Integration/merger clause	Section 20(K) – Franchise Agreement, Section 9 – Area Development Agreement	Only the terms of the Franchise Agreement, Area Development Agreement and other written agreements are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement/Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18 – Franchise Agreement, Section 9 – Area Development Agreement	Except for certain disputes, all disputes must be mediated, and if not settled by mediation, are then subject to arbitration (subject to applicable state law).
v. Choice of forum	Section 18 – Franchise Agreement, Section 9 – Area Development Agreement	Subject to state law, mediation in a metropolitan area with at least 250,000 people that is not located within 100 miles of either of our principal offices, and arbitration in Minneapolis, Minnesota. Subject to state law, any litigation must be brought in the United States District Court for the District of Minnesota or the Ramsey County District Court, Minnesota.
w. Choice of law	Section 20.D – Franchise Agreement, Section 9 – Area Development Agreement	Subject to state law, Minnesota law generally applies.

**ITEM 18  
PUBLIC FIGURES**

We do not currently 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.

As of December 31, 2025 there were 167 franchised Waxing Studios in the Waxing the City system. This number does not include 15 Waxing Studios that permanently closed during the Relevant Time Period. Of those Waxing Studios four closed before operating for at least 12 months, two of which opened and closed in 2025.

The historical financial information in the charts below is taken from the 138 franchised Waxing Studios that were open and operating for the entire 12 month period ended December 31, 2025 (the “**Relevant Time Period**”). We refer to these 138 Waxing Studios as the “**Studios**” in this Item 19. The earliest Studio began operating in 2003 and the latest in 2024 .

Except as discussed below, Gross Revenues as used in this Item 19 includes all revenues of the Studio reported to us in 2025, excluding bona fide refunds, credits given or allowed to customers for the return of

merchandise and amounts collected from customers and remitted to a governmental taxing authority in satisfaction of sales taxes, however, chargebacks are not deducted from the calculation of Gross Revenues. This is the definition of Gross Revenues in our Franchise Agreement. However, we have denoted in the charts below those instances where Gross Revenues are calculated specific to a certain item, such as Club Orange memberships, Tickets or Retail product sale.

The information in the charts below was derived from information reported to us by the Studios for the Relevant Time Period. The information is split into five different sections each measuring different financial or customer information as described below:

- Section A – Total Gross Revenues.
- Section B – Club Orange Gross Revenues.
- Section C – Monthly Unique Customers.
- Section D – Ticket Gross Revenues.
- Section E – Retail Gross Revenues and Retail Attach Rate

The initial two charts below provide Gross Revenues and Club Orange Gross Revenues information from the Relevant Time Period for all Studios and for each group of Studios in a quartile. Studios were placed in quartiles based on their individual Gross Revenues for the Relevant Time Period. The top Studios based on Gross Revenues were placed in the Top quartile, the next Studios in the Second quartile, the next Studios in the Third quartile, and the last Studios in the Bottom quartile. These Gross Revenue quartiles were also used for the Club Orange Gross Revenues chart.

**Section A**  
**Total Gross Revenues**

	<b>All 138 Studios</b>	<b>Top 1/4 (34 Studios)</b>	<b>Second 1/4 (35 Studios)</b>	<b>Third 1/4 (35 Studios)</b>	<b>Bottom 1/4 (34 Studios)</b>
<b>Average Total Gross Revenues <sup>1</sup></b>	478,025	789,207	537,453	381,939	204,576
<b>Number/Percentage Met or Exceeded Average Total Gross Revenues</b>	63/46%	14/41%	16/46%	19/54%	17/50%
<b>Median Total Gross Revenues</b>	457,222	769,533	534,768	389,122	208,752
<b>Highest Total Gross Revenues</b>	1,159,131	1,159,131	606,128	454,787	276,572
<b>Lowest Total Gross Revenues</b>	60,168	614,881	459,658	285,325	60,168

1. Average Gross Revenues of the Studios was calculated by determining the total amount of Gross Revenues of these Studios for the Relevant Time Period and dividing that amount by the total number of these Studios. This same calculation was used to determine the Average Gross Revenues for each group of Studios in each quartile.

**Section B**  
**Club Orange <sup>1</sup> Gross Revenues**

	<b>Average 138 (Studios <sup>2</sup>)</b>	<b>Top 1/4 (34 Studios)</b>	<b>Second 1/4 (35 Studios)</b>	<b>Third 1/4 (35 Studios)</b>	<b>Bottom 1/4 (34 Studios)</b>
<b>Average Gross Revenues <sup>3</sup></b>	183,094	318,863	211,754	142,210	59,909
<b>Number/Percentage Met or Exceeded Average Gross Revenues</b>	61/44%	17/50%	14/41%	20/57%	14/41%
<b>Median Gross Revenues</b>	172,313	312,601	204,645	146,512	54,728
<b>Highest Gross Revenues</b>	556,956	556,956	320,256	280,145	120,538

	<b>Average 138 (Studios <sup>2</sup>)</b>	<b>Top 1/4 (34 Studios)</b>	<b>Second 1/4 (35 Studios)</b>	<b>Third 1/4 (35 Studios)</b>	<b>Bottom 1/4 (34 Studios)</b>
<b>Lowest Gross Revenues <sup>2</sup></b>	94	99,800	64,345	94	11,932

1. Club Orange refers to the Waxing the City Club Orange membership program, which is a monthly subscription service that provides the member with discounts on designated services and retail products, and other benefits in exchange for the payment of a monthly subscription fee. The Gross Revenues information in this chart is the Gross Revenues from payment of these monthly fees for the Relevant Time Period.
2. We had one Studio that did not participate in the Club Orange program, but we included that Studio in the data because this Studio had a small amount of Club Orange revenue as a result of cross center redemption.
3. Club Orange Average Gross Revenues of the Studios was calculated in the same manner as Gross Revenues were calculated in the first chart above for all Studios and for each group of Studios in each quartile.

38.3% of the total Gross Revenues of the Studios was from monthly subscription payments for the Club Orange memberships of these Studios. 61 or 44% of the Studios met or exceeded this percentage. This percentage was determined by dividing the total Gross Revenues attributable to monthly subscription payments for the Club Orange memberships of all Studios by the total Gross Revenues of these Studios.

### **Section C** **Monthly Unique Customers**

We also track unique customers for our Waxing studios. Monthly unique customers per Studio is the number of customers in a month who paid for a good, service or membership at that visit, but disregards repeat visits in the same month to the same studio. The Average Monthly Unique Customers Per Studio is the average of all Studios' monthly averages of unique customers during the Relevant Time Period. The Average Monthly Unique Customers per Studio during the Relevant Time Period was 569, the median was 556, the lowest was 74, the highest was 1,384, and the number/percentage of the Studios that met or exceeded the average was 67 or 49%.

### **Section D** **Ticket Gross Revenues <sup>1</sup>**

	<b>Average (138 Studios)</b>
<b>Average Ticket Gross Revenues <sup>2</sup></b>	\$63
<b>Number/Percentage Met or Exceeded Average Ticket Gross Revenues</b>	65/47%
<b>Median Ticket Gross Revenues</b>	\$63
<b>Highest Average Ticket Gross Revenues</b>	\$84
<b>Lowest Average Ticket Gross Revenues</b>	\$48

1. A "ticket" is the invoice provided by a Waxing studio to a customer showing the services performed for, and products purchased by, the customer during that visit, excluding taxes, along with an itemized and total amount due.

2. Average Ticket Gross Revenues of the Studios is calculated by determining the average ticket for each of these Studios for the Relevant Time Period, which is calculated by dividing the total Gross Revenue for each Studio by the total number of tickets for each Studio, and then averaging the average ticket across all Studios.

**Section E**  
**Retail Gross Revenues and Retail Attach Rate Information**

	Average (138 Studios)
<b>Average Gross Revenues</b> <sup>1,2</sup>	21,678
<b>Number/Percentage Met or Exceeded Average Gross Revenues</b>	60/43%
<b>Median Gross Revenues</b>	24,081
<b>Highest Gross Revenues</b>	80,935
<b>Lowest Gross Revenues</b>	1,369
<b>Retail Attach Rate</b> <sup>3</sup>	12%

1. This chart provides information related to the sale of retail products by the Studios to customers of these Studios during the Relevant Time Period. We consider a “retail product” to be any item purchased by a customer that is not a service.
2. Average Gross Revenues of the Studios were calculated by determining the total amount of Gross Revenues from the sale of retail products of these Studios for the Relevant Time Period and dividing that amount by the total number of Studios.
3. Retail Attach Rate is the percentage of tickets issued by the Studios that included the sale of at least one retail product. This percentage was determined by dividing the total amount of tickets that included the sale of at least one retail product of the Studios by the total number of tickets of these Studios. 60 or 43% of the Studios met or exceeded this Retail Attach Rate.

**GENERAL INFORMATION APPLICABLE TO ALL OF ITEM 19**

**Some Waxing Studios have sold these amounts. Your individual results may differ. There is no assurance that you’ll sell as much.**

Percentages were rounded to the nearest whole percent and dollar amounts to the nearest dollar.

The information disclosed in this Item 19 does not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenues information to calculate net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Waxing Studio. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

All of the Studios offered substantially the same products and services as you are expected to offer other than the one Studio referenced above that was not participating in the Club Orange program.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Other than as set forth above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of franchised outlets. 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 General Counsel James Goniea at 111 Weir Drive, Woodbury, Minnesota 55125, telephone (651) 438-5000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

All of the information in the tables below is as of December 31 of the applicable year.

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2023-2025**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2023	133	150	+17
	2024	150	151	+1
	2025	151	167	+16
Company-Owned	2023	6	0	-6
	2024	0	0	0
	2025	0	0	0
<b>Total Outlets</b>	<b>2023</b>	<b>139</b>	<b>150</b>	<b>+11</b>
	<b>2024</b>	<b>150</b>	<b>151</b>	<b>+1</b>
	<b>2025</b>	<b>151</b>	<b>167</b>	<b>+16</b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years 2023-2025**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Arizona	2023	0
	2024	0
	2025	1
Colorado	2023	0
	2024	0
	2025	3
Georgia	2023	1
	2024	1
	2025	0

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Illinois	2023	0
	2024	0
	2025	1
Louisiana	2023	0
	2024	2
	2025	0
Minnesota	2023	0
	2024	1
	2025	0
North Carolina	2023	0
	2024	1
	2025	0
North Dakota	2023	1
	2024	0
	2025	2
Oklahoma	2023	1
	2024	0
	2025	0
Pennsylvania	2023	0
	2024	1
	2025	0
South Carolina	2023	0
	2024	1
	2025	1
Texas	2023	4
	2024	3
	2025	1
Virginia	2023	1
	2024	0
	2025	0
<b>Total</b>	<b>2023</b>	<b>8</b>
	<b>2024</b>	<b>10</b>
	<b>2025</b>	<b>9</b>

**Table No. 3**

**Status of Franchised Outlets**  
**For Years 2023-2025**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations-Other Reasons</b>	<b>Outlets at End of the Year</b>
Alabama	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arizona	2023	6	0	0	0	0	0	6
	2024	6	0	4	0	0	0	2
	2025	2	0	0	0	0	0	2
California	2023	2	1	0	0	0	0	3
	2024	3	3	2	0	0	0	4
	2025	4	5	3	0	0	0	6
Colorado	2023	8	1	0	0	0	0	9
	2024	9	0	1	0	0	0	8
	2025	8	1	0	0	0	0	9
Connecticut	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	1	0	0	0	0
Delaware	2023	0	1	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	2	0	0	0	0	2
District of Columbia	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Florida**	2023	3	0	0	0	0	0	3
	2024	3	2	0	0	0	0	5
	2025	5	4	2	0	0	0	7
Georgia	2023	3	0	0	0	0	0	3
	2024	3	3	0	0	0	0	6
	2025	6	2	1	0	0	0	7
Hawaii	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	4	0	0	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Indiana	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Iowa	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	1	0	0	0	3
Kentucky	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Louisiana	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Massachusetts	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Michigan	2023	2	0	0	0	0	0	2
	2024	2	0	2	0	0	0	0
	2025	0	1	0	0	0	0	1
Minnesota*	2023	3	6	0	0	0	0	9
	2024	9	2	1	0	0	0	10
	2025	10	0	1	0	0	0	9
Mississippi	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Nebraska	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	1	0	0	0	0	3
New Jersey	2023	8	0	0	0	0	0	8
	2024	8	1	0	0	0	0	9
	2025	9	0	1	0	0	0	8
New Mexico	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	0	0	0	0	0	3
New York	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Carolina	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
North Dakota	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Ohio	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Oklahoma	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Oregon	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Pennsylvania	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
	2025	7	0	0	0	0	0	7
South Carolina	2023	5	0	2	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
South Dakota	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	1	0	0	0	1
Tennessee	2023	3	2	1	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	0	1	0	0	0	4
Texas	2023	25	7	1	0	0	0	31
	2024	31	2	1	0	0	0	32
	2025	32	3	1	0	0	0	34
Utah**	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	2	0	0	0	0
Virginia	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	2	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Washington	2023	5	0	0	0	0	0	5
	2024	5	0	1	0	0	0	4
	2025	4	2	0	0	0	0	6
Wisconsin*	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
<b>Total</b>	<b>2023</b>	<b>133</b>	<b>22</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>150</b>
	<b>2024</b>	<b>150</b>	<b>17</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>151</b>
	<b>2025</b>	<b>151</b>	<b>31</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>167</b>

\* WCWLLC sold 6 company-owned studios to franchisees in 2023 (5 in Minnesota and 1 in Wisconsin), while these outlets never closed, they have been marked as “Outlets Opened” as they were, as of December 31, 2023, franchisee-owned.

\*\* One Studio in Florida and one in Utah opened in 2025 and permanently closed in 2025.

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2023-2025**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Minnesota	2023	5	0	0	0	5	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Wisconsin	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
<b>Total Outlets</b>	<b>2023</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 5**

**Projected Openings as of December 31, 2025**

State	Franchise Agreements Signed But Outlet Not Opened as of December 31, 2025	Projected New Franchised Outlets in 2026	Projected New Company-Owned Outlets In 2026
Alabama	1	0	0

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened as of December 31, 2025</b>	<b>Projected New Franchised Outlets in 2026</b>	<b>Projected New Company-Owned Outlets In 2026</b>
Arizona	1	0	0
California	7	1	0
Colorado	1	0	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	3	1	0
Georgia	3	1	0
Hawaii	1	1	0
Illinois	1	1	0
Indiana	1	0	0
Iowa	0	0	0
Kansas	1	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maryland	3	1	0
Massachusetts	1	0	0
Michigan	1	0	0
Minnesota	1	1	0
Mississippi	0	0	0
Missouri	1	2	0
Nebraska	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	2	0	0
North Carolina	3	0	0
North Dakota	0	0	0
Ohio	1	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	1	0	0
South Carolina	2	2	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	9	0	0
Utah	0	0	0
Virginia	2	1	0
Washington	0	0	0

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened as of December 31, 2025</b>	<b>Projected New Franchised Outlets in 2026</b>	<b>Projected New Company-Owned Outlets In 2026</b>
Wisconsin	1	1	0
<b>Total</b>	<b>48</b>	<b>13</b>	<b>0</b>

A list of the names, addresses and telephone numbers for all of our current franchisees, and the locations of their open Waxing the City studios as of December 31, 2025, is listed in Exhibit C.

A list of all franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily ceased to do business under the Franchise Agreement during the 12-month period ended December 31, 2025, or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is also included in Exhibit C. There are 31 franchisees on this list, representing 62 franchises.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Some franchisees have signed confidentiality agreements with us or our predecessor during the last three years. In some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experience with the Waxing the City franchise 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.

We have formed a Franchise Advisory Council that consists of franchisees within our system with whom we consult on various aspects of our system. This is not a formal entity, and it does not have a telephone number, street address, email address, or website. The members of our Franchise Advisory Council are simply franchisees who communicate with each other by telephone and email, and who attend telephone and in-person meetings with our staff. No independent franchisee association has asked to be included in this Disclosure Document.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached at Exhibit D is the audited financial statements of our affiliate SEB Franchising Guarantor LLC (“SFG”) for the fiscal years ended December 31, 2023, December 31, 2024 and December 31, 2025. SFG guarantees our performance under the Franchise Agreement, Area Development Agreement, and other related documents. A copy of the guaranty of SFG is attached at Exhibit D.

As reflected in Item 1, Anytime Fitness, LLC will be providing required support and services to franchisees under a management agreement with us. Attached at Exhibit D are the audited financial statements of Anytime Fitness, LLC for the fiscal years ended December 31, 2023, December 31, 2024 and December 31, 2025. These financial statements are being provided for disclosure purposes only. Anytime Fitness, LLC is not a party to the Franchise Agreement, Area Development Agreement or any other agreement we sign with franchisees nor does it guarantee our obligations under the Franchise Agreement, Area Development Agreement, or other agreement we sign with franchisees.

**ITEM 22  
CONTRACTS**

A copy of the Franchise Agreement, Franchise Agreement Guaranty, and General Release is attached as Exhibit E.

A copy of the Area Development Agreement and Development Agreement Guaranty is attached as Exhibit F.

Exhibit H includes forms of financing and leasing documents for financing or leasing we or our affiliates provide or that we have arranged.

Exhibit I is the ProVision Services Agreement.

Exhibit J is an Electronic Transfer of Funds Authorization.

Exhibit K is a Franchisee Questionnaire we require you to complete and sign before we will grant you a franchise.

**ITEM 23  
RECEIPTS**

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

# WAXING **THE** CITY

## EXHIBIT A

### LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

## LIST OF STATE AGENCIES

### California

Department of Financial Protection and Innovation  
651 Bannon Street, Suite 300  
Sacramento, California 95811  
(415) 972-8559 or (866) 275-2677 (toll free)  
www.dfpi.ca.gov  
Ask.DFPI@dfpi.ca.gov (email)

### Hawaii

Hawaii Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
King Kalakaua Building  
335 Merchant Street, Rm. 205  
Honolulu, Hawaii 96813  
(808) 586-2744

### Illinois

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, Illinois 62701  
(217) 782-4465

### Indiana

Indiana Secretary of State  
Securities Division  
302 West Washington Street, Room E-111  
Indianapolis, Indiana 46204  
(317) 232-6681

### Maryland

Office of Attorney General  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-6360

### Michigan

Michigan Dept. of Attorney General  
Corporate Oversight Division  
Antitrust and Franchise Unit  
525 W. Ottawa St.  
G. Mennen Williams Building, 5<sup>th</sup> Floor  
Lansing, Michigan 48909  
(517) 373-7117

### Minnesota

Minnesota Department of Commerce  
Registration and Licensing Division  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198  
(651) 539-1600

### New York

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, New York 10005  
(212) 416-8222

### North Dakota

North Dakota Insurance & Securities Department  
600 East Boulevard Avenue, Dept. 401  
Bismarck, North Dakota 58505-0510  
(701) 328-2910

### Rhode Island

Rhode Island Department of Business Regulation  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 68-2  
Cranston, Rhode Island 02920  
(401) 222-3048

### South Dakota

South Dakota Department of Labor & Regulation  
Division of Insurance – Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

### Virginia

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9th Floor  
Richmond, Virginia 23219  
(804) 371-9051

### Washington

Washington Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

### Wisconsin

Department of Financial Institutions  
Division of Securities  
4822 Madison Yards Way,  
North Tower  
Madison, Wisconsin 53705  
(608) 261-9555

## LIST OF AGENTS FOR SERVICE OF PROCESS

### California

Commissioner of Financial Protection and Innovation  
Department of Financial Protection and Innovation  
651 Bannan Street, Suite 300  
Sacramento, California 95811  
(866) 275-2677

### Hawaii

Commissioner of Securities for the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
King Kalakaua Building  
335 Merchant Street, Rm. 205  
Honolulu, Hawaii 96813  
(808) 586-2744

### Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62701  
(217) 782-1090

### Indiana

Indiana Secretary of State  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

### Maryland

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-6360

### Michigan

Michigan Dept. of Attorney General  
Corporate Oversight Division  
Antitrust and Franchise Unit  
525 W. Ottawa St.  
G. Mennen Williams Building, 5th Floor  
Lansing, Michigan 48913  
(517) 373-7117

### Minnesota

Minnesota Commissioner of Commerce  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198  
(651) 539-1600

### New York

New York Secretary of State  
One Commerce Plaza  
99 Washington Avenue, 6th Floor  
Albany, New York 12231-0001  
(518) 473-2492

### North Dakota

North Dakota Insurance Commissioner  
North Dakota Insurance & Securities Department  
600 East Boulevard Avenue, Dept. 401  
Bismarck, North Dakota 58505-0510  
(701) 328-2910

### Rhode Island

Director  
Rhode Island Department of Business Regulation  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 68-2  
Cranston, Rhode Island 02920  
(401) 462-9527

### South Dakota

Director of South Dakota Division of Insurance – Securities  
Regulation  
124 S Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

### Virginia

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

### Washington

Director, Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, Washington 98501  
(360) 902-8760

### Wisconsin

Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way  
North Tower  
Madison, Wisconsin 53705  
(608) 266-8557

WAXING **THE** CITY

**EXHIBIT B**

**TABLE OF CONTENTS OF  
OPERATIONS MANUAL**

## EXHIBIT B

### Waxing the City® Operations Manual Table of Contents

Intro	1-2
Establishing Your Business Entity	3
Site Selection & Approval	4-5
License & Permits	6
Initial Training	7-8
Ongoing Training & Support	9
Bridge Training	10
Studio Buildout	11-12
Initial Inventory & Supplies	13
Electronic Funds Transfer (EFT)	14
Insurance, Taxes, & Bonds	15-16
Studio Technology Overview	16-17
Security & Network System	18
Minimum Security & Technology Requirements	19-20
Monthly Security Testing Procedure	21
False Alarm Policy	22
WTC Software & Computer Equipment	23
Security Rack & Knox Box	24
Job Responsibilities	25
Background Checks & Non-Competes	26
Dress Code Policy	27-28
Employee Development Resources	29
Legal Help with employment Law Issues	30
Opening and Closing Checklists	31
Required Days & Hours of Operations	32
Required Service Offerings	33
Customer Service Procedures	34-35
Guidelines for Working with Transgender Clients	36-37
Customer Complaint Policy	38
Redos & Touch Ups	39
Incidents & Refunds	40
Appointments + Service Times	41-42
Working & Interacting with Clients	43
Understanding Product in Treatment Room	44
Cerologist Code of Conduct & Commitment of Professionalism	45-46
Zero Tolerance Policy	47
Safety Procedures	48
Safety Concern Tip Sheets	49-51
Service Animal Policy	52

Merchandising Procedures	53
Transacting Sales	54
Required Minimum Pricing	55-58
Pricing Standards	59
Loyalty Programs & Gift Certificates	60
Inventory Management	61
Loss Prevention Techniques	62
Required Cleaning & Maintenance	63-64
Advanced & Ongoing Training	65-68
Marketing Operations	69- 78
Vendor Operations	79
Renewing your Franchise Agreement	80
Relocation, Ownership Transfer, and Sale of Studio	81-84
Required Retail Offerings	85
Artificial Intelligence Tools	86

Total Pages: 87

**WAXING THE CITY**

**EXHIBIT C**

**LIST OF CURRENT AND FORMER  
FRANCHISEES  
as of December 31, 2025**

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Sykes Management Group, LLC	100 Apple Ave, Suite 2	Dothan	AL	36303	(334) 350-3349	
ANINE LLC	4722 East Ray Rd	Phoenix	AZ	85044	(480) 474-4864	*
Jennifer Horst and Daniel Horst	1804 E Southern Ave , Ste 5	Tempe	AZ	85282	(480) 929-9111	
Abhividdhi LLC	3960 Capitol Ave	Fremont	CA	94538	(510) 753-5354	*
Fortune Nang Kwak, LLC	200 Bon Air Center, Ste 200	Greenbrae	CA	94904	(415) 413-7001	*
Baywax LLC	6770 Bernal Ave, Ste #440	Pleasanton	CA	94566	(925) 248-6488	*
Willyums Investments Torrey Pines LLC	4653 Carmel Mountain Rd, Ste 306	San Diego	CA	92130	(858) 402-0024	*
SVAS Ventures LLC	1100 Lincoln Ave, Ste 150	San Jose	CA	95125	(408) 883-4288	*
Forster Enterprises LLC	1815 Ygnacio Valley Rd	Walnut Creek	CA	94598	(925) 488-2828	*
A&J Roots and Wings LLC	1933 28th St, Ste 202	Boulder	CO	80301	(303) 440-4343	
Ford Howland LLC	308 Wilcox St	Castle Rock	CO	80104	(303) 663-4032	
A&J ROOTS AND WINGS LLC	1664 Market Street	Denver	CO	80202	(303) 592-2929	
A&J Roots and Wings LLC	6760 E Chenango Ave	Denver	CO	80237	(303) 221-0081	
Northfield Waxing Studio LLC	9165 E Northfield Blvd, Ste 145	Denver	CO	80238	(720) 577-4600	
Amy Meneses and Robert Meneses	2120 Village Vista Dr	Erie	CO	80516	(720) 577-4600	
MARS Lakewood, LLC	7660 W Virginia Ave, Ste C	Lakewood	CO	80226	(303) 202-2012	
The Bille Wax Group, Inc.	17051 Lincoln Ave, Unit C	Parker	CO	80134	(303) 841-2807	*
JandC Corp	602 Center Dr	Superior	CO	80027	(720) 689-4926	*
Keith Salmon and Laura Robinson	770 Park Rd NW	Washington	DC	20010	(202) 335-2000	
LJAS Inc.	506 H St NE	Washington	DC	20002	(202) 335-5555	*
The G & C Robins Corporation	4453 Concord Pike, Ste 4453	Wilmington	DE	19803	(302) 643-3800	*
The G & C Robins Corporation	4700 Limestone Rd.	Wilmington	DE	19808	(302) 842-2916	*
Look Bright, LLC	851 S State Rd 434 , Suite 1080	Altamonte Springs	FL	32714	(407) 840-2378	
USA Waxing Company	5250 Town Center Circle, Ste 119	Boca Raton	FL	33486	(561) 349-6761	
Bloise Wax Center, LLC	8475 Cooper Creek Blvd	Bradenton	FL	34201	(973) 699-7595	

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Pamela Leete and Thomas Hicks, Jr.	245 Wheelhouse Lane, Unit 143	Lake Mary	FL	32746	(407) 278-2399	*
HAPPILY EVER WAXED, LLC	1533 Town Center Dr., Space G109	Lakeland	FL	33803	(863) 262-4445	*
PT Hicks LLC	45 W Crystal Lake St.	Orlando	FL	32806	(407) 369-4800	*
WTC TAMPA CORP.	7800 Curley Rd, Unit 104	Wesley Chapel	FL	33545	(813) 853-6997	
Keith Legacy Enterprises, Inc.	5250 Windward Pkwy, Suite 114	Alpharetta	GA	30004	(470) 275-5400	
BMG Waxing Services, LLC	2250 Marietta Blvd NW, Ste 202	Atlanta	GA	30318	(404) 565-2071	
C3 Enterprises, LLC	1735 Buford Hwy, #210	Cumming	GA	30041	(470) 695-4944	*
Inclusion Theory, LLC	5475 Chamblee Dunwoody Road, Unit 880	Dunwoody	GA	30338	(470) 359-2958	*
MIRO WTC Corporation	1741 Newnan Crossing Blvd E., Ste O	Newnan	GA	30265	(770) 400-5901	*
MIRO WTC Corporation	4957 E Highway 34, Suite 600	Sharpsburg	GA	30277	(770) 500-5902	*
T4 Legacy Inc.	6011 Watson Blvd, Ste 370	Warner Robins	GA	31008	(478) 654-5124	
Island Wax, Inc.	573 Kailua Rd, Ste 107	Kailua	HI	96734	(808) 439-1100	
WAX CHI X LOGAN, LLC	2526 N. Milwaukee Ave	Chicago	IL	60647	(773) 770-3572	*
CNMSF, LLC	2329 Plum St	Edwardsville	IL	62025	(618) 650-9058	*
Butternuggets LLC	193 North York Street	Elmhurst	IL	60126	(630) 984-4700	*
WAX LIKE A CHAMPION EVANSTON, LLC	917 Church St.	Evanston	IL	60201	(847) 257-3964	*
WAX LIKE A CHAMPION GLOBAL, LLC	1103 N Elmhurst Rd	Mt. Prospect	IL	60056	(224) 248-9389	*
Nash Wax LLC	2835 Show Pl Dr, Ste 135	Naperville	IL	60564	(630) 904-2929	
Waxology LLC	17W681 Roosevelt Rd	Oakbrook Terrace	IL	60181	(331) 215-4929	
Butternuggets LLC	1212-1214 Douglas Rd	Oswego	IL	60543	(630) 554-6982	*
Wizwaxing Co.	1020 North Meacham Road	Schaumburg	IL	60173	(847) 648-7966	
BEAS WAX, INC.	263 Rice Lake Square	Wheaton	IL	60189	(630) 580-1400	*
WaxLife Des Moines Metro, LLC	309 N Ankeny Blvd	Ankeny	IA	50023	(515) 348-1726	*
WaxLife Cedar Rapids, LLC	1005 Blairs Ferry Rd	Cedar Rapids	IA	52403	(319) 200-5306	*
WAXLIFE DES MOINES METRO, LLC	1300 NW 100th St, Ste 2000	Clive	IA	50325	(515) 225-4045	

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
ACTA Partners, LLC	2300 Gary Farms Blvd	Bowling Green	KY	42104	(270) 938-2508	
William J. Curtis, Corinne M. Curtis, Johannes C. Evans, and Sharon C. Evans	2312 Sir Barton Way, Ste D7	Lexington	KY	40509	(859) 900-2255	*
William J. Curtis, Corinne M. Curtis, Johannes C. Evans, and Sharon C. Evans	4084 Finn Way, Suite 110	Lexington	KY	40517	(859) 300-3399	*
Ledet Waxing, LLC	1212 S Clearview Pkwy, Ste A	Elmwood	LA	70123	(504) 592-7424	
Butternuggets LLC	4243 Ambassador Caffery Pkwy, Suite 103	Lafayette	LA	70508	(337) 216-4567	
Butternuggets LLC	4740 Nelson Rd, Ste 180	Lake Charles	LA	70605	(337) 508-2222	*
Ledet Waxing, LLC	225 West Harrison Ave, Ste D	New Orleans	LA	70124	(504) 592-7424	
Scot Cannon and Wesley Cannon	4121 Magazine St	New Orleans	LA	70115	(504) 899-1500	
WTC Victor, LLC	108 Beverly St	Boston	MA	02114	(617) 221-8999	*
Smooth Operator MC LLC	2166 Massachusetts Ave	Cambridge	MA	02140	(617) 945-7074	
Treva15, LLC	215 W. Central St, Suite 3	Natick	MA	01760	(774) 231-0085	
FSH Enterprises LLC	33523 Eight Mile Rd, Ste A5	Livonia	MI	48152	(734) 258-7588	*
Coon Rapids Studio, LLC	12475 Riverdale Blvd, Ste H	Coon Rapids	MN	55433	(763) 205-0523	*
KL Studios of Duluth LLC	1030 Woodland Ave	Duluth	MN	55803	(218) 624-9298	*
Golden Valley Studio, LLC	8525 Golden Valley Rd	Golden Valley	MN	55427	(612) 567-0657	
KBPSmoothMEMankato, LLC	1901 Madison Ave	Mankato	MN	56001	(507) 720-0610	*
Maple Grove Studio, LLC	7895 Main St	Maple Grove	MN	55369	(763) 416-2082	
Smooth Operator, LLC	5951 Norwich Ave N	Oak Park Heights	MN	55082	(651) 439-3201	*
KL Studios L.L.C.	2822 W Division St, Ste 114	St. Cloud	MN	56301	(320) 287-9298	*
St. Louis Park Studio, LLC	3700 Grand Way, Ste S	St. Louis Park	MN	55416	(952) 378-1317	
Woodbury Studio, LLC	295 Radio Drive, Ste A	Woodbury	MN	55125	(651) 735-2222	
Vikram Malhotra	111 Colony Crossing	Madison	MS	39110	(601) 488-8110	
Chandni Patel	5338 Goodman Rd., Ste 109	Olive Branch	MS	38654	(662) 782-1471	
Smooth Solutions, LLC	1405 S 204th St, Suite 102	Elkhorn	NE	68130	(402) 916-9153	
Chauve, LLC	8373 Barmettler Dr	La Vista	NE	68128	(402) 502-1857	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Barnes Family Group, Inc.	8600 S. 30th St, Suite 116	Lincoln	NE	68516	(402) 405-2814	*
Wax On Wax Off of NJ LLC	301 Central Avenue, Ste 2	Clark	NJ	07066	(908) 379-8137	*
WTC of Franklin Lakes LLC	794 Franklin Ave	Franklin Lakes	NJ	07417	(201) 560-9700	
NADOO HAROO LLC	25 Main St	Madison	NJ	07940	(973) 845-9700	
ARI Ventures Corporation	652 Bloomfield Ave	Montclair	NJ	07042	(973) 841-7979	*
Triple M Salons, LLC	3535 US Highway 1, MarketFair Mall	Princeton	NJ	08540	(609) 920-6422	
Red Bank WTC LLC	80 Broad St, Unit 17	Red Bank	NJ	07701	(732) 481-0077	
MEGA Esthetics LLC	343 Mt Hope Ave	Rockaway	NJ	07840	(973) 989-1000	*
WTC Northeast LLC	137 West Main St.	Somerville	NJ	08876	(908) 722-5500	*
A and C Ventures, LLC	6400 Holly Ave NE, Ste C	Albuquerque	NM	87113	(505) 312-4501	*
A and C Ventures, LLC	901 Rio Grande Blvd NW Suite C 130	Albuquerque	NM	87104	(505) 585-0100	*
Martin Lebrun and Fernando Ibarra	4660 Sonoma Ranch Blvd	Las Cruces	NM	88011	(575) 706-1022	
Jessica Silverstein & Vincent Pasqua	910 Franklin Avenue	Garden City	NY	11530	(516) 874-3800	*
La Cire Waxing Spa, LLC	1214 Parkside Main St	Cary	NC	27519	(919) 439-0386	*
La Cire Waxing Spa, LLC	1800 E. Franklin St , Suite 27	Chapel Hill	NC	27514	(984) 528-3200	*
William Cole	1603 Highwoods Blvd	Greensboro	NC	27410	(336) 337-1064	*
Mustard Seed 17:20, Inc.	15425 Hodges Cir	Huntersville	NC	28078	(704) 992-8288	*
Beyond the Wax, LLC	1111 Mercantile Drive, Ste 120	Raleigh	NC	27609	(919) 322-5022	*
Beyond the Wax, LLC	4205 Corners Pkwy, Ste 120	Raleigh	NC	27617	(919) 381-4825	*
La Cire Waxing Spa, LLC	1407 Barclay Pointe Blvd, Ste 404	Wilmington	NC	28412	(910) 361-2961	*
KL Studios of North Dakota LLC	4302 13th Ave S	Fargo	ND	58103	(701) 478-6600	
KL Studios of North Dakota LLC	3251 32nd Ave S, Ste B	Grand Forks	ND	58201	(701) 757-0453	
2 Bee Smooth, LLC	305 20th Ave SW	Minot	ND	58701	(701) 839-2929	
20 and Counting Inc.	6058 Glick Road, Suite 140	Shawnee Hills	OH	43065	(614) 389-0075	*
Shri Radha, LLC	1301 I-35 Service Rd	Moore	OK	73160	(405) 300-4314	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Sisters on Wax, LLC	5801 N May Ave	Oklahoma City	OK	73112	(405) 832-0929	
Sykes Management Group, LLC	9021 N 121st E Ave, Ste 300A	Owasso	OK	74055	(918) 609-6511	*
WTC Two LLC	3579 SE Cornelius Pass Rd	Hillsboro	OR	97123	(503) 406-8781	*
Smooth Happens - Doylestown, LLC	414 North Main St	Doylestown	PA	18901	(267) 824-2911	*
Luxe Lemon, LLC	1087 Market St	Dresher	PA	19025	(267) 921-0810	*
Stubble No More LLC	258 W Dekalb Pike	King of Prussia	PA	19406	(484) 322-5213	
The G & C Robins Corporation	515 E Baltimore Pike	Media	PA	19063	(484) 442-8246	*
Smooth Happens - Doylestown, LLC	1460 Bethlehem Pike	North Wales	PA	19454	(267) 652-0002	*
Megan Sweitzer	9475 Roosevelt Blvd	Philadelphia	PA	19114	(215) 821-8360	*
BB Wax, LLC	20 Old Mill Blvd	Washington	PA	15301	(724) 222-1340	
La Cire Waxing Spa, LLC	905 Houston Northcutt Blvd, Suite 100	Mount Pleasant	SC	29464	(843) 207-4095	*
ISA Rogers Enterprises, LLC	811 82nd Parkway	Myrtle Beach	SC	29572	(843) 213-1881	
MOJO Enterprises, LLC	4807 S Louise Ave	Sioux Falls	SD	57106	(605) 929-8258	*
Darrell Evans, Sonya Evans, Richard Norton and Lauralie Norton	920 US Highway 76, Unit 40	Clarksville	TN	37043	(931) 361-0620	
Esteemed LLC	2071 Nashville Pike	Gallatin	TN	37066	(615) 461-7064	
Linfoot Company, LLC	5570 Old Hickory Blvd, Ste 103	Hermitage	TN	37076	(615) 649-8582	*
Linfoot Company, LLC	1108 Gallatin Ave	Nashville	TN	37206	(615) 649-8507	*
MKC Unlimited, LLC	3562 South Soncy Rd, Suite 481	Amarillo	TX	79119	(806) 367-6600	*
MKC Unlimited, LLC	2606 Wolflin Ave	Amarillo	TX	79109	(806) 553-7900	*
Central Texas Waxing LLC	5001 183A Frontage Rd, Ste L-300	Cedar Park	TX	78613	(512) 986-7347	
Ceriously Smooth-College Station, LLC	937 William D Fitch Pkwy, Ste 401	College Station	TX	77845	(979) 977-5474	*
K&E Services, Inc.	9620 Fry Rd, Ste 200	Cypress	TX	77433	(281) 231-8109	*
Manna Ventures, LLC	6131 Luther Ln, Ste 214	Dallas	TX	75225	(214) 265-0121	
Three Bald Dudes LLC	7865 Firefall Way, Ste F-120	Dallas	TX	75230	(214) 295-6938	*
JKO Management Group LLC	8401 Justin Rd, Ste 105	Double Oak	TX	75077	(214) 513-5577	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Martin LeBrun and Fernando Ibarra	10771 Gateway Blvd S, Ste 103	El Paso	TX	79924	(915) 229-0129	
Martin LeBrun and Fernando Ibarra	12040 Tierra Este Rd, Ste 203-204	EL Paso	TX	79938	(915) 496-7166	*
Martin LeBrun and Fernando Ibarra	12241 Eastlake, Ste G603	El Paso	TX	79928	(915) 249-6048	
Martin LeBrun and Fernando Ibarra	8889 Gateway Blvd W, Ste. 2810	El Paso	TX	79925	(915) 412-2470	*
Raging Bull Capital, LLC	6801 N Mesa St, Bldg A	El Paso	TX	79912	(915) 760-6868	*
Heavenly Smooth, LLC	5701 N Tarrant Pkwy, Ste 125	Fort Worth	TX	76137	(817) 562-8900	*
Manna Ventures, LLC	1555 University Dr, Ste 600	Frisco	TX	75033	(972) 347-9790	*
Smooth Frisco LLC	9320 N Dallas Pkwy, Ste 150	Frisco	TX	75033	(214) 618-4929	
Devilishly Smooth LLC	5210 S State Hwy 360, Ste 510	Grand Prairie	TX	75052	(972) 782-9858	*
Houston Wax Co. LLC	14620 Memorial Dr	Houston	TX	77079	(713) 559-0768	*
Tessa Benson and Daniel Benson	5531 Wesleyan St	Houston	TX	77005	(281) 888-1607	*
CTTN, LLC	4747 FM 1463, Suite 600	Katy	TX	77494	(281) 303-5513	
Brightwolf LLC	145 South Brook Dr, Ste 140	Leander	TX	78641	(737) 230-5566	*
MKC Unlimited, LLC	10305 Quaker Ave, Ste 800	Lubbock	TX	79424	(806) 701-2790	*
Manna Ventures, LLC	3009 S Custer Rd, Ste 200	McKinney	TX	75070	(469) 500-5695	*
Shalindra Bhakta and Purvi Bhakta	21856 Marketplace Dr, Ste 500	New Caney	TX	77357	(832) 727-0042	*
Pearland WTC, LLC	2810 Business Center Dr, #112	Pearland	TX	77584	(832) 351-2368	*
Dharmesh Patel and Mitul Patel	18817 Limestone Commercial Dr, Ste 300	Pflugerville	TX	78660	(512) 525-8425	*
Nikolas Hicks, James Parker & Lorrie Baggs	999 E. Basse Rd, Ste 176	San Antonio	TX	78209	(210) 994-7694	*
Nikolas Hicks, James Parker and Lorrie Baggs	17038 Fiesta Texas Dr, Ste 104	San Antonio	TX	78256	(210) 690-9100	*
Nikolas Hicks, James Parker and Lorrie Baggs	427 N Loop 1604 W, Ste 207	San Antonio	TX	78232	(210) 494-2026	*
Manna Ventures, LLC	343 N Carroll Ave	Southlake	TX	76092	(817) 912-5876	*
Spring WTC, LLC	6630 Spring Stuebner Rd, Ste 510	Spring	TX	77389	(832) 761-7206	*
Smooth LLC	17428 W Grand Pkwy S	Sugar Land	TX	77479	(832) 535-2307	*
MKC Unlimited, LLC	3916 Kemp Blvd	Wichita Falls	TX	76308	(940) 557-5677	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	ADA
Tamekia McNairy	3400 Farm to Market Rd 544	Wylie	TX	75098	(469) 663-6362	
LJAS Inc.	2727 Mount Vernon Ave, Unit D1	Alexandria	VA	22301	(703) 548-8888	*
NOVA Wax Unlimited LLC.	2985 District Ave., Suite 195A	Fairfax	VA	22031	(703) 829-7483	*
Scouts LLC	1400 Bridgeport Way, Suite 106	Suffolk	VA	23435	(757) 966-5600	
Scouts VB LLC	1554 Laskin Rd, Suite 106	Virginia Beach	VA	23451	(757) 716-4522	*
M & T Studios, LLC	251 Market Street	Winchester	VA	22603	(540) 546-8888	
Waxing The Eastside, LLC	755 NW Gilman Blvd	Issaquah	WA	98027	(425) 270-1700	*
Marked Improvement III, LLC	11515 124th Ave NE	Kirkland	WA	98034	(425) 297-2000	
Rachael Taylor and Randy Taylor	10306 156th St E, Suite 105	Puyallup	WA	98374	(253) 446-6906	
K&E Services, Inc.	1545 NW Market Street	Seattle	WA	98107	(206) 330-0450	*
Evergreen State Waxing Co.	15515 Westminster Way N, Ste D	Shoreline	WA	98133	(206) 848-4228	
The Female Tribe, LLC	3299 NW Randall Way, Ste 105	Silverdale	WA	98383	(360) 692-3511	*
Jason Jordan and Ashley Jordan	1008 Pearson Dr.	Hudson	WI	54016	(715) 808-0804	*
La Crosse Studio, LLC	319 3rd St S	La Crosse	WI	54601	(608) 519-4409	
Zielke Waxing LLC	8426 Old Sauk Rd	Middleton	WI	53562	(608) 332-9391	*
Zielke Waxing LLC	2812 Prairie Lakes Dr, Ste 104	Sun Prairie	WI	53590	(608) 318-5655	*
Now and Jen, LLC	1660 E Main St	Waukesha	WI	53186	(262) 349-1454	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees That Have Signed a Franchise Agreement But Not Opened  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	Signed but Not Open	ADA
Stacie Ann Patterson	PO Box 578	Kinston	AL	36453	(334) 790-5567	Projected to open in Troy, AL	*
G & H WAXING, LLC	5403 W Desert Hollow Dr	Phoenix	AZ	85083	(201) 606-1810	Projected to open in Peoria, AZ	*
AWNOK, LLC	4211 Skymont Dr	Belmont	CA	94002	(213) 804-8404	Projected to open in San Mateo, CA	*
GSSK LLC	4886 Essex Way	Fremont	CA	94538	(408) 658-8544	Projected to open in Milpitas, CA	
Rahul Chandiook	16 Quail Xing	Moraga	CA	94556	(619) 341-4055	Projected to open in Lafayette, CA	
Etherii	5781 Stresemann St.	San Diego	CA	92122	(619) 770-7377	Projected to open in San Diego, CA	*
JB WTC LLC	6632 Leyland Park Dr	San Jose	CA	95120	(408) 836-7677	Projected to open in San Carlos, CA	*
LL Enterprises LLC	1286 Bird Ave	San Jose	CA	95125	(408) 981-4966	Projected to open in San Jose, CA	*
Citrus Coast Capital, Inc.	33043 Chartreuse Ave	Winchester	CA	92596	(760) 420-5330	Projected to open in San Clemente, CA	*
Jason Dorfman	5046 S Wabash St	Denver	CO	80237-2947	(303) 725-6800	Projected to open in Highlands Ranch, CO	
Smooth Alligator Co.	428 La Reserve Circle	Ponte Vedra Beach	FL	32082	(904) 316-7443	Projected to open in Nocatee, FL	*
Sunshine & Beach Ready, LLC	221 Cougar Way	Rotondo West	FL	33947	(940) 395-3578	Projected to open in Venice, FL	*
Vanity Barr-Little	9452 Channing Hill Drive	Ruskin	FL	33573	(864) 923-8282	Projected to open in Tampa, FL	
Tri-Keith Holdings, LLC	6420 Barrington Run	Alpharetta	GA	30005	(404) 788-3881	Projected to open in Cumming, GA	*
Mohiny Patel and Viraj Patel	2004 Stanford Ct	Dalton	GA	30720	(229) 894-2751	Projected to open in Chamblee, GA	
The Mustard Seed - 17:20, Inc.	800 Breckinridge Rd SW	Marietta	GA	30064	(704) 920-0180	Projected to open in Charlotte, NC	*
The Mustard Seed - 17:20, Inc.	800 Breckinridge Rd SW	Marietta	GA	30064	(704) 920-0180	Projected to open in Greenville, SC	*
Brandt Washington	2108 Westhill Dr.	Smyrna	GA	30082	(770) 906-0784	Projected to open in TBD, GA	*
Ward Waxing LLC	47-854 Kamehameha Hwy	Kaneohe	HI	96744	(808) 583-1999	Projected to open in Aiea, HI	*
Chicago Sports and Entertainment Group Inc.	2640 Brassie Avenue	Flossmoor	IL	60422	(312) 912-4978	Projected to open in Chicago, IL	*
Avinash Patel	3850 Lake Clearwater Pl, Apt 628	Indianapolis	IN	46240	(317) 902-0534	Projected to open in Carmel, IN	*
Jihen Labidi	2210 E Tipperary Cir	Wichita	KS	67206	(316) 393-0755	Projected to open in Wichita, KS	
G and D Johnson Waxing Inc.	10380 Swift Stream Place, Unit 409	Columbia	MD	21044	(443) 878-3803	Projected to open in Columbia, MD	*
KEK Unlimited, L.L.C	1711 Jarrettsville Road	Jarrettsville	MD	21084	(443) 506-4597	Projected to open in Forest Hill, MD	*
Silas Executive Enterprise LLC	4406 Landsdale Pkwy	Monrovia	MD	21770	(240) 480-8857	Projected to open in Frederick, MD	*
Marianna Clark	15 Thornton Street	Winthrop	MA	02152	(508) 954-4604	Projected to open in TBD, MA	*
William Raymond Crawford	862 Grand Marais St.	Grosse Pointe Park	MI	48230	(313) 247-1008	Projected to open in Grosse Pointe Woods, MI	*
Trupti Bhakta, Mirat Bhakta and Roshni Patel	19260 Impala Ave	Lakeville	MN	55044	(952) 261-9315	Projected to open in Prosper, TX	
Kristi Levig and Gabrielle Enneking	225 Alaina Pl NE	Sauk Rapids	MN	56379	(320) 310-3871	Projected to open in Baxter, MN	

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Current Franchisees That Have Signed a Franchise Agreement But Not Opened  
(As of December 31, 2025)

Franchisee	Street Address	City	State	Zip Code	Telephone Number	Signed but Not Open	ADA
Neonwax 1 GP, Inc.	1223 Dunloe Rd	Ballwin	MS	63021	(618) 201-1120	Projected to open in Ballwin, MO	*
Michael Patti	14 Shadowlawn Drive	Somerset	NJ	08873	(908) 202-4469	Projected to open in TBD, NY	*
WAXING LONG ISLAND LLC	102 Victoria Pl	Metville	NY	11747	(516) 946-0046	Projected to open in Jericho, NY	
La Cire Waxing Spa, LLC	1718 Minley Way	Apex	NC	27502	(269) 743-9732	Projected to open in Garner, NC	*
La Cire Waxing Spa, LLC	1718 Minley Way	Apex	NC	27502	(269) 743-9732	Projected to open in Durham, NC	
ISA Rogers Enterprises Too LLC	2025 Inland Dr SW	Ocean Isle Beach	NC	28469	(219) 921-3880	Projected to open in North Myrtle Beach, SC	
David Wesley Alspaugh and Elisa Alspaugh	6710 North Clippinger Dr	Cincinnati	OH	45243	(513) 505-2340	Projected to open in Mason, OH	*
Sumit Dua	1415 Summit Way	Mechanicsburg	PA	17050	(717) 649-0366	Projected to open in Harrisburg, PA	
MKC Unlimited, LLC	7904 New England Pkwy	Amarillo	TX	79119	(775) 335-9446	Projected to open in Lubbock, TX	*
MKC Unlimited, LLC	7904 New England Pkwy	Amarillo	TX	79119	(775) 335-9446	Projected to open in Midland, TX	*
MKC Unlimited, LLC	7904 New England Pkwy	Amarillo	TX	79119	(775) 335-9446	Projected to open in Odessa, TX	*
Nikolas Hicks, James Parker and Lorrie Baggs	6107 Blue Sage Circle	Amarillo	TX	79124	(806) 570-1008	Projected to open in San Antonio, TX	*
Amin Dhanani	1409 S Post Oak Blvd, Unit 2801	Houston	TX	77056	(281) 748-3750	Projected to open in TBD, TX	*
K&E Services, Inc.	4506 Summits Edge Ln	Katy	TX	77494	(907) 350-3706	Projected to open in TBD, TX	*
Manna Ventures, LLC	8420 High Meadows Dr	Plano	TX	75025	(972) 838-7647	Projected to open in TBD, TX	*
Manna Ventures, LLC	8420 High Meadows Dr	Plano	TX	75025	(972) 838-7647	Projected to open in TBD, TX	*
Michelle Boling and Paul Boling	1205 Potomac Lane	Alexandria	VA	22308	(301) 512-8721	Projected to open in Groveton, VA	*
Timberlake Enterprises LLC	3259 Columbia Pike	Arlington	VA	22204	(425) 408-2492	Projected to open in Arlington, VA	*
Now and Jen, LLC	3412 Crossway Rd	Burlington	WI	53105	(303) 725-6800	Projected to open in Oak Creek, WI	*

\* Franchisee is also an area developer under an Area Development Agreement and the Franchise Agreement was signed under an Area Development Agreement.

Exhibit C  
Former Franchisees That Left the System  
(As of December 31, 2025)

Name	City	State	Phone	Reason	ADA
G & H WAXING, LLC	Phoenix	AZ	(201) 606-1810	Transfer	
MAC Fitness Group	Gold River	CA	(916) 272-8722	Termination (1)	*
MAC Fitness Group	Gold River	CA	(916) 272-8722	Termination (1)	*
MAC Fitness Group	Gold River	CA	(916) 272-8722	Termination (1)	*
MAC Fitness Group	Gold River	CA	(916) 272-8722	Termination (1)	*
MAC Fitness Group	Gold River	CA	(916) 272-8722	Termination (1)	*
RE WTC-RM LLC	Rancho Mirage	CA	(760) 895-9044	Termination	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Reumi Enterprises, LLC	Rancho Mirage	CA	(760) 895-9044	Termination (1)	*
Cecilia Portoni	Walnut Creek	CA	(925) 787-5854	Termination (1)	
Allyson Ford and Brett Ford	Castle Rock	CO	(303) 870-3657	Termination	
Life of Riley, LLC	Littleton	CO	(917) 513-3677	Termination (1)	
Pravasa Waxing, LLC	Longmont	CO	(847) 372-2251	Transfer	
Pravasa Waxing, LLC	Longmont	CO	(847) 372-2251	Transfer	
Pravasa Waxing, LLC	Longmont	CO	(847) 372-2251	Transfer	
Tanika Adams	Jacksonville	FL	(904) 563-4307	Termination	*
SILKENGLOW WAX LLC	Jacksonville	FL	(904) 563-4307	Termination	*
HODLr Inc.	Alpharetta	GA	(678) 641-3419	Termination	*
Kasib Jarvis	Alpharetta	GA	(678) 641-3419	Termination (1)	*
Kasib Jarvis	Alpharetta	GA	(678) 641-3419	Termination (1)	*
JDC32enterprises, Inc.	Hinsdale	IL	(630) 484-4289	Transfer	
Ledet Waxing, LLC	Elmwood	LA	(504) 592-7424	Termination (1)	
Roseville Studio, LLC	Shorewood	MN	(612) 770-7611	Termination	

Exhibit C  
Former Franchisees That Left the System  
(As of December 31, 2025)

Name	City	State	Phone	Reason	ADA
Wax On Wax Off of Manalapan LLC	Union	NJ	(609) 508-6098	Termination	*
SUTTON 5, LLC	Hampton Bays	NY	(516) 297-1472	Termination	*
SUTTON 5, LLC	Hampton Bays	NY	(516) 297-1472	Termination (1)	*
SUTTON 5, LLC	Hampton Bays	NY	(516) 297-1472	Termination (1)	*
CCA Waxing, LLC	Columbus	OH	(234) 201-3915	Termination (1)	*
Charles Carter	Columbus	OH	(234) 201-3915	Termination (1)	*
Charles Carter	Columbus	OH	(234) 201-3915	Termination (1)	*
Charles Carter	Columbus	OH	(234) 201-3915	Termination (1)	*
Charles Carter	Columbus	OH	(234) 201-3915	Termination (1)	*
Waxing Charleston, LLC	Kiawah Island	SC	(973) 908-1807	Transfer	
B & K Ventures, LLC	Sioux Falls	SD	(605) 553-7534	Termination	
MOJO Enterprises, LLC	Sioux Falls	SD	(605) 553-7534	Termination	
Dorothy Faye, LLC	Sioux Falls	SD	(605) 553-7534	Transfer	
Dorothy Faye LLC	Sioux Falls	SD	(605) 553-7534	Transfer	
G&L Waxing, LLC	Franklin	TN	(636) 233-2099	Termination	*
G&L Waxing, LLC	Franklin	TN	(636) 233-2099	Termination (1)	*
G&L Waxing, LLC	Franklin	TN	(636) 233-2099	Termination (1)	*
Dharmesh Patel and Mitul Patel	Austin	TX	(650) 207-5121	Termination (1)	*
John T. Gonzales	Buda	TX	(210) 573-5816	Termination (1)	*
John T. Gonzales	Buda	TX	(210) 573-5816	Termination (1)	*
John T. Gonzales	Buda	TX	(210) 573-5816	Termination (1)	*
John T. Gonzales	Buda	TX	(210) 573-5816	Termination (1)	*
John T. Gonzales	Buda	TX	(210) 573-5816	Termination (1)	*
Mitesh Patel	Irving	TX	(832) 675-1239	Termination (1)	*
Mitesh Patel	Irving	TX	(832) 675-1239	Termination (1)	*
Mitesh Patel	Irving	TX	(832) 675-1239	Termination (1)	*
Tamekia McNairy	Mckinney	TX	(214) 732-1618	Termination (1)	
Heavenly Smooth, LLC	North Richland Hills	TX	(618) 771-0203	Termination	*
DA Neil I, LLC	Prosper	TX	(318) 243-0570	Transfer	
Ruasablub, LLC	Salt Lake City	UT	(650) 888-1764	Termination	*

Exhibit C  
Former Franchisees That Left the System  
(As of December 31, 2025)

<b>Name</b>	<b>City</b>	<b>State</b>	<b>Phone</b>	<b>Reason</b>	<b>ADA</b>
Ruasablub, LLC	Salt Lake City	UT	(650) 888-1764	Termination (1)	*
Ruasablub, LLC	Salt Lake City	UT	(650) 888-1764	Termination (1)	*

(1) Outlet unopened

\* The Franchise Agreement was signed under an Area Development Agreement.

Former franchisees in this table may also be listed in the Current Franchisees tables if they own another Waxing the City studio.

In some cases, a former franchisee represented on this table may have owned an outlet that was located in a state other than the former franchisee's state of residence.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

WAXING **THE** CITY

**EXHIBIT D**

**FINANCIAL STATEMENTS AND GUARANTY**

# **SEB Franchising Guarantor LLC**

**Financial Statements**

**December 31, 2025 and 2024 and for the three  
years ended December 31, 2025**

**SEB Franchising Guarantor LLC**  
**Index**  
**December 31, 2025, 2024 and 2023**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors</b> .....	1–2
<b>Financial Statements</b>	
Balance Sheets	
December 31, 2025 and 2024 .....	3
Statements of Income (Loss)	
Years Ended December 31, 2025, 2024 and 2023 .....	4
Statements of Member's Equity	
Years Ended December 31, 2025, 2024 and 2023 .....	5
Statements of Cash Flows	
Years Ended December 31, 2025, 2024 and 2023 .....	6
Notes to Financial Statements	
December 31, 2025, 2024 and 2023 .....	7–8



## **Report of Independent Auditors**

To the Management and Board of Directors of Purpose Brands Holdings, LLC

### ***Opinion***

We have audited the accompanying financial statements of SEB Franchising Guarantor LLC (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income (loss), of member's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Other Matter***

The financial statements of the Company for the year ended December 31, 2023 were audited by other auditors whose report, dated March 27, 2024, expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Miami, Florida  
March 25, 2026

**SEB Franchising Guarantor LLC**  
**Balance Sheets**  
**December 31, 2025 and 2024**

---

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 5,000,000	\$ 5,000,000
Total assets	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
<b>Liabilities and Member's Equity</b>		
Member's equity	\$ 5,000,000	\$ 5,000,000
Total liabilities and member's equity	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

The accompanying notes are an integral part of these financial statements.

**SEB Franchising Guarantor LLC**  
**Statements of Income (Loss)**  
**Years Ended December 31, 2025, 2024 and 2023**

---

	<b>2025</b>	<b>2024</b>	<b>2023</b>
General and administrative expenses	\$ 1,277	\$ 9,750	\$ 597
Other income			
Interest income	<u>146,493</u>	<u>196,144</u>	<u>146</u>
Net income (loss)	<u>\$ 145,216</u>	<u>\$ 186,394</u>	<u>\$ (451)</u>

The accompanying notes are an integral part of these financial statements.

**SEB Franchising Guarantor LLC**  
**Statements of Member's Equity**  
**Years Ended December 31, 2025, 2024 and 2023**

---

	<b>Member's Equity</b>
<b>Balance at December 31, 2022</b>	\$ 5,000,021
Contributions	430
Net loss	<u>(451)</u>
<b>Balance at December 31, 2023</b>	5,000,000
Contributions	9,750
Distributions	(196,144)
Net income	<u>186,394</u>
<b>Balance at December 31, 2024</b>	5,000,000
Contributions	1,277
Distributions	(146,493)
Net income	<u>145,216</u>
<b>Balance at December 31, 2025</b>	<u>\$ 5,000,000</u>

The accompanying notes are an integral part of these financial statements.

**SEB Franchising Guarantor LLC**  
**Statements of Cash Flows**  
**Years Ended December 31, 2025, 2024 and 2023**

---

	2025	2024	2023
<b>Cash flows provided by (used in) operating activities</b>			
Net income (loss)	\$ 145,216	\$ 186,394	\$ (451)
<b>Cash flows (used in) provided by financing activities</b>			
Contributions	1,277	9,750	430
Distributions	<u>(146,493)</u>	<u>(196,144)</u>	<u>-</u>
Net cash flows (used in) provided by financing activities	<u>(145,216)</u>	<u>(186,394)</u>	<u>430</u>
Decrease in cash and cash equivalents	-	-	(21)
<b>Cash and cash equivalents</b>			
Beginning of year	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,021</u>
End of year	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

The accompanying notes are an integral part of these financial statements.

# SEB Franchising Guarantor LLC

## Notes to Financial Statements

December 31, 2025, 2024 and 2023

---

### 1. Nature of Business and Summary of Significant Accounting Policies

#### Nature of Business

SEB Franchising Guarantor LLC (the "Company") is a special purpose Delaware limited liability company and a direct, wholly-owned subsidiary of SEB Funding LLC, which is a direct, wholly-owned subsidiary of SEB SPV Guarantor LLC, which is a direct, wholly-owned subsidiary of Anytime Fitness, LLC, which is a direct, wholly-owned subsidiary of Self Esteem Brands, LLC, which is a direct, wholly-owned subsidiary of Purpose Brands Intermediate LLC, which is a direct, wholly-owned subsidiary of Purpose Brands Holdings LLC.

The Company guarantees the obligations of the franchising subsidiaries. The franchising subsidiaries include Anytime Fitness Franchisor LLC, OTF Franchisor LLC, Basecamp Fitness Franchisor LLC, The Bar Method Franchisor LLC and Waxing the City Franchisor LLC.

The activities of the Company are limited to:

- guaranteeing certain obligations of the franchising subsidiaries,
- holding the rights and obligations under certain accounts and other assets, including but not limited to any franchise capital accounts and
- entering into other transactions to which it is a party and undertaking any other activities related thereto.

#### Cash and Cash Equivalents

The Company maintains its cash in financial institutions which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant cash credit risk. The Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

#### Income Taxes

The Company is treated as a single member limited liability company (LLC) that is treated as a disregarded entity for tax purposes. As such, the Company's income, losses, and credits are included in the income tax returns of Purpose Brands Holdings LLC.

The Company has evaluated its tax positions and related income tax under the Financial Accounting Standards Board's (FASB) authoritative guidance *Accounting for Income Taxes*. No provision or liability for federal or state income taxes has been included in these financial statements. A provision is made, however, for state minimum fees and other state taxes which are applicable to all entities.

The Company is not currently under examination by any taxing jurisdiction and management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax positions. In the event of any future penalties or interest, the Company has elected to record interest and penalties as income tax expense on the Company's statements of income (loss).

# SEB Franchising Guarantor LLC

## Notes to Financial Statements

### December 31, 2025, 2024 and 2023

---

#### **Fair Value Measurements**

The Company follows the provisions of FASB's authoritative guidance regarding *Fair Value Measurements*. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy categorized into three levels based on the inputs used.

Generally, the three levels are as follows:

Level 1 Quoted prices in active markets for identical assets.

Level 2 Significant other observable inputs.

Level 3 Significant unobservable inputs.

The Company does not have any significant fair value measurements on a recurring or nonrecurring basis for the years ended December 31, 2025, 2024 and 2023.

The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of these instruments.

#### **Subsequent Events**

Subsequent events have been evaluated by management for recognition or disclosure through March 25, 2026, which is the date the financial statements were available to be issued.

## **2. Guarantees**

The Company established franchise capital accounts in which the Company maintains funds necessary to either provide a guarantee for franchising subsidiaries or to support any franchisor liquidity or net worth requirement, including in respect of eligibility for any exemptions applicable to franchisors or licensors of franchises under the applicable franchise laws. The Company may accept receipt of unrestricted funds credited to such franchise capital account by Anytime Fitness, LLC, deposit to the franchise capital account the proceeds of capital contributions made to such account, and disburse funds from the franchise capital account to fund any loan or advance made in accordance with the base indenture.

## **3. Contingencies**

#### **Legal**

The Company is subject to various claims, legal proceedings and investigations covering a wide range of matters that may arise in the ordinary course of business. Management believes the resolutions of claims and pending litigation will not have a material effect, individually or in the aggregate, on the financial statements of the Company.

#### **Concentration of Risk**

##### **Credit Risk**

Cash and cash equivalents are financial instruments, which potentially subject the Company to a concentration of credit risk. The Company maintains cash in major financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company maintains balances in excess of these limits, but does not believe that such deposits are subject to any unusual risk.

## GUARANTEE OF PERFORMANCE

For value received, **SEB Franchising Guarantor LLC**, a Delaware limited liability company (the "Guarantor"), located at 111 Weir Drive, Woodbury, Minnesota 55125, absolutely and unconditionally guarantees to assume the duties and obligations of **Waxing the City Franchisor LLC**, located at 111 Weir Drive, Woodbury, Minnesota 55125 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement and Area Development Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement and Area Development Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement and Area Development Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement and Area Development Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Woodbury, Minnesota, on the 30<sup>th</sup> day of March, 2026.

GUARANTOR:

SEB FRANCHISING GUARANTOR LLC

By: \_\_\_\_\_

James Goniea

Its: Secretary

# **Anytime Fitness, LLC and Subsidiaries**

**Consolidated Financial Statements  
December 31, 2025 and 2024 and for the three years  
ended December 31, 2025**

**Anytime Fitness, LLC and Subsidiaries**  
**Index**  
**December 31, 2025, 2024 and 2023**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors</b> .....	1–2
<b>Consolidated Financial Statements</b>	
Balance Sheets December 31, 2025 and 2024 .....	3
Statements of Comprehensive Income Years Ended December 31, 2025, 2024 and 2023 .....	4
Statements of Changes in Member’s Deficit Years Ended December 31, 2025, 2024 and 2023 .....	5
Statements of Cash Flows Years Ended December 31, 2025, 2024 and 2023 .....	6
Notes to Consolidated Financial Statements Years Ended December 31, 2025, 2024 and 2023 .....	7–24



## **Report of Independent Auditors**

To the Management and Board of Directors of Purpose Brands Holdings, LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Anytime Fitness, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in member's deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Other Matter***

The consolidated financial statements of the Company for the year ended December 31, 2023 were audited by other auditors whose report, dated March 27, 2024, expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Miami, Florida  
March 25, 2026

**Anytime Fitness, LLC and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2025 and 2024**

(in thousands of US dollars)

	2025	2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19,324	\$ 9,591
Restricted cash	5,753	6,641
Accounts receivable, net of allowance for credit losses	14,397	18,873
Vendor rebates receivable	8,516	6,122
Due from related parties	432	461
Inventory	8,118	9,105
Prepaid expenses	9,952	10,673
Other current assets	2,183	4,354
Deferred costs, current portion	1,488	2,073
Total current assets	<u>70,163</u>	<u>67,893</u>
Property and equipment, net	<u>2,806</u>	<u>2,965</u>
Other assets		
Operating lease right-of-use assets	2,319	2,575
Intangible assets, net of accumulated amortization	1,403	1,693
Software development and license costs, net of accumulated amortization	26,527	27,385
Goodwill	113	127
Other assets	319	2,889
Deferred costs, net of current portion	3,075	5,592
Total other assets	<u>33,756</u>	<u>40,261</u>
Total assets	<u>\$ 106,725</u>	<u>\$ 111,119</u>
<b>Liabilities and Member's Deficit</b>		
Current liabilities		
Current maturities of long-term debt	\$ 7,238	\$ 7,238
Current maturities of operating lease liabilities	835	946
Accounts payable	3,043	8,536
Accrued expenses and other current liabilities	9,246	8,711
Due to related parties	26	30
Deferred revenue, current portion	18,171	17,401
Total current liabilities	<u>38,559</u>	<u>42,862</u>
Long-term liabilities		
Long-term debt, net of current maturities and financing costs	945,307	955,589
Operating lease liabilities, net of current maturities	1,905	1,927
Deferred revenue, net of current portion	53,001	59,750
Total long-term liabilities	<u>1,000,213</u>	<u>1,017,266</u>
Total liabilities	<u>1,038,772</u>	<u>1,060,128</u>
Member's deficit		
Member's deficit	(932,082)	(949,044)
Accumulated other comprehensive income	35	35
Total member's deficit	<u>(932,047)</u>	<u>(949,009)</u>
Total liabilities and member's deficit	<u>\$ 106,725</u>	<u>\$ 111,119</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Anytime Fitness, LLC and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**Years Ended December 31, 2025, 2024 and 2023**

<i>(in thousands of US dollars)</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>			
Franchise royalties	\$ 172,308	\$ 145,245	\$ 61,387
Franchise fees	24,440	20,063	14,390
Sales	95,031	78,248	41,857
Advertising fund revenue	15,979	16,379	17,607
Vendor rebates	65,858	55,950	47,825
Other revenues	2,318	1,124	1,016
Total revenues	<u>375,934</u>	<u>317,009</u>	<u>184,082</u>
Cost of goods sold	<u>51,857</u>	<u>43,354</u>	<u>18,835</u>
Gross profit	<u>324,077</u>	<u>273,655</u>	<u>165,247</u>
General and administrative expenses	84,672	89,493	64,416
Advertising fund expense	16,437	16,638	18,948
Total general, administrative, and advertising fund expense	<u>101,109</u>	<u>106,131</u>	<u>83,364</u>
Income from operations	<u>222,968</u>	<u>167,524</u>	<u>81,883</u>
<b>Other expense</b>			
Interest expense	(66,192)	(53,325)	(26,161)
Other income	838	1,046	493
Other expense	(2,699)	(2,635)	(1,907)
Gain on sale or closure of fitness center operations	-	481	-
Total other expense, net	<u>(68,053)</u>	<u>(54,433)</u>	<u>(27,575)</u>
Net income	154,915	113,091	54,308
<b>Other comprehensive income</b>			
Foreign currency translation adjustments	-	(1)	(4)
Comprehensive income	<u>\$ 154,915</u>	<u>\$ 113,090</u>	<u>\$ 54,304</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Anytime Fitness, LLC and Subsidiaries**  
**Consolidated Statements of Changes in Member's Deficit**  
**Years Ended December 31, 2025, 2024 and 2023**

---

<i>(in thousands of US dollars)</i>	<b>Member's Deficit</b>	<b>Other Comprehensive Income (Loss)</b>	<b>Total Member's Deficit</b>
<b>Balances at December 31, 2022</b>	\$ (462,713)	\$ 39	\$ (462,674)
Contributions	1,029	-	1,029
Distributions	(61,268)	-	(61,268)
Net income	54,307	-	54,307
Foreign currency translation adjustments	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>Balances at December 31, 2023</b>	(468,645)	36	(468,609)
Contributions	6,929	-	6,929
Distributions	(600,419)	-	(600,419)
Net income	113,091	-	113,091
Foreign currency translation adjustments	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<b>Balances at December 31, 2024</b>	(949,044)	35	(949,009)
Contributions	6,924	-	6,924
Distributions	(144,877)	-	(144,877)
Net income	<u>154,915</u>	<u>-</u>	<u>154,915</u>
<b>Balances at December 31, 2025</b>	<u>\$ (932,082)</u>	<u>\$ 35</u>	<u>\$ (932,047)</u>

The accompanying notes are an integral part of these consolidated financial statements.

# Anytime Fitness, LLC and Subsidiaries

## Consolidated Statements of Cash Flows

### Years Ended December 31, 2025, 2024 and 2023

(in thousands of US dollars)

	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net income	\$ 154,915	\$ 113,091	\$ 54,308
Adjustments to reconcile net income to net cash flows from operating activities			
Depreciation and amortization	17,012	13,831	6,125
Amortization of debt issuance costs, included in interest expense	4,718	3,970	1,740
Loss on sale of property and equipment	-	-	112
Gain on sale or closure of fitness center operations	-	(481)	-
Operating right-of-use assets and operating lease liabilities, net	123	(107)	(58)
Changes in assets and liabilities			
Accounts receivable, net	4,476	(2,966)	(1,398)
Vendor rebates receivable	(2,394)	(699)	(944)
Due from related parties	29	(299)	333
Inventory	987	(1,831)	(552)
Prepaid expenses and other assets	5,462	(6,035)	1,984
Deferred costs	3,102	2,083	302
Accounts payable and other accrued expenses	(4,958)	1,226	4,001
Due to related parties	(4)	(109)	(253)
Deferred revenue	(5,979)	5,154	1,004
Net cash flows provided by operating activities	<u>177,489</u>	<u>126,828</u>	<u>66,704</u>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(992)	(591)	(1,407)
Proceeds from sale of property and equipment	-	525	-
Cash acquired in common control transaction	-	2,172	-
Purchases of software development and license costs	(9,291)	(6,847)	(8,654)
Purchases of trademarks	(2)	(20)	(29)
Net cash flows used in investing activities	<u>(10,285)</u>	<u>(4,761)</u>	<u>(10,090)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of long-term debt	23,000	524,000	-
Principal payments on long-term debt	(38,000)	(29,000)	-
Financing costs related to issuance of long-term debt	-	(14,892)	-
Distributions paid to member	(143,359)	(599,060)	(60,125)
Net cash flows used in financing activities	<u>(158,359)</u>	<u>(118,952)</u>	<u>(60,125)</u>
Effect of exchange rate on cash flows, net	-	(2)	(4)
Net increase (decrease) in cash, cash equivalents and restricted cash	8,845	3,113	(3,515)
<b>Cash, cash equivalents and restricted cash</b>			
Beginning of year	<u>16,232</u>	<u>13,119</u>	<u>16,634</u>
End of year	<u>\$ 25,077</u>	<u>\$ 16,232</u>	<u>\$ 13,119</u>
<b>Supplemental disclosures of cash flow information</b>			
Cash paid for interest	\$ 61,365	\$ 52,480	\$ 24,419
<b>Supplemental schedule of noncash investing and financing activities</b>			
Right-of-use assets acquired under operating leases	\$ 585	\$ -	\$ 1,569
Distributions of software development to member	1,518	-	1,143
Contribution of net liabilities from member	-	(3,531)	-
Contributions of intangible assets	-	13	2
Contributions of software development and license costs	6,924	6,916	1,027

The accompanying notes are an integral part of these consolidated financial statements.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

*(in thousands of US dollars)*

#### 1. Nature of Business and Summary of Significant Accounting Policies

##### **Organization and Structure**

Anytime Fitness, LLC (“Anytime Fitness” or the “Company”) was originally formed as a corporation in February 2002 and converted to a limited liability company on December 11, 2009. The Company is a direct, wholly owned subsidiary of Self Esteem Brands, LLC (“SEB”). SEB is a wholly owned subsidiary of Purpose Brands Intermediate LLC (“PBI”), which is a direct, wholly owned subsidiary of Purpose Brands Holdings LLC (“PBH”).

##### **Operations**

Anytime Fitness operates corporate-owned 24-hour fitness centers, which are subject to fee structures consistent with those charged to franchisees.

The Company has a master franchise agreement with a related party that grants rights to franchise and operate Anytime Fitness centers in Spain. The Company earns recurring and nonrecurring fees from this master franchisee.

##### **Subsidiary Operations**

##### **Securitization Entity**

SEB SPV Guarantor LLC (“SEB SPV”) is a direct, wholly owned subsidiary of Anytime Fitness and was formed in 2021 in connection with the SEB securitization transaction. SEB SPV serves as a holding company and guarantor of the obligations of SEB Funding LLC (“SEB Funding” or the “Issuer”).

SEB Funding, a direct, wholly owned subsidiary of SEB SPV, is the issuer of the Series 2021-1 and Series 2024-1 Notes (see Note 5). SEB Funding is the sole member of SEB Franchising Guarantor LLC, Healthy Contributions SPV LLC, PV Distribution LLC, SEB Distribution SPV LLC, OTF Product Sourcing, LLC and SEB Systems LLC.

##### **Franchising Entities**

SEB Systems LLC (“SEB Systems”) comprises the operations of its direct, wholly owned subsidiaries Anytime Fitness Franchisor LLC, OTF Franchisor LLC, Waxing the City Franchisor LLC, Basecamp Fitness Franchisor LLC, The Bar Method Franchisor LLC (collectively, the “Franchising Entities”).

The Franchising Entities operate as franchisors of fitness centers, fitness studios, and waxing studios in the United States and, in certain cases, internationally.

##### **Anytime Fitness Franchisor LLC (“Anytime Fitness Franchisor”)**

Franchises the right to operate fitness centers in the United States and internationally. Franchisees pay initial franchise fees and ongoing royalties and receive training and support.

Anytime Fitness Franchisor also enters into master franchise agreements for international territories, earning initial and ongoing fees.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **OTF Franchisor LLC (“OTF Franchisor” or “OTFF”)**

Franchises Orangetheory fitness studios. Franchisees pay initial franchise fees and royalties.

OTF Franchisor also supports regional operators (“Area Representatives”) and international master franchisees under a comprehensive operating system.

#### **Waxing the City Franchisor LLC (“Waxing the City Franchisor”)**

Franchises waxing studios offering personal care services and related products in the United States. Franchisees pay initial franchise fees and royalties.

#### **Basecamp Fitness Franchisor LLC (“Basecamp Fitness Franchisor”)**

Franchises fitness studios in the United States and internationally. Franchisees pay initial franchise fees and royalties. International operations are conducted under the “Sumhiit Fitness” brand through master franchise agreements.

#### **The Bar Method Franchisor LLC (“Bar Method Franchisor”)**

Franchises fitness studios in the United States and internationally. Franchisees pay initial franchise fees and royalties. International expansion includes master franchise arrangements generating initial and ongoing fees.

#### **Corporate-Owned Studios**

Affiliates of the Company including Basecamp Fitness, LLC, and The Bar Method Franchising, LLC operate corporate-owned studios that are subject to fee structures consistent with franchisees.

#### **Guarantor Entity**

SEB Franchising Guarantor LLC guarantees the obligations of the Franchising Entities.

#### **Ancillary Operating Entities**

##### **OTF Product Sourcing LLC (“OTFPS”)**

Sells fitness equipment, fitness related wearable technology, and other accessories to franchisees.

##### **PV Distribution LLC (“PV Distribution”)**

Provides managed technology hardware and services, including security systems and access control.

##### **SEB Distribution SPV LLC (“SEB Distribution”)**

Procures, holds, and distributes inventory and supplies to franchise businesses.

##### **Healthy Contributions SPV LLC (“Healthy Contributions”)**

Provides billing and processing services for fitness incentive programs, including the transfer and distribution of funds and data.

#### **Other Subsidiaries**

##### **Anytime Fitness Enterprises, LLC**

Acts as lessee for certain leases related to corporate-owned fitness centers.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Basis of Presentation**

The consolidated financial statements include the accounts of Anytime Fitness, LLC and its subsidiaries (collectively, the “Company”) and are prepared in accordance with accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions are eliminated in consolidation.

On April 2, 2024 (“transaction date”), Anytime Worldwide, LLC (“AWW”), the indirect parent company of the franchisors of the Anytime Fitness, Waxing the City, Basecamp and Bar Method brands, entered into a transaction agreement (Note 5) with Ultimate Fitness Holdings, LLC (“UFH”), the ultimate indirect parent company of the franchisor of the Orangetheory Fitness brand, and PBH. Upon closing of the transaction, AWW and UFH each contributed all of the equity interests in each of their respective subsidiaries to PBH, resulting in AWW and UFH each owning fifty percent (50%) of the total outstanding equity interests in PBH, and PBH contributed such equity interests to PBI, resulting in PBI becoming the direct or indirect parent company of AWW’s and UFH’s respective subsidiaries, including Anytime Fitness. In conjunction with closing of this transaction, OTF Franchisor and OTFPS were contributed to Anytime Fitness and ultimately to SEB Systems, becoming an indirect subsidiary of Anytime Fitness (Note 5).

In accordance with ASC 805, Business Combinations, the Company has elected not to apply pushdown accounting and has prepared the financial statements on a historical basis. The acquisition of OTFF and OTFPS to Anytime Fitness has been accounted for as a business combination between entities under common control and thus, there was no step up to fair value. The results for this transfer are included in the Company’s results of operations from April 2, 2024, the date of common control.

#### **Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

#### **Cash and Cash Equivalents**

The Company maintains its cash in financial institutions which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant cash credit risk. The Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

#### **Restricted Cash**

Restricted cash consists of franchisee contributions held in a general advertising and marketing fund. The use of the cash is restricted to advertising and marketing expenditures, as defined. Restricted cash has been combined with cash and cash equivalents when reconciling the beginning and end of period balances in the consolidated statements of cash flows.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consists primarily of franchise fees, royalty fees, and trade receivables that develop in the normal course of business. It is the policy of management to review the outstanding accounts receivable at year end for any expected losses, as well as bad debt expenses in the past, and establish an allowance for credit losses for uncollectible amounts, if necessary. The allowance for credit losses was \$3,218 and \$1,801 for the years ended December 31, 2025 and 2024, respectively. Accounts receivable is considered past due if any portion of the receivable balance is outstanding past the due date established by the Company.

#### **Inventory Valuation**

Inventory consists of finished goods and is primarily comprised of equipment, studio supplies, retail products, and technology hardware. Inventories are carried at the lower of cost or net realizable value, and cost is determined using the first-in, first-out (FIFO) method. Management performs periodic assessments to determine the existence of obsolete, slow-moving, and nonsaleable inventories and records necessary provisions to reduce such inventories to net realizable value.

#### **Prepaid Expenses**

Prepaid expenses primarily consist of payments made in advance for goods and services to be received in future periods. As of December 31, 2025 and 2024, prepaid expenses include prepaid interest, prepaid inventory, and other operating prepaid expenses that can be amortized over time. Prepaid expenses are recognized as current assets and amortized over the periods in which the related benefits are realized.

#### **Property and Equipment and Depreciation Methods**

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for furniture, equipment, and auto and trucks are 5 to 7 years. Depreciation of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

#### **Business Combinations**

The Company accounts for business combinations using the acquisition method of accounting, which requires that the assets acquired and the liabilities assumed are measured at fair value at the date of acquisitions. The purchase price of the acquisitions is allocated to the assets acquired including amortizable intangible assets and the liabilities assumed in the amounts equal to the estimated fair value of each asset and liability. Any excess of purchase price over fair value of net assets is recorded as goodwill. This allocation process requires use of estimates and assumptions, including estimates of future cash flows to be generated by the acquired assets. The Company applies the business combination guidance for acquisitions which meet the definition of a business in accordance with the revised guidance in ASU 2017-01, Business Combinations, which clarifies the definition of a business.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Impairment of Long-Lived Assets, Goodwill, and Intangible Assets**

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the acquisition method. On January 1, 2024, the Company adopted Financial Accounting Standards Update (ASU) No. 2014-02, Accounting for Goodwill, which allows entities to elect to amortize goodwill on an entity-wide or a reporting unit level over 10 years, or a shorter period if determined that another useful life is more appropriate. Amortization expense was \$14, \$14, and \$0 for the years ended December 31, 2025, 2024, and 2023, respectively.

The Company is required to test goodwill for impairment only when a triggering event occurs that indicates the fair value of the Company may be below its carrying amount. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant change in the manner of use of the acquired assets, or the Company's overall business and significant negative industry or economic trends. No triggering events were identified in the years ended December 31, 2025, 2024 and 2023.

The Company paid and capitalized fees for the development of trademarks. These trademarks are amortized on the straight-line method over fifteen years. Trademarks acquired in a business combination are determined to have indefinite lives, therefore the Company does not amortize, but tests them annually for impairment. Franchise rights are amortized on a straight-line method over the remaining term of the franchise agreement. Noncompete agreements are amortized on a straight-line method over three years.

The Company incurs costs related to internally developed software. Generally accepted accounting principles authorize software to be capitalized once technical feasibility has been established. Technical feasibility is established when the developer completes all the planning, designing, coding, and testing activities necessary to determine that the product can be produced according to its design specifications. These costs are amortized on the straight-line method over three years.

The Company accounts for cloud computing arrangements (arrangements that include software as a service, platform as a service, infrastructure as a service, and other similar hosting arrangements) that contain a software license element as software costs. As such, these costs are amortized as internally developed software on the straight-line method over three years.

The Company reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future forecasted net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted cash flows or appraised values, depending upon the nature of the assets. No such impairment charges were recognized for the years ended December 31, 2025, 2024 and 2023.

#### **Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities as of December 31, 2025 and 2024 consist of sales tax payables, customer deposits, and accruals for general operating and payroll related expenses. Accrued expenses are recognized when obligations are incurred, even if not yet invoiced, and are settled in the normal course of business.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Income Taxes**

The Company is treated as a single member limited liability company (LLC) that is treated as a disregarded entity for tax purposes. As such, the Company's income, losses, and credits are included in the income tax returns of Purpose Brands Holdings LLC.

The Company has evaluated its tax positions and related income tax under the Financial Accounting Standards Board's (FASB) authoritative guidance *Accounting for Income Taxes*. Management believes that since the Company is taxed as an LLC, there is not a significant impact on the Company as a result of implementing this standard. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements. A provision has been made, however, for state minimum fees and other state taxes which are applicable to all entities.

The Company recognizes the effect of uncertain income tax positions only if those positions are more likely than not of being sustained. The Company is not currently under examination by any taxing jurisdiction and management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax positions. The periods subject to examination are tax years subsequent to 2021. In the event of any future penalties or interest, the Company has elected to record interest and penalties as income tax expense on the Company's consolidated statements of comprehensive income.

#### **Revenue From Contracts with Franchisees and Members**

##### ***Revenue Recognition Significant Accounting Policies Under ASC 606***

The Company's revenues are comprised of franchise royalties, advertising fund contributions, initial franchise fees, area development fees, master franchise fees, transfer and renewal fees, corporate-owned fitness center sales, vendor rebates, managed technology services, product and equipment sales, and other revenues.

##### ***Franchise Revenue***

Franchise revenues consist primarily of franchise royalties, franchise fees, advertising fund contributions, and consumer fitness, health, and wellness applications. Franchise fees consist of initial franchise fees, area development agreement ("ADA") fees, master franchise fees, area representative fees, and transfer and renewal fees.

The Company's primary performance obligation under the franchise agreement is granting certain rights to use the Company's intellectual property over the term of each agreement. The Company has certain pre-opening services, including training and construction management, that are provided as part of the franchise agreement. These pre-opening activities are considered distinct from the franchise license and are therefore recognized upon opening of the franchise.

The Company has elected the FASB's practical expedient related to pre-opening activities and does not analyze each separate activity as its own distinct performance obligation. The franchise fees remaining after any pre-opening performance obligations have been satisfied are recognized on a straight-line basis over the term of the respective agreement.

Franchise royalties, consumer fitness, health, and wellness application fees, and advertising fund contributions are collected as defined in the terms of the franchise agreements. Under the Company's franchise agreements, advertising fund contributions paid by franchisees must be spent on advertising, marketing, and related activities. Initial, ADA, master, and renewal franchise fees are payable by the franchisee upon signing a new franchise agreement, and transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Vendor Rebates**

The Company recognizes vendor rebate income from franchisees' use of certain preferred vendor arrangements. Vendor rebates are recognized when franchisees purchase services or equipment from preferred vendors and the collectability from the vendor is reasonably assured.

#### **Corporate-Owned Fitness Center Sales**

Members are offered multiple membership choices varying in length. Membership dues are earned and recognized over the membership term on a straight-line basis. Personal training and class package revenue is recognized at the time the service is performed or class used, respectively. Revenue from prepayments of personal training or packages of sessions are deferred until the sessions are used or expire. Corporate-owned fitness center sales is included within sales on the consolidated statements of comprehensive income.

#### **Sales**

The Company sells fitness equipment, studio supplies, retail products, and technology hardware purchased from third party manufacturers to franchisees and consumers.

For fitness equipment and managed technology and security equipment sales, revenue is recognized upon transfer of control of ordered items, generally upon delivery to the customer and assembly or installation of the equipment in the club or studio location. Franchisees are also charged for all freight and installation costs incurred for the delivery and installation of equipment. Freight and installation revenue is recorded within sales and freight and installation costs are recorded within cost of goods sold on the consolidated statements of comprehensive income.

For studio supplies, retail products, and technology hardware sales, revenue is generally recognized upon shipment, when legal title is transferred. The Company offers a warranty on certain technology hardware for defective items.

#### **Technology Fees**

Technology fees are for software licenses and other technology provided to clubs and studios. Technology fees cover the development or purchase of software licenses or sublicenses that franchisees must use in the operation of their club or studio. Technology fee revenue is billed and recognized monthly when services are rendered. Technology fees are recorded within franchise royalties on the consolidated statements of comprehensive income.

#### **Other Revenues**

Other revenue consists of contracts with customers for use of the Company's trademarks and intellectual property rights, health insurance reimbursement processing fees, training and coaching fees, online membership fees, and optional local advertising which is separate from the advertising fund described below. Other revenue is recognized monthly when the Company bills the franchisee or when services are rendered.

#### **Disaggregation of Revenues**

Current accounting standards require that companies disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Company has included its revenues disaggregated in its consolidated statements of comprehensive income to satisfy this requirement.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### ***Taxes Collected and Remitted to Government Authorities***

The Company may be required to collect and remit taxes on taxable transactions from customers related to certain taxing authorities based on a percentage of revenue. As the Company is acting as a collection agent with respect to these taxes, these amounts are not included in revenues and are recorded in accrued expenses and other current liabilities on the consolidated balance sheets.

#### ***Deferred Revenue***

Deferred revenue from initial franchise fees, ADA fees, area representative fees, master franchise fees, and renewal and transfer fees is collected up front and is generally recognized on a straight-line basis over the term of the underlying franchise agreement, net of any performance obligations which have been satisfied. Also included in deferred revenue are corporate-owned fitness center and online membership fees, equipment and installations fees, and pre-paid personal training sessions. The Company classifies these contract liabilities as deferred revenue in the consolidated balance sheets.

#### ***Deferred Costs***

The Company defers incremental costs associated with franchise sales facilitated by Area Representatives. These costs are recognized as commission expense over the term of the agreement as services required by the Company are performed. Incremental costs primarily relate to a portion of initial franchise fees received from new franchisees which are due to the Area Representative under the terms of the agreement. The Company also has deferred compensation and brokerage commission costs resulting from the sales of initial franchises, ADA, and master franchises. These deferred compensation and brokerage commissions are generally recognized on a straight-line basis over the term of the underlying franchise agreement. The Company classifies these contract assets as deferred costs in the consolidated balance sheets.

#### ***Advertising Fund***

The Company has advertising funds for the creation and development of marketing, advertising, and related programs and materials for fitness centers located in the United States. On behalf of the advertising fund, the Company collects advertising fees from franchisees, in accordance with the provisions of the franchise agreements. The use of amounts received by the advertising fund is restricted to advertising, product development, public relations, and administrative expenses.

The Company consolidates and reports all assets and liabilities held by the advertising fund within the consolidated financial statements. Amounts received or receivable by advertising funds are reported as restricted assets within current assets on the consolidated balance sheets.

The Company records all revenues of the advertising fund, except those discussed below, within franchise revenue and all expenses of the advertising fund, except those discussed below, within the operating expenses on the consolidated statements of comprehensive income. The Company provides administrative services to the advertising fund and charges the advertising fund a fee for providing those services.

Included in the advertising fund are fees collected from franchisees related to continuing engagement credits. These funds are used by the Company at its discretion on behalf of the Anytime Fitness brand and its franchisees. These revenues and expenses are included in other revenues and general and administrative expenses, respectively, on the consolidated statements of comprehensive income.

#### ***Shipping and Delivery Costs***

The Company records costs related to shipping and delivery in cost of goods sold.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

(in thousands of US dollars)

#### **Cost of Goods Sold**

Cost of goods sold primarily includes the direct costs associated with equipment sales, including freight costs, to new and existing franchisee-owned clubs and studios in the U.S and internationally. Our cost of revenue changes primarily based on equipment sales volume.

#### **Conference**

The Company hosts a conference every other year and encourages all franchisees to attend this meeting. Since the Company is not in the business of hosting conferences, the Company records the receipts and expenses as net expense in general and administrative expenses on the consolidated statements of comprehensive income.

#### **Debt Issuance Costs**

The Company defers debt issuance costs, which consist primarily of bank and legal fees. Such costs are related to the note payable and revolving credit facility as described in Note 5 and are amortized over the terms of the facilities using the effective interest rate method. Unamortized deferred financing costs related to term debt are recorded as a direct deduction from the carrying value of the associated debt liability, while unamortized deferred financing costs related to revolving credit facilities are recorded as noncurrent assets unless the original commitment is for less than one year.

#### **Advertising Costs**

Advertising costs associated with solicitation of new franchisees are expensed as incurred. Advertising costs totaled \$925, \$1,126 and \$1,442 for the years ended December 31, 2025, 2024 and 2023, respectively.

#### **Fair Value Measurements**

The Company follows the provisions of FASB's authoritative guidance regarding *Fair Value Measurements*. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy categorized into three levels based on the inputs used.

Generally, the three levels are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Significant other observable inputs.
- Level 3 Significant unobservable inputs.

The carrying amount of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximates fair value because of the short maturity of these instruments. The carrying value of the Company's long-term debt obligations approximates its fair value due to prevailing market interest rates being consistent with those at the time the debt was issued.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **Leases**

The Company leases various facilities. For any lease with an initial term in excess of 12 months, the related leased asset and liability are recognized on the consolidated balance sheets as operating leases at the inception of an agreement where it is determined that a lease exists. The Company has elected to exclude short-term leases for all classes of underlying assets from consolidated balance sheets recognition. A lease is considered to be short-term if it contains a lease term of 12 months or less. Lease expense related to short term leases is recognized on a straight-line basis over the term of the lease. The Company may enter into leases that contain both lease and nonlease components. The Company has elected to not combine lease and nonlease components for all asset classes.

Operating lease assets are included in operating lease right-of-use (“ROU”) assets. ROU assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the related operating lease. These assets and liabilities are recognized based on the present value of future payments over the lease term at the commencement date. The Company uses the incremental borrowing rate for all classes of underlying assets as the discount factor.

#### **Comprehensive Income**

The Company’s comprehensive income for the years ended December 31, 2025, 2024 and 2023 consists of net income and currency translation adjustments.

#### **Subsequent Events**

Subsequent events have been evaluated by management for recognition or disclosure through March 25, 2026, which is the date the consolidated financial statements were available to be issued.

On March 13, 2026, the Series 2021-1 Notes (See Note 5) were repaid in full, terminated, and refinanced by a new securitization transaction (the “Securitization Transaction”). Series 2024-1 Class A-1-LR Notes were also repaid in full and terminated in connection with the Securitization Transaction.

As part of the Securitization Transaction, the Company issued new notes under the Indenture including the Series 2026-1 Class A-2 Fixed Rate Senior Secured Notes, (“Series 2026-1 Class A-2 Notes”) in the amount of \$715,000 and Series 2026-1 Class A-1 Senior Secured Liquidity Reserve Notes (“Series 2026-1 Class A-1-LR Notes”) in the amount of \$22,000. The Series 2026-1 Class A-2 Notes and Series 2026-1 Class A-1-LR Notes are collectively referred to as the “Series 2026-1 Notes”. The Series 2026-1 Class A-2 Notes bear interest at a fixed rate of 6.665% per annum with interest payable on a quarterly basis. There is also a requirement to make quarterly principal payments on the Series 2026-1 Class A-2 Notes, subject to certain financial conditions set forth in the Indenture.

The Series 2026-1 Class A-2 Notes have an anticipated repayment date of January 2031 and legal final maturity date of January 2056.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

The Series 2026-1 Notes are subject to a series of covenants and restrictions customary for this type of transaction, including (i) debt service and securitized net cash flow coverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the Series 2026-1 Notes, and (iii) provisions relating to optional and mandatory prepayments. The Series 2026-1 Notes are also subject to customary rapid amortization events provided for in the Indenture.

No amounts related to the Securitization Transaction have been reflected in the accompanying consolidated financial statements as this transaction represents a nonrecognized subsequent event.

## **2. Related Party Transactions**

### **Due From Related Parties**

At December 31, 2025 and 2024 the Company had receivables from entities related by common ownership in the amount of \$432 and \$461, respectively. The receivables are due on demand.

### **Due to Related Parties**

At December 31, 2025 and 2024 the Company had payables to entities related by common ownership in the amount of \$26 and \$30, respectively. The payables are due on demand.

During the years ended December 31, 2025, 2024 and 2023, Anytime Fitness received an allocation of payroll and related expenses from SEB, an entity under common control. These payroll costs represent services provided by shared employees whose responsibilities support multiple entities within the corporate group. The allocation methodology is based on management's estimate of time and resources dedicated to the Company's operations. For the years ended December 31, 2025, 2024 and 2023, the Company recorded \$30,178, \$32,808, and \$31,553, respectively, in payroll and related expenses allocated from SEB, which is included in general and administrative expenses in the consolidated statements of comprehensive income. Management believes that the allocation methodology is reasonable based on the nature of shared services; however, these transactions are not necessarily indicative of amounts that would have been incurred if the Company operated on a standalone basis.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

(in thousands of US dollars)

### 3. Property and Equipment

Property and equipment is composed of the following at December 31:

	2025	2024
<b>Property and equipment</b>		
Leasehold improvements	\$ 3,582	\$ 5,607
Equipment	1,272	3,960
Fitness equipment	1,067	2,507
Autos and trucks	-	309
Furniture and equipment	110	390
Construction in progress	16	58
Total property and equipment	6,047	12,831
Less: Accumulated depreciation	(3,241)	(9,866)
Property and equipment, net	\$ 2,806	\$ 2,965

Depreciation expense for the years ended December 31, 2025, 2024 and 2023 amounted to \$1,061, \$1,016, and \$935, respectively.

### 4. Intangible Assets, Software Development, and License Costs

Intangible assets, software development, and license costs consist of the following at December 31:

	2025	2024
Amortizable trademarks	\$ 435	\$ 435
Franchise rights	1,655	1,655
Noncompete agreements	-	66
Less: Accumulated amortization	(1,816)	(1,590)
Amortizable intangible assets, net	274	566
Nonamortizable trademarks and trademarks in progress	1,129	1,127
Intangible assets, net	\$ 1,403	\$ 1,693
Amortizable software development and license costs	\$ 56,217	\$ 44,733
Less: Accumulated amortization	(32,518)	(18,835)
Amortizable software development and license costs,	23,699	25,898
Software development in progress	2,828	1,487
Software development and license costs, net	\$ 26,527	\$ 27,385

Amortization expense for the years ended December 31, 2025, 2024 and 2023 amounted to \$15,937, \$12,801, and \$5,190, respectively.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

(in thousands of US dollars)

Future amortization of intangible assets, software development, and license costs is as follows:

	<b>Amount</b>
<b>Year Ending December 31,</b>	
2026	\$ 13,428
2027	7,263
2028	3,132
2029	42
2030	42
Thereafter	<u>66</u>
	<u>\$ 23,973</u>

## 5. Long-Term Debt

### Securitization

On November 24, 2021, the Issuer entered into a securitization transaction pursuant to which various direct and indirect subsidiaries of SEB contributed nearly all vendor rebate agreements, existing and future franchise agreements, development agreements, and substantially all franchising and licensing activities to the Company. Since the Issuer and all subsidiaries are under common control, the contributions were recorded at book value.

On April 2, 2024, the Issuer's parent company entered into a merger transaction pursuant to which various direct and indirect subsidiaries of the merged company were contributed to the Securitization. Since the Issuer and all subsidiaries are under common control, the contributions were recorded at book value. The net book value of the assets and liabilities contributed are summarized below as of April 2, 2024:

Cash and cash equivalents	\$ 2,172
Accounts receivable	6,389
Inventory	2,591
Prepaid expenses and other assets	5,956
Deferred costs	8,245
Intangible assets and software development costs	8,592
Accounts payable	(3,497)
Accrued expenses and other current liabilities	(4,118)
Deferred revenue	<u>(27,689)</u>
Net liabilities contributed	<u>\$ (1,359)</u>

The Issuer, its direct parent, as well as the Issuer's direct and indirect subsidiaries, except SEB Franchising Guarantor LLC, (collectively, the Purpose Brands Securitization Entities) hold substantially all of the franchising-related assets and have jointly and severally guaranteed the payment of each series of notes and the payment and performance of all other obligations of the Issuer.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

Anytime Fitness, LLC manages and services the assets of the Purpose Brands Securitization Entities in return for a management fee under a management agreement (the “Securitization Management Agreement”). The primary responsibilities of Anytime Fitness, LLC as the manager are to administer collections of royalties and other securitized revenues and perform certain franchising, operational, intellectual property and reporting on behalf of the Purpose Brands Securitization Entities with respect to the managed assets.

#### **Series 2021-1 Notes**

In connection with the securitization transaction completed on November 24, 2021 (see “Securitization” section), the Issuer issued \$485,000 of Series 2021-1 Class A-2 Fixed Rate Senior Secured Notes (“Series 2021-1 Class A-2 Notes”). In addition, the Issuer entered into \$20,000 of Series 2021-1 Class A-1 Variable Funding Notes (the “Variable Funding Notes” or “Series 2021-1 Class A-1-VFN Notes”) and an additional \$6,100 of Series 2021-1 Class A-1 Senior Secured Liquidity Reserve Notes (the “Liquidity Reserve Notes” or “Series 2021-1 Class A-1-LR Notes”). Collectively, the Series 2021-1 Class A-1-LR Notes, Series 2021-1 Class A-1-VFN Notes and Series 2021-1 Class A-2 Notes shall be referred to as “Series 2021-1 Notes”. The Series 2021-1 Notes are secured by substantially all assets of and guaranteed by the Purpose Brands Securitization Entities.

Borrowings under the Series 2021-1 Class A-2 Notes bear interest at a fixed rate of 4.969% per annum. Interest and principal payments on the Series 2021-1 Class A-2 Notes are due on a quarterly basis. The requirement to make quarterly principal payments on the Series 2021-1 Class A-2 Notes is subject to certain financial conditions set forth in the indenture. The legal final maturity date of the Series 2021-1 Class A-2 Notes is January 2052. Unless the outstanding principal is prepaid, the indenture provides for an anticipated repayment date in January 2027. On March 13, 2026 the Company repaid all outstanding amounts on the Series 2021-1 Notes (See Note 1).

Borrowings under the Series 2021-1 Class A-1-VFN Notes bear interest at a variable rate equal to SOFR plus 3.56%. There is a term SOFR adjustment of 10/15/25bps (for 1/3/6-month tenors) that increases the SOFR plus 3.56% interest on the Series 2021-1 Class A-1-VFN Notes. The Series 2021-1 Class A-1-VFN Notes may also be used to issue letters of credit. The Series 2021-1 Class A-1-VFN Notes will also be subject to (i) certain commitment fees in respect to the unused portion of the commitments of the investors thereunder, and (ii) certain fees in respect of letters of credit issued thereunder. Letters of credit outstanding under the Series 2021-1 Class A-1-VFN Notes, including \$6,100 of an interest reserve letter of credit issued in connection with the Series 2021-1 Notes, were \$0, as of December 31, 2025 and 2024, respectively. The \$6,100 of Series 2021-1 Class A-1 Senior Secured Liquidity Reserve Notes were moved to the Series 2024-1 Class A-1 Senior Secured Liquidity Reserve Notes after the transaction date. The Company does not expect any material loss from these letters of credit because the Company does not anticipate any funds will be drawn thereunder by the beneficiaries thereof. No other borrowings were outstanding against the Series 2021-1 Class A-1-VFN Notes as of December 31, 2025 and 2024.

Advances under the Liquidity Reserve Notes shall bear interest at the Prime Rate plus 3.00%. The Liquidity Reserve Notes will also be subject to certain commitment fees in respect to the unutilized portion of the commitments of the investors thereunder. No borrowings were outstanding against the Liquidity Reserve Notes as of December 31, 2025 and 2024.

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

Debt issuance costs of \$8,700 were recorded as a reduction of long-term debt in connection with the issuance of the Series 2021-1 Notes. The debt issuance costs are amortized to interest expense through the anticipated repayment dates.

#### **Series 2024-1 Notes**

In connection with the business combination transaction completed on April 2, 2024 (see “Business Combination” section), the Issuer issued \$480,000 of Series 2024-1 Class A-2 Fixed Rate Senior Secured Notes (“Series 2024-1 Class A-2 Notes” “Indenture”). In addition, the Issuer entered into \$90,000 of Series 2024-1 Class A-1 Variable Funding Notes (the “Series 2024-1 Class A-1-VFN Notes”) of which \$40,000 was drawn at close, and an additional \$16,000 of Series 2024-1 Class A-1 Senior Secured Liquidity Reserve Notes (the “Liquidity Reserve Notes” or “Series 2024-1 Class A-1-LR Notes”) which were transferred from the Series 2021-1 Class A-1 Senior Secured Liquidity Reserve Notes after the transaction date. Collectively, the Series 2024-1 Class A-1-VFN Notes and Series 2024-1 Class A-2 Notes shall be referred to as “Series 2024-1 Notes”. The Series 2024-1 Notes are secured by substantially all assets of and guaranteed by the Purpose Brands Securitization Entities.

Borrowings under the Series 2024-1 Class A-2 Notes bear interest at a fixed rate of 7.386% per annum. Interest and principal payments on the Series 2024-1 Class A-2 Notes are due on a quarterly basis. The requirement to make quarterly principal payments on the Series 2024-1 Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity date of the Series 2024-1 Class A-2 Notes is April 30, 2054. Unless the outstanding principal is prepaid, the Indenture provides for an anticipated repayment date in April 2029. If the Issuer has not repaid or refinanced the Series 2024-1 Class A-2 Notes prior to the anticipated repayment date, additional interest will accrue pursuant to the Indenture.

Borrowings under the Series 2024-1 Class A-1-VFN Notes bear interest at a variable rate equal to SOFR plus 3.3%. The Series 2024-1 Class A-1-VFN Notes may also be used to issue letters of credit. The Series 2024-1 Class A-1-VFN Notes will also be subject to (i) certain commitment fees in respect to the unused portion of the commitments of the investors thereunder, and (ii) certain fees in respect of letters of credit issued thereunder. Letters of credit outstanding under the Series 2024-1 Class A-1-VFN Notes, including \$17,950 of interest reserve letters of credit transferred from the Series 2021-1 Class A-1 Senior Secured Liquidity Reserve Notes, were \$18,021 as of December 31, 2025 and 2024, respectively. The Company does not expect any material loss from these letters of credit because the Company does not anticipate any funds will be drawn thereunder by the beneficiaries thereof. As of December 31, 2025, there were no borrowings outstanding against the Series 2024-1 Class A-1-VFN Notes.

Debt issuance costs of \$14,892 were recorded as a reduction of long-term debt in connection with the issuance of the Series 2024-1 Notes. The debt issuance costs are amortized to interest expense through the anticipated repayment dates.

The net proceeds from the issuance of the Series 2024-1 Notes and Series 2021-1 Notes, after transaction expenses, were distributed to SEB.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

(in thousands of US dollars)

The Series 2024-1 Notes and Series 2021-1 Notes are subject to a series of covenants and restrictions customary for this type of transaction, including (i) debt service and securitized net cash flow coverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the Series 2024-1 Notes and Series 2021-1 Notes, and (iii) provisions relating to optional and mandatory prepayments. The Series 2024-1 Notes and Series 2021-1 Notes are also subject to customary rapid amortization events provided for in the Indenture. The Company was in compliance with its financial covenants for each quarter in the years ended December 31, 2025 and 2024.

Long-term debt consists of the following at December 31:

	2025	2024
Series 2021-1 Class A-2 Senior Secured Notes	\$ 483,788	\$ 483,788
Series 2024-1 Class A-2 Senior Secured Notes	480,000	480,000
Variable Funding Notes	-	15,000
Less: Unamortized financing costs	<u>(11,243)</u>	<u>(15,961)</u>
Long-term debt, net of financing costs	952,545	962,827
Less: Current maturities	<u>(7,238)</u>	<u>(7,238)</u>
Long-term debt, net of current maturities and financing costs	<u>\$ 945,307</u>	<u>\$ 955,589</u>

The annual principal payment requirements for long-term debt, subject to certain financial conditions set forth in the Indenture, are as follows:

	Amount
<b>Year Ending December 31,</b>	
2026	\$ 7,238
2027	484,950
2028	4,800
2029	<u>466,800</u>
Total principal payments	<u>\$ 963,788</u>

#### 6. Deferred Revenue

Deferred revenue at December 31, 2025 and 2024 was \$71,172 and \$77,151, respectively. The increase resulted from the net difference between new sales and the standard or accelerated recognition of revenue. During 2025, the Company recognized \$29,130 of revenue that was included in deferred revenue at December 31, 2024. The Company expects to recognize approximately \$18,171 of deferred revenue in 2026 and the remainder in subsequent years.

# Anytime Fitness, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

### December 31, 2025, 2024 and 2023

---

(in thousands of US dollars)

#### 7. Leasing Activities

The Company leases various facilities under operating leases with terms that expire at various dates through May 2036. Under certain facility leases, the Company is obligated to pay all repair and maintenance costs.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2025	2024
Weighted average remaining lease term	4.92 years	3.36 years
Weighted average discount rate	5.00 %	5.00 %

The maturities of lease liabilities are as follows:

	Amount
<b>Year Ending December 31,</b>	
2026	\$ 952
2027	855
2028	423
2029	192
2030	101
Thereafter	589
Total lease payments	3,112
Less: Present value discount	(372)
Present value of operating lease liabilities	2,740
Less: Current maturities	(835)
Operating lease liabilities, net of current maturities	\$ 1,905

The following summarizes the components of lease expense, included in general and administrative expenses in the consolidated statements of comprehensive income, for the years ended December 31:

	2025	2024	2023
<b>Lease expense</b>			
Operating lease expense	\$ 969	\$ 990	\$ 1,025
Short-term lease expense	6	73	72
Nonlease component expense	422	464	464
Total lease expense	\$ 1,397	\$ 1,527	\$ 1,561

# **Anytime Fitness, LLC and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2025, 2024 and 2023**

---

*(in thousands of US dollars)*

#### **8. Contingencies**

##### **Legal**

The Company is subject to various claims, legal proceedings, and investigations covering a wide range of matters that may arise in the ordinary course of business. Management believes the resolutions of claims and pending litigation will not have a material effect, individually or in the aggregate, on the consolidated financial statements of the Company.

##### **Concentration of Risk**

###### ***Credit Risk***

Cash and cash equivalents are financial instruments, which potentially subject the Company to a concentration of credit risk. The Company invests its excess cash in several major financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250. The Company maintains balances in excess of these limits but does not believe that such deposits with its banks are subject to any unusual risk.

###### ***Geographic Risk***

Franchised studios and corporate-owned studios are primarily located throughout the U.S. Consequently, the operations of the Company are affected by fluctuations in the U.S. economy and the respective state and federal regulatory and economic environments. The Company is also affected by fluctuations in the economic environment of the foreign countries in which it maintains license agreements.

###### ***Supplier Risk***

During the years ended December 31, 2025, 2024, and 2023, the Company purchased approximately 50%, 53%, and 50% respectively, of all its inventory from 5 vendors.

WAXING **THE** CITY

**EXHIBIT E**

**FRANCHISE AGREEMENT, GUARANTY,  
GENERAL RELEASE AND STATE SPECIFIC  
ADDENDA**



FRANCHISE AGREEMENT

WAXING THE CITY FRANCHISOR LLC

111 Weir Drive  
Woodbury, Minnesota 55125  
(866) 956-4612  
[www.waxingthecity.com](http://www.waxingthecity.com)

**WAXING THE CITY FRANCHISE AGREEMENT**

INDEX

<b>SECTION</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
1.	GRANT OF FRANCHISE; FRANCHISED LOCATION.....	1
2.	TERM; RENEWAL RIGHTS .....	2
3.	MARKS AND COPYRIGHTS.....	3
4.	INITIAL FRANCHISE FEE.....	5
5.	FEES .....	5
6.	ADVERTISING AND PROMOTION .....	6
7.	WAXING THE CITY STUDIO PREMISES .....	7
8.	OUR PRE-OPENING AND ONGOING OBLIGATIONS/TRAINING .....	8
9.	APPEARANCE AND OPERATION OF YOUR WAXING STUDIO .....	11
10.	CONFIDENTIAL INFORMATION/IMPROVEMENTS.....	21
11.	INSURANCE; INDEMNIFICATION.....	22
12.	FINANCIAL STATEMENTS AND AUDIT RIGHTS.....	23
13.	ASSIGNMENT OF FRANCHISE AGREEMENT .....	24
14.	OUR TERMINATION RIGHTS .....	25
15.	YOUR TERMINATION RIGHTS: NOTICE REQUIRED .....	28
16.	YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION .....	28
17.	YOUR COVENANTS NOT TO COMPETE.....	30
18.	ENFORCEMENT .....	31
19.	RIGHT OF FIRST REFUSAL.....	34
20.	MISCELLANEOUS .....	34
21.	NOTICES.....	36
22.	ACKNOWLEDGEMENTS.....	37
	RIDER .....	38

WAXING THE CITY  
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made as of the Effective Date set forth in the Rider attached to this Agreement (the “Rider”) between WAXING THE CITY FRANCHISOR LLC, a Delaware limited liability company (“we” or “us”) and the person or persons named in the Rider as “Franchisee” (“you”).

RECITALS:

A. We and our predecessor have invested substantial time, effort and money to develop a system of operating boutique studios that offer body and facial waxing services to the general public, as well as other related products and services under the federally registered trademark, “Waxing the City®,” and other trademarks, service marks, and intellectual property rights. We grant franchises to qualified candidates for the operation of a facial and body waxing business. We license our trademark rights in “Waxing the City” and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Waxing the City studios (collectively the “Marks”). Waxing the City studios use our methods, procedures, standards, specifications and the Marks (all of which are collectively referred to as the “System”) which we may improve, further develop or otherwise modify from time to time.

B. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and our Franchise Disclosure Document and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates.

C. You desire to operate a Waxing the City franchise which will conform to our uniform requirements and quality standards as established from time to time by us.

AGREEMENTS:

1. GRANT OF FRANCHISE; FRANCHISED LOCATION

A. Grant of Franchise. Subject to the provisions stated below, we license to you a personal franchise to operate a Waxing the City business (your “Waxing Studio”) in conformity with our System at the location described on the Rider (the “Franchised Location”). You accept the license and undertake the obligation to operate your Waxing Studio using the System and in compliance with our standards. Your Waxing Studio may only be operated at the Franchised Location. If you would like to open a second or subsequent location, you must sign a new franchise agreement on our then-current form for each location, and pay the applicable franchise fees for each location.

B. Protected Territory. Included in the Rider is a map or description of an area surrounding the Franchised Location (the “Protected Territory”). Except as specified in this Section, in Section 2.B, or in the Rider, during the term of this Agreement, we will not operate or license to anyone else the right to operate a Waxing the City studio physically located in the Protected Territory. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or licenses and to operate company or affiliate owned waxing or hair removal studio/business (including Waxing the City studios) at locations outside the Protected Territory even if they compete with your Waxing Studio for customers, and (ii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate, a waxing or hair removal studio/business and any other business from locations within and outside the Protected Territory under trademarks other than the Marks, without compensation to you. In addition, the boundaries of your Protected Territory may overlap with a territory we grant to another franchisee or to a Waxing the

City studio we or our affiliates operate, so long as no other Waxing the City studio is located within your Protected Territory.

C. Additional Reservation of Rights. We and our affiliates reserve any and all rights not expressly granted to you under this Agreement, including, without limitation, the right to sell anywhere (including within the Protected Territory) products and services (including to your customers) under the “Waxing the City” name, or under any other name, through any channel of distribution, including via the Internet, our website, mobile application, social media platforms or otherwise.

D. Limitations. The rights and privileges granted to you under this Agreement are personal in nature and may not be used at any location other than the Franchised Location. You do not have the right to delegate, subfranchise, or sublicense any of your rights under this Agreement. Without our written consent, you may not use the Franchised Location for any purpose other than the operation of a Waxing the City studio.

## 2. TERM; RENEWAL RIGHTS

A. Initial Term. The term of this Agreement is for six (6) years commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement.

B. Renewal. You have the right to renew your Waxing Studio franchise for the Franchised Location for an additional five (5) year term, provided you meet all of the following conditions:

1. you have given us written notice at least two hundred ten (210) days prior to the end of the then current term of this Agreement of your desire to renew;

2. you and all entities you are a member, partner or shareholder of, are in compliance with all agreements between you and us and between you and our affiliates, and there has been no series of defaults by you thereunder (i.e., an abnormal frequency of defaults or a default that has occurred repeatedly, or a combination thereof), whether or not such defaults were cured;

3. you make, or provide for in a manner satisfactory to us, such renovation and re-equipping of your Waxing Studio as we deem appropriate to reflect the then-current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, furnishings, fixtures and decor;

4. you pay us a renewal fee at least fifteen (15) days prior to the expiration of the initial term of this Agreement in an amount equal to Six Thousand Dollars (\$6,000) (which we will reduce to Five Thousand Dollars (\$5,000) if we receive all your signed renewal documents, and this fee, at least thirty (30) days before this Agreement expires) (the “Renewal Fee”);

5. you sign the standard Franchise Agreement then being used by us within thirty (30) days of receipt, provided that you pay the Renewal Fee in lieu of the Initial Franchise Fee set forth in the then-current Franchise Agreement. The terms of such Franchise Agreement may differ from this Agreement, including higher fees and a modification to the Protected Territory based upon our then-current methods of determining protected territories (and which may include a reduction in the size of the Protected Territory);

6. you present satisfactory evidence that you have the right to remain in possession of the Franchised Location for the duration of the renewal term, unless we determine that the location of your business is no longer viable for the operation of your Waxing Studio, in which case we may condition your right to renew on your obtaining a new site for your Waxing Studio that we approve;

7. your management staff and each aesthetician you employ in your Waxing Studio successfully completes any refresher training prescribed by us at least thirty (30) days prior to the expiration of the term of this Agreement; and

8. at the time you sign the Franchise Agreement to renew your franchise, you sign and deliver to us a general release, in the form we prescribe, releasing, to the fullest extent permitted under the laws of the state where your Waxing Studio is located, all claims that you may have against us and our affiliates and our respective current and former officers, directors, shareholders, employees, insurers, consultants, contractors and agents, in both their corporate and individual capacities.

If you fail to timely comply with any provision of this Section 2.B, time being of the essence, we will at all times thereafter be permitted to operate or license to someone else the right to operate a Waxing the City studio from any location in the Protected Territory, and you specifically grant to us and to the owner of that studio the right to contact the customers of your Waxing Studio, notify them that you have chosen not to renew your relationship with us, and solicit those customers to patronize a new Waxing the City studio in the Protected Territory.

To make it easier for you to renovate and re-equip your Waxing Studio when you want to renew the Franchise, we recommend that you set aside a monthly amount equal to \$0.25 per square foot of your Waxing Studio in an account to be used as seed money to bring your Waxing Studio up to current standards. We reserve the right to require you to pay these amounts to us to hold for you, but if we impose this obligation, we will release the funds to you as needed for you to complete your obligation to renovate and re-equip your Waxing Studio. While we do not expect these funds will cover the entire cost of both the remodeling and new equipment you will need, if we do collect these amounts and they exceed the amount you need, we will refund the excess amounts to you upon completion of the renovation and re-equipping and of your Waxing Studio.

### 3. MARKS AND COPYRIGHTS

A. Identity of Your Waxing Studio. Your Waxing Studio will be identified by the trademark “Waxing the City®,” and such other names and logos as we prescribe from time to time.

B. Ownership of Mark. You agree that we own the Marks and the System. You also agree that any and all improvements and derivations by you relating to the Marks and System are our sole property and you hereby assign to us the same, together with the goodwill associated with the same. We will have the exclusive right to register and protect all such improvements and derivations of the Marks and the System.

C. Use. Your right to use and identify with the Marks and System applies only to the Franchised Location, and exists concurrently with the term of this Agreement and only so long as you are in complete compliance with our quality standards. You will have the right to use the Marks and System only in the manner prescribed, directed and approved by us in writing and in accordance with all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices. You will not have or acquire any rights in any of the Marks or System other than the right of use as governed by this Agreement. You may not authorize others to use or reproduce our Marks without our prior written consent. Your use of the Marks and any resulting goodwill will be to our exclusive benefit. If, in our judgment, your conduct infringes upon or demeans the goodwill, standards of uniformity or quality, or business standing associated with the Marks or the System, you will immediately, upon written notice from us, modify your use of the Marks and the System in the manner prescribed by us in writing. You will not during or after the term of this Agreement do anything directly or indirectly which would disparage, infringe upon, harm, or contest our rights in, the Marks or System.

D. Promotion. You will operate your Waxing Studio so that it is clearly identified and advertised as a Waxing the City studio. The style, form and use of the words “Waxing the City” in any advertising, written materials, products or supplies, including but not limited to any Technology Platform (defined below), must, however, have our prior written approval and comply with our specifications as we may prescribe in writing and as set forth in the Manual, or otherwise. You will use the trademark “Waxing the City®” and the other Marks which now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, Technology Platforms, signs and other articles in the identical combination and manner as we may prescribe in writing and you will supply to us samples or photographs of the same upon our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or photographs of the same upon our request. You will not use the words “Waxing the City” in your corporate, partnership, limited liability company or other entity name. You may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and state advertising laws applicable to your Waxing Studio.

E. Substitutions of, or Adverse Claims to, Marks. We have the right to protect and maintain all rights to the Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of its use, as we deem appropriate. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, or to discontinue using any Mark, or if there is an adjudication by a court of competent jurisdiction that any party’s rights to any of the Marks are superior to ours, then upon written notice from us, you will, at your sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by us in writing, and if the Mark that is changed is the name “Waxing the City,” then all references in this Agreement to the name “Waxing the City” will be deemed references to such substitute Mark. If we modify or discontinue use of any Mark, you will immediately cease using the Marks specified by us, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by us in connection with all advertising, marketing and promotion of your Waxing Studio. We will have no liability or obligation whatsoever with respect to your modification or discontinuance of any Mark. You will not make any changes or amendments in or to the use of the Marks or System unless directed by us in writing.

F. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you with respect to the Marks and will, at your reasonable expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation incurred by us, including attorneys’ fees, specifically relating to the Marks. We will have the right to control and conduct any litigation relating to the Marks and be entitled to all recovery related to claims with respect to the Marks. While we are not required to defend you against a claim based on your use of the Marks, we will reimburse you for your liability arising from your authorized use of the Marks. You will also be required to reimburse us for liability arising out of your unauthorized use of any of the Marks.

G. Copyrighted Materials. You acknowledge and agree that we may authorize you to use certain copyrighted or copyrightable works (the “Copyrighted Materials”), including the Manual (as defined below). The Copyrighted Materials are our valuable property. Your rights to use the Copyrighted Materials are granted to you solely on the condition that you comply with the terms of this Agreement. Your use of the Copyrighted Materials does not vest you with any interest other than the temporary, non-exclusive license to use the Copyrighted Materials granted in this Agreement. All rights that inure as a result of the use of the Copyrighted Materials belong solely to us.

H. Protection. You will sign any documents that we or our counsel deem necessary for the protection of the Copyrighted Materials or the Marks or to maintain their validity or enforceability, or to

aid us, at our expense, in acquiring rights in or in registering any of the Marks or any trademarks, trade names, service marks, slogans, logos or emblems that we subsequently adopt.

4. INITIAL FRANCHISE FEE

A. Initial Franchise Fee. Upon execution of this Agreement you will pay us a nonrefundable initial franchise fee (the “Initial Franchise Fee”) as set forth in the Rider.

B. No Refunds. The Initial Franchise Fee has been fully earned upon our signing of this Agreement and is nonrefundable in consideration of the expenses incurred by us in granting this franchise and for the lost or deferred opportunity to franchise others.

5. FEES

A. Weekly Royalty Fee. On the first Monday of each week, you will pay to us a non-refundable weekly royalty payment (the “Royalty Fee”) equal to the greater of (i) One Hundred Dollars (\$100) per week, or (ii) six percent (6%) of the Gross Revenues generated in the preceding week by your Waxing Studio.

1. Your obligation to pay us the Royalty Fee under the terms of this Agreement will begin on the earlier of the first full month of the month after you open your Waxing Studio or the date that is twelve (12) months from the Effective Date. If you have engaged one of our affiliates to provide you with site selection services and you are actively working with such affiliate to obtain a site, we will waive the Royalty Fee until you begin operating your Waxing Studio. Your obligation to pay the Royalty Fee will remain in full force and effect throughout the term of this Agreement.

2. “Gross Revenues” also referred to as Net Collections, shall mean the total amount of revenues generated from all business activities taking place by, through or at the Waxing Studio, in the form of cash or credit, plus the fair market value of products delivered and services rendered to you, or to your designee, in consideration for products and services provided in, from, or in conjunction with your Waxing Studio. There will be excluded from “Gross Revenues” bona fide refunds, credits given or allowed to customers for the return of merchandise and amounts collected from customers and remitted by you to any governmental taxing authority in satisfaction of sales taxes, however, chargebacks are not deducted from the calculation of Gross Revenues.

B. Monthly Advertising and Marketing Fund Contribution. By the fifth (5th) day of each month, you will pay to us a non-refundable monthly “General Advertising and Marketing Fund Contribution” equal to two percent (2%) of the previous calendar month’s Gross Revenues from your Waxing Studio (the “General Advertising and Marketing Fund Contributions”). We may periodically increase the General Advertising and Marketing Fund Contribution; provided that the General Advertising and Marketing Fund Contributions will not exceed three percent (3%) of your Gross Revenues. We will account for all General Advertising and Marketing Fund Contributions we receive as part of a “General Advertising and Marketing Fund.”

1. We may use General Advertising and Marketing Fund Contributions for any purpose that promotes the System, the Marks or the Waxing the City® name as we deem appropriate in our sole discretion, which may include the creation, production and placement of consumer advertising; agency costs and commissions; costs of preparing, producing and conducting local, regional or national media of our choice, including: television, radio, internet, magazine, direct mail and newspaper, billboard, social media and digital advertising, and direct mail campaigns, and other public relations activities; developing and/or hosting, maintaining and optimizing our website, other websites, and other applications or similar activities; implementing keyword or adword purchasing programs; administering regional or multi-regional

advertising programs and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms and other advertising, promotion or marketing agencies; developing marketing and advertising training programs and conducting market research (including sampling) and secret shopper programs; and other advertising, promotion and marketing activities, including participating at trade shows. For the avoidance of any doubt, we may also reimburse ourselves, our authorized representatives or our affiliates from the General Advertising and Marketing Fund for any expenses incurred by us or any of them related to the promotion of the Waxing the City® brand, the Marks or the System, including administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us, them or our authorized representatives and associated with the programs funded by the General Advertising and Marketing Fund. Advertising may be placed in local, regional or national media of our choice. We do not guarantee that advertising expenditures from the General Advertising and Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

2. All interest, if any, earned by the General Advertising and Market Fund will be used for the payment of the foregoing expenses before application of any principal.

3. Methods, media employed, the contents of advertising and marketing, and terms and conditions of advertising, marketing and promotional programs, will be in our sole discretion.

## 6. ADVERTISING AND PROMOTION

A. Local Advertising & Minimum Spend Requirement. In addition to the General Advertising and Marketing Fees, you agree to conduct your own local marketing of your Waxing Studio, either alone or in combination with other Waxing the City studio owners in your market. You must spend a minimum of One Thousand Five Hundred Dollars (\$1,500) per month on local advertising, after completion of the Grand Opening and Ramp Up Plan (described below) to promote your Waxing Studio. You must use our preferred or designated vendors for your Grand Opening and Ramp Up Plan and local marketing services for your Waxing Studio, which may include us or our affiliates, and we may require you to submit your grand opening plans and local marketing plans for our prior approval, submit proof of purchase or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. If you fail to spend the minimum required amount on local advertising in any calendar year, we may require you to pay the difference between what you should have spent on local advertising and what you actually spent into the General Advertising and Marketing Fund. We also reserve the right to require you to pay to us the minimum required amount each month for local advertising, plus our current one-time setup fee, and we will conduct the local advertising on your behalf in our discretion. We reserve the right to audit your records upon request to determine compliance with this requirement. You acknowledge that it is your responsibility to market your Waxing Studio, and that the General Advertising and Marketing Fees are merely used to supplement the local marketing conducted by each of our franchisees. You must submit to us for our prior approval any advertising you propose to use for the promotion of your Waxing Studio at least four (4) weeks before you may use any such advertising. We reserve the right to refuse, reject, adjust or require changes to any advertising material you prepare. You also must purchase a representative sample of all marketing materials we prepare for brand level promotions. We may prescribe minimum amounts of these materials that you must purchase.

B. Supplies and Marketing Materials. Before opening your Waxing Studio, you will purchase initial supplies and marketing materials, including business cards, thank you notes, brochures for our membership program, studio intake forms, appointment reminder cards, business stationery (letterhead) and similar items. We will make these items available for purchase from us, and will provide recommended suppliers for additional marketing materials, such as branded promotional props and signage for trade shows. If you order items other than those we have approved, you must obtain our prior approval of such

items. We may require you to purchase minimum amounts of business supplies and marketing materials during the term of this Agreement, and we may auto-ship these items to you at your cost. The amounts you pay for these items are nonrefundable and must be paid at the times we specify. These items will not constitute all of the items you will need to market your Waxing Studio and you will need to purchase other items.

C. Grand Opening and Ramp Up Plan. You must spend a minimum of Twenty-Five Thousand Dollars (\$25,000) for a “Grand Opening and Ramp Up Plan” for grand opening and local advertising. Activities in the plan may start as early as your lease is signed (up to one hundred and twenty (120) days before your Waxing Studio opens) and will extend up to one hundred eighty (180) days after the opening of your Waxing Studio. We may prescribe a minimum amount that you must spend for your Grand Opening and Ramp Up Plan in the sixty (60) days prior to opening. You must use our preferred or designated vendors for your Grand Opening and Ramp Up Plan, which may include us or our affiliates. You must submit your grand opening plans for our prior approval, submit proof of payment or other documentation to verify you have met minimum spend requirements, and show proof of performance of your advertising activity. If you fail to spend the minimum required amount on the Grand Opening and Ramp Up Plan, we may require you to pay the difference between what you should have spent for the Grand Opening and Ramp Up Plan and what you actually spent into the General Advertising and Marketing Fund. We also reserve the right to require you to pay to us the minimum required amount for the Grand Opening and Ramp Up Plan and we will execute the Grand Opening and Ramp Up Plan on your behalf in our discretion. The amounts you spend on the Grand Opening and Ramp Up Plan are in addition to the General Advertising and Marketing Fees that you must pay to us. The Grand Opening and Ramp Up Plan may include digital media, print media, audio advertising, billboards or other outdoor signage. In addition to costs associated with the Grand Opening and Ramp Up Plan, you must purchase certain marketing materials such as branded promotional products, printed materials, large format indoor or outdoor signage for trade shows, and similar items, from us or our designated supplier, as described in Section 6.B.

D. Retail Product Package. Before you open your Waxing Studio, you must purchase a package of retail products to offer for sale in your Waxing Studio from us at our then-current prices. These amounts are nonrefundable and are due at the time we specify.

E. Advertising Cooperative. At such time as we in our sole discretion may determine, you shall join an advertising cooperative made up of other Waxing the City franchisees (the “Local Cooperative”), as we determine. In such event, you must participate in the Local Cooperative on the terms and conditions we require. We can create, modify or dissolve any Local Cooperative at any time we determine.

F. Charitable Contribution. You may choose to participate in our Charitable Contribution Program. If you do, you will pay One Hundred Dollars (\$100) to a charitable organization we designate on or before the first day of each month.

## 7. WAXING THE CITY STUDIO PREMISES

A. Site Acquisition. Prior to the acquisition by lease or purchase of the site for your Waxing Studio, you will submit to us such information and materials as we may require, which may include, but not be limited to, your proposed lease. We will have ten (10) business days after receipt of the information and materials we requested to approve or disapprove your proposed site. No site will be deemed approved unless it has been expressly approved in writing by us by notice of site approval sent to you. Our examination and approval of the location of your Waxing Studio site does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of the Waxing Studio at that location. In addition, we may require you to furnish us with a copy of the signed lease within five (5) days after its execution. Following our approval of the site and your acquisition of it, you authorize us

to amend the Rider to this Agreement, without your signature, to identify: (1) the address of the site; and (2) the Protected Territory via a map or description of an area surrounding the site.

B. Opening. You may not initially open your Waxing Studio for business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled and we have approved your opening date; (2) the Initial Training Program is completed to our satisfaction; (3) all amounts due to us and our affiliates have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by this Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions in this Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered, received and installed all equipment, supplies, inventory and computer systems that we require. If you open your Waxing Studio for business before you have received our consent to do so, you must pay our then-current "Training Compliance Fee" (currently \$2,500 for unauthorized openings).

Unless otherwise agreed in writing by us, you must open your Waxing Studio on or before the Required Opening Date, but in no event more than twelve (12) months from the Effective Date. However, if you are converting an existing waxing business to a Waxing the City® studio, you must complete all remodeling and open your Waxing Studio in accordance with the terms of this Agreement within ninety (90) days of the Effective Date. Notwithstanding the foregoing, if you are entering into this Agreement pursuant to the terms of an Area Development Agreement executed between you and us, you will open your Waxing Studio on or before the date set forth in the "Development Schedule" (as defined in the Area Development Agreement). In each case, you must thereafter diligently operate your Waxing Studio in accordance with this Agreement for the entire remaining term of this Agreement. Your failure to open your Waxing Studio on or before the Required Opening Date will constitute a default of this Agreement and allow us to terminate this Agreement.

C. Relocation. You may not move or relocate your Waxing Studio without our prior written consent, which consent shall not be unreasonably withheld.

1. The request for relocation must be made in writing, stating the new location, received by us at least sixty (60) days prior to the date of intended relocation, and be accompanied by a relocation fee of One Thousand Five Hundred Dollars (\$1,500). You must also pay any expenses we incur in reviewing the new location. The new location must be within the Protected Territory (as defined below), and it may not be located within any territory we grant to any other franchisee. We will refund the relocation fee to you if we do not approve your new location.

2. Upon receipt of our approval, you must upgrade the new space to comply with all of our current specifications, and construct the new premises in the manner required under Section 9.A.

3. Following your relocation, we or our designee will conduct a security inspection of the premises to assure all security equipment has been properly installed. You also consent to our amendment of the Rider to indicate the new location and any update to your Protected Territory.

## 8. OUR PRE-OPENING AND ONGOING OBLIGATIONS/TRAINING

Our pre-opening obligations to you include those set forth in Sections 1, 6, 8 and 9.

A. Location. We will provide you with consulting services to assist you in determining the evaluation criteria for selecting the site location for your Waxing Studio as described above.

B. Prototype Floor Plan. Before you begin construction of your Waxing Studio, we will provide you with a prototype floor plan, as well as a list of the equipment, displays, fixtures and furnishings

for your Waxing Studio. It will then be your obligation to conform the prototype plans to your space, and to construct your premises in accordance with the provisions of this Agreement in compliance with all local laws.

C. Initial Training. We will, at our expense, provide an initial management training program to educate and acquaint your management team with the business of operating a Waxing the City studio. The training program will include instruction on basic operating skills and other topics we select. If you have more than one Franchise Agreement with us, we may, at our option, provide this training program one (1) time for multiple agreements. The person you designate as your principal operator (whether you, if you are an individual, or one of your owners if you are an entity) (the “Principal Operator”) must attend one of the next two (2) Initial Management Training Programs we offer following our acceptance of this Agreement, and before you open your Waxing Studio, and successfully complete the training program. In addition, someone owning a ten percent (10%) or greater interest in your Waxing Studio and signing or guaranteeing this Agreement (a “Principal Owner”), if other than the Principal Operator, must also attend one of these next two (2) Initial Management Training Programs, and successfully complete the training program. If anyone other than a Principal Owner attends this training program, we will require they sign a confidentiality agreement that meets our requirement before they may attend and you must provide us a copy of that agreement. The duration of the training program will be at our discretion, but generally will be for five (5) days and will be scheduled by us in our discretion. You will be responsible for travel costs, room and board, salaries, fringe benefits, and other expenses incurred by you and your employees in attending the training program. In addition, we will, at our expense, provide you with an on-site training program within the first sixty (60) days after your Waxing Studio initially opens. This on-site training program will last up to two (2) days and provide training on on-site studio operations and customer experience.

D. Initial Cerology Training Program. Each person you employ in your Waxing Studio as an aesthetician must complete our Cerologist CORE Training Program (the “Initial Cerology Training”) and receive our Cerologist™ certification (a “Cerologist”) before that individual may provide any waxing or other services at your Waxing Studio. We provide to you resources and support for the Initial Cerology Training for your aestheticians before you begin operating your Waxing Studio. At our discretion, we may provide Initial Cerology Training at your Waxing Studio, virtually, or in another location which we may designate in our discretion. If we provide Initial Cerology Training in-person at any location, then you must pay our then-current per diem fee, plus travel and lodging expenses, per corporate trainer. We reserve the right to charge our then-current fee for virtual support and those charges may be paid to us or a third party. If you hire additional aestheticians, they will need to complete the Initial Cerology Training virtually or at such other site as we designate. You will also be responsible for all travel and living expenses for all your employees who to complete the Initial Cerology Training, if applicable. The Initial Cerology Training must be provided by us or our designees and is subject to availability. If you offer any services from your Waxing Studio for which you have not completed the required pre-requisite training, you must pay our Training Compliance Fee (\$500 per month, per violation), or if you open your Waxing Studio before completing your pre-opening obligations and have not obtained our consent to open (\$2,500 per month until compliant).

E. Regional Meetings or other Franchisee Meetings. We may require you to attend additional training in order to stay current on the policies, procedures, and techniques of operating a Waxing the City studio During the first twenty four (24) months following the opening of your Waxing Studio, a Principal Owner must attend either our conference or regional meetings, town halls or other franchisee meetings or trainings as designated by us. These trainings may be held in a virtual format or in person, in one or more geographic regions, at our discretion. There is currently no charge for attending these trainings (other than the conference), but you must pay all travel and living expenses you and your employees incur. We reserve the right to charge for this training in the future.

F. Conference. A Principal Owner is required to register for and attend our conference, if and when we have them. If a Principal Owner cannot attend the conference, we will consider allowing you to transfer the registration to your Principal Operator, but to no other person. Additional representatives of yours may also attend the conference, as long as you register them and pay the then-current registration fee for their attendance. This conference may be a live or virtual event. You must also pay for all travel and living expenses incurred by you and your representatives in attending the conference. If you fail to register for our annual conference, we will bill you for the then-current “first ticket rate” (or similar) conference fee after the conference.

G. Additional Training Programs. Throughout the remaining term of this Agreement, we will make available additional training which we deem advisable to familiarize you and your management team on changes and updates in the System. We may also require Cerologists and/or other personnel to attend additional optional and required training programs during the term of this Agreement. You must pay us our then-current fee for such additional training programs plus the cost of travel, lodging and meals, and we will adjust these fees periodically, as described in the Manual.

H. Training for Additional Services. We may also offer training programs for additional services that you may offer and sell at your Waxing Studio. These training sessions may be offered at our corporate offices, virtually, or at another location we designate, in our sole discretion. You must pay us our then-current fee for such additional training programs, which may vary among the additional services being offered and the location of the training, plus the cost of travel, lodging and meals, and we will adjust these fees periodically, as described in the Manual. Some additional service offerings require training by third parties, and you must directly pay these third parties their current training fees for any training they provide. You are not permitted to offer or sell any of these additional services at your Waxing Studio unless you complete our then-current advanced training program for such additional service, whether provided by us or a third party as we may require.

I. Continuing Engagement Credits. Each calendar year that your Waxing Studio is open, you must obtain at least one thousand two hundred (1,200) continuing engagement credits within the Waxing the City system. These are credits we will establish from time to time for attending various training programs, and for other participations in the Waxing the City system. If you fail to meet this requirement in any year, you must pay a fee of One Dollar (\$1.00) per Waxing Studio for each credit for which you are deficient, which we will deposit in the General Advertising and Marketing Fund. (The minimum required credits do not increase for each franchise you own, but if you do not meet the minimum credit requirement, the fee is payable with respect to each franchise agreement containing this provision.) The fee is due the first quarter of the following year. The number of required credits will be prorated for any partial year your Waxing Studio is open.

J. Manual. We will loan you one copy of the manual in which we describe the System operational policies, standards, requirements and practices (the “Manual”). The Manual may be loaned to you by providing you access to an electronic version of the Manual. The Manual contains mandatory and suggested specifications, standards and operating procedures that we have developed for Waxing the City studios and information relating to other obligations of you. You will comply with and operate your Waxing Studio in conformance with all mandatory provisions of the Manual. We have the right to revise the Manual at any time or add additional manuals. You will incorporate all revisions into the Manual, and at all times the Manual (including any additional manuals) will remain on the premises of your Waxing Studio. You will not make copies of any portion of the Manual without our prior written consent. You acknowledge that the required provisions of the Manual are designed to protect our standards and systems and our Marks and to create a uniform customer experience, and not to control the day-to-day operation of your Waxing Studio.

K. Mystery Shopping. We will arrange a mystery shopping service to periodically shop your Waxing Studio during the term of this Agreement. We will provide those results to you so that you can make any changes necessary to improve the service experience for your customers.

L. Other Ongoing Assistance. During the operation of your Waxing Studio, we will make available to you from time to time all changes, improvements and additions to the System and all supplements and modifications to the Manual, and will make a representative available to speak with you on the telephone, or at our option, on our intra-net, during regular business hours, to discuss your operational issues and support needs. If you require additional operations or customer experience training beyond what we provide, you can request that we send a representative to provide further assistance to you. If we agree to provide this additional assistance, we must agree in advance to the charges you will pay and the length of the visit. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive or correct any deficiencies in your Waxing Studio. You must pay us our then-current fee for such additional assistance plus the cost of travel, lodging and meals, and we will adjust these fees periodically, as described in the Manual.

M. Nature of Assistance and Training. You agree that we are not obligated to provide any training or assistance to your particular level of satisfaction, but as a function of our experience, knowledge and judgment. You also acknowledge that we are not obligated to provide any services to you that are not set forth in this Agreement. If you believe we have failed to adequately provide any pre-opening services to you or to your employees, whether with respect to site selection, selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of your Waxing Studio, you must notify us in writing within thirty (30) days following the opening of your Waxing Studio or you will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by us were sufficient and satisfactory in your judgment, and complied with all representations made to you.

N. Annual Recertification Training. We may require your Cerologists to participate in an annual recertification training program, which will include an on-site review of your Cerologists' technical skills and the provision of additional Cerologists training as necessary. You must pay us our then-current daily fee plus the cost of travel, lodging and meals. We do not currently require this training, but reserve the right to do so upon 90 days' written notice to you.

O. No Show Fee. If a franchise business consultant is scheduled to conduct an on-site visit at your Waxing Studio, or if you register for a training program and you cancel, failure to attend, fail to have the appropriate parties attend, or fail to stay for the entire training program, and you did not provide us with at least two (2) weeks prior written notice that you or appropriate parties will not be attending, then you must pay us the greater of our then-current no show fee or the actual costs and expenses of rescheduling our travel arrangements, whichever is greater.

## 9. APPEARANCE AND OPERATION OF YOUR WAXING STUDIO

The Marks and System licensed to you represent valuable goodwill distinctive of our business and reputation. We will promulgate, from time to time, standards of quality and service regarding the business operations of Waxing the City studios so as to protect the distinction and goodwill represented and symbolized by the Marks and System. You must abide by those standards and the provisions set forth below unless otherwise authorized by us in writing.

A. Construction. Your Waxing Studio must be developed in accordance with applicable laws, regulations, codes and other governing requirements, as well as our mandatory specifications (the "Mandatory Specifications") that we provide to you, and with any studio specific layout that we provide to

you (“Compliance Drawing”). You may not begin construction of your Waxing Studio until you have received our written consent to your actual design for your Waxing Studio via your Compliance Drawing. You must supply us with accurate site information for your proposed location to allow us to create a Compliance Drawing for you. This information will include, but not be limited to, as-built drawings, surveys, technical data, construction documents and site plans. If you are developing a new Waxing Studio, we will provide you with one Compliance Drawing at no additional cost. If you require additional Compliance Drawings, you must pay us Two Hundred Fifty Dollars (\$250) for each additional Compliance Drawing.

1. Promptly after you have obtained possession of the site for your Waxing Studio, you will: (i) retain the services of our designated architectural vendor to create a complete set of detailed construction documents in strict accordance with the Compliance Drawing and our Mandatory Specifications (“Construction Documents”), and to complete construction of your Waxing Studio in accordance with such Construction Documents; (ii) retain the services of a general contractor; (iii) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our Mandatory Specifications; (iv) purchase or lease, and then, in the construction of your Waxing Studio, use only the building materials, equipment, fixtures, furniture and signs we have approved; (v) complete the construction and/or remodeling, equipment, fixtures, furniture and signage lease in decorating your Waxing Studio in full and strict compliance with the plans and specifications we approve, and with all applicable ordinances, building codes and permit requirements without any alterations; (vi) obtain all customary contractors’ sworn statements and partial and final waivers; and (vii) obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act.

2. We may designate a construction management services vendor to assist you in submitting, processing, monitoring and obtaining in a timely manner all necessary construction documents, licenses and permits, and to assist you through construction. If we require you to use a designated vendor for construction management services, you must pay such vendor the then-current fee for construction management services.

3. If your Waxing Studio is not constructed strictly according to the plans we have approved and our Mandatory Specifications, we may not approve you to open for business. If we do not approve your opening, you will have thirty (30) days from the date we deny our approval for opening to correct all the construction problems so that your Waxing Studio is strictly constructed according to our approved plans. If you fail to correct the problems within this 30-day period, we may immediately terminate this Agreement. If your Waxing Studio opening is delayed for these or any other reasons, you will be responsible for any losses or costs relating to such delay. In any event, you may not open your Waxing Studio until all of these problems have been resolved to our satisfaction and if the time period to correct the problems extends past the Required Opening Date you will only have to the Required Opening Date to correct the problems.

4. You will make no changes to any building plan, design, layout or decor, or any equipment or signage in your Waxing Studio without our prior written consent, and such changes may not be contrary to the Mandatory Specifications.

B. Signs. You will prominently display, at your expense, both on the interior and exterior of your Waxing Studio premises, signs in such form, color, number, location and size, and containing such Marks as we designate. We also may require you to use illuminated signs. You will obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with all laws and ordinances. You will not display in or upon your Waxing Studio premises any sign or advertising of

any kind to which we object. We have a designated vendor from whom you must purchase the interior and exterior signage for your Waxing Studio.

C. Services; Pricing. You will conform to all quality and customer service standards prescribed by us in writing. We reserve the right to establish prices for the products and services you sell, both minimum and maximum, subject to applicable law; and you shall adhere to any such minimum or maximum prices prescribed by us. We may also require you to comply with any advertising policies we adopt from time to time which may prohibit you from advertising a price for a product or service that is different from our suggested retail price. All rates, discounts, and promotions are subject to our prior written approval, to the extent permitted by applicable law. Our review and approval of your rates, discounts, and promotions is to ensure that they meet our standards and is not intended to assess compliance with applicable law, which is your sole responsibility. Subject to the foregoing, you shall set your own prices for the products and services you offer in your Waxing Studio and you must provide us with your current price list upon our request.

D. Maintenance of Premises. You will paint and keep in an attractive, clean and sanitary condition the interior and exterior of your Waxing Studio premises. All equipment will be kept in good working order and will meet our quality standards.

E. Approved Information System. We may designate the information system used in your Waxing Studio, including the technology systems used in your Waxing Studio, including the point of sale system, computer hardware and software, security systems, audio and video systems, related components, cloud based technology and other equipment and enhancements (the "Information System"). In such event, in connection with the Information System, you agree to the provisions set forth below.

1. You must acquire the right to use the Information System, obtain peripheral equipment and accessories and arrange for installation, required maintenance and support services, and interfacing of your Information System with our accounting system, all at your cost. Installation must be performed by a person we have approved and trained. You acknowledge and agree that you may be required to purchase the Information System from us or our affiliates, or from other mandatory suppliers or vendors that we approve.

2. We will have the right at all times to access the Information System and to retrieve, analyze, download and use all software, data and files stored or used on the Information System. We may access the Information System in your Waxing Studio or from other locations. You will store all data and information on the Information System.

3. As upgrades to the hardware and/or software are developed, we may require you to obtain and install any or all of these upgrades. We also may require you to replace any hardware or software used in the Information System. You are responsible for the cost of all replacements and upgrades, including any initial and/or ongoing license, support or service fees.

4. You must have e-mail and high-speed Internet access capabilities at your Waxing Studio. We may require you to use one or more designated vendors and/or software programs for mass marketing conducted via email, text messages, and/or other forms of communications.

5. You hereby release and agree to hold us and our affiliates, and our respective officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from, or in connection with, the installation, maintenance, or operation of the Information System and its billing and payment processing, except to the extent arising from such party's gross negligence or intentional acts.

6. You are solely responsible for protecting yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us or our affiliates as the direct or indirect result of such disruptions, failures or attacks. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Waxing Studio, unless otherwise directed by us.

F. Payment of Amounts You Owe Us or Our Affiliates. You agree that your obligation to pay all amounts owing to us and to our affiliates is independent of any other obligation either of us have in this Agreement, and that all amounts owing to us and to our affiliates, as well as to your other suppliers, lessors and creditors, must be timely paid. You agree that you will not withhold payment of any Royalty Fees, General Advertising and Marketing Fund Contributions or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, General Advertising and Marketing Fund Contributions or any other amounts due. You agree to sign and deliver to us, our bank(s) and your bank, as necessary, all forms and documents that we may request to permit us to debit your account, either by check, via electronic funds transfer or other means or methods as we may designate (“Payment Methods”) for all fees and payments due to us and to our affiliates. You will notify us at least twenty (20) days before closing or changing the account against which such debits are to be made. If such account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. You acknowledge that these requirements are only a method to facilitate prompt and timely payment of amounts due and will not affect any obligation or liability for amounts owed.

1. If any check that you submit to us is returned for insufficient funds, or if we are unable to collect funds via the Payment Methods due to insufficient funds, you will pay us an Insufficient Funds Fee of One Hundred Dollars (\$100) for each returned check and each time we were unable to collect monies via the Payment Methods.

2. You grant us a first priority security interest in your receivables and equipment, whether now existing or hereinafter created, together with all proceeds of such assets. You authorize us to file one or more financing statements to evidence this security interest. However, we will subordinate our first priority interest to a lending institution that provides you financing for your Waxing Studio.

3. If you have not timely reported the Gross Revenue for your Waxing Studio to us for any reporting period, withhold our access to accounting and financial systems or data, or otherwise fail to pay amounts due to us, then we will be authorized, at our option, to debit your account for (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Revenue was provided to us; or (b) the amount due based on information we have retrieved from your operating system.

G. Technology Platforms. Except as described in the Manual or otherwise in writing, we reserve the sole right to advertise the System on the Internet or sell any products or services on the Internet or any mobile or electronic application (or any current or future form of electronic platform or communication). You may not establish or have established any digital or electronic medium or method of communication, including a website, web page, review or opinion page, social media and/or social networking site, channel, avatar, profile, including an online business profile, business networking site, account, hashtag, user name or application, whether web-based or otherwise, relating to or making reference to us or the Marks, your Waxing Studio, or to the System (each, a “Social Media Presence”). You may not use all or part of any of the Marks, or any similar name, word, symbol, or variant thereof, in a domain name,

email address, account name, username, profile, or URL (each, an “Online Identifier”). We reserve the right at any time, in its sole discretion, to require you to remove, delete, or modify any Online Identifier or Social Media Presence, or any information, content, or post thereon or created therewith. We will retain sole ownership of any Online Identifier and Social Media Presence, as well as any domain name related thereto and all content thereon or created therewith, which includes all or a portion of any of the Marks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the Online Identifier. You must provide us with all passwords and administrative access to any such Social Media Presence or Online Identifier. You shall not establish or maintain, or have established or maintained on its behalf, a mobile application making use of any of the Marks or otherwise related to the Waxing Studio or the System. You shall not use any of the Marks in any keyword advertising, pay-per-click advertising or other search engine marketing, unless otherwise approved by us.

You must participate in any Internet website, home page, web pages, electronic mail, social media sites, applications, online platforms, and other current or future forms of electronic communications that we require (collectively the “Technology Platforms”), as described in the Manual or otherwise in writing. You must use the Technology Platforms to communicate with us, including email and messaging. To the extent that you may control or access any Technology Platform, the Technology Platforms must be operated and maintained by you in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards and requirements as we may specify from time to time. You must maintain any Technology Platform you control or access in compliance with all applicable laws, rules, and regulations, including but not limited to those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. You must submit all content for any Technology Platform to us for our prior written approval before using such content. You must pay us or our designee (which may be our affiliate) the then-current fees for the access to, modification of and maintenance of the Technology Platforms. We may modify, suspend, replace, discontinue or add to any Technology Platforms at any time and you must comply with such changes at your expense. We retain sole ownership of the Technology Platforms, including any domains names, content, email addresses and information stored on the Technology Platforms. Your access to the Technology Platforms will automatically terminate upon expiration or termination of this Agreement. You hereby release and agree to hold us, our officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature, arising from, or in connection with, the creation, operation, or maintenance of the Technology Platform, unless such liability arises out of our gross negligence or intentional acts.

H. Technology Fee. Beginning upon the opening of your Waxing Studio, you will be required to pay to us, our affiliate, or our designee, our then-current Technology Fee for the license and ongoing support for our designated studio management software, for email hosting, for website maintenance, and for maintaining a web page as part of the Technology Platform. If we do not directly provide these services, you will be required to sign a separate agreement with our designated provider of these services (which may be an affiliate of ours). We may increase the Technology Fee upon written notice to you.

I. Compliance with Our Standards. You will operate your Waxing Studio through strict adherence to any mandatory standards, specifications and policies of the System as they exist from time to time, in order to ensure compliance with the quality standards of the System. You may offer from your Waxing Studio only those products and services that we approve. We have the right to change the products and services that we require you to offer from your Waxing Studio at any time, without limitation. You will at all times be responsible for the conduct of the day-to-day operation of your Waxing Studio and for the terms of employment for your employees.

1. You acknowledge that the mandatory standards, specifications and policies we establish are not aimed at the day-to-day operation of your studio, which will solely be within your control, but are merely intended to preserve the goodwill of the System and Marks.

2. Periodically, as we deem appropriate, a representative of ours may visit your Waxing Studio to ensure compliance with our required standards, specifications and procedures. You will allow our representative to inspect the condition and operation of your Waxing Studio and all areas of your Waxing Studio at any time during your business hours. Such inspections may include, without limitation, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures.

- a. We will provide you a copy of the report at your request. If your Waxing Studio does not receive a passing score from a visit, a new inspection will be conducted. This process will be repeated until you have received a passing score. At our option, and in addition to any other rights we may have, you must pay us a failed inspection fee we establish for each failed inspection to defer any costs we incur in re-inspecting your Waxing Studio after the first inspection. This fee will be payable in the manner we specify.
- b. We may, from time to time, make suggestions and give mandatory instructions with respect to your operation of your Waxing Studio, as we consider necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System.
- c. You expressly agree that these visits will not imply that you are in compliance with your obligations under this Agreement or under the law or that we waive our right to require strict compliance with the terms of this Agreement or the Manual. Furthermore, these visits will not create any responsibility or liability on our part.
- d. If you request that we make additional visits to your Waxing Studio, you will pay the fees we establish for those visits.

3. If you fail to maintain the premises of your Waxing Studio in a condition that satisfies our reasonable requirements, or if you otherwise fail to comply with any provision of this Agreement, we may, upon not less than three (3) days' notice to you, order or accomplish the cleaning of the premises, and/or designate one of our representatives to assist you in fulfilling your obligations under this Agreement, and you will be responsible to pay us for all costs we incur in doing so and all fees we set for providing assistance to you. However, our action in exercising this option does not relieve you from your obligation to properly maintain the premises of your Waxing Studio and to comply with the terms of this Agreement, each of which shall be your sole responsibility.

4. You recognize that modifications that we may make to the System may necessitate that you make capital expenditures during the term of this Agreement in amounts that we cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the System that we may require. You understand and agree that we have no ability to identify with specificity the nature of these future general improvements or their expected cost and accept the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date and that cannot be fully amortized over the period of time then remaining in the term of this Agreement.

J. Compliance with Laws. You will, at your expense, comply with all applicable local, state, federal and municipal laws, ordinances, rules and regulations pertaining to the operation of your Waxing Studio, including, without limitation, any and all licensing and bonding requirements; health and safety

regulations; labor and employment laws; the Americans with Disabilities Act; pricing, membership, consumer disclosure, and unfair and deceptive consumer practice laws; the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). You will, at your expense, consult an attorney to obtain advice with regard to compliance with all laws relating to the operation of your Waxing Studio. Further, you will, at your expense, be exclusively responsible for determining the licenses and permits required by law for your Waxing Studio, for filing, obtaining and qualifying for all such licenses and permits, and for maintaining all necessary licenses and permits throughout the term of this Agreement. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Waxing Studio. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Waxing Studio, unless otherwise directed by us.

K. Payment of Liabilities. You will timely pay all of your obligations and liabilities, including, without limitation, those due and payable to us and our affiliates, and to your suppliers, lessors and creditors.

L. Taxes. You will promptly pay all federal, state and local taxes arising out of the operation of your Waxing Studio. We will not be liable for these or any other taxes and you will indemnify us for any such taxes that may be assessed or levied against us which arise or result from your Waxing Studio, including any taxes imposed by your state on any royalties or other amounts you are required to pay to us and our affiliates.

M. Personnel. You are responsible for recruiting, hiring and training sufficient personnel to operate your Waxing Studio. You must, at your cost, conduct criminal background checks on each employee (unless prohibited by law) before they begin providing any services in your Waxing Studio.

1. The people you retain to work in your Waxing Studio will be your agents and employees. They are not our agents or employees and we are not a joint-employer of these persons. It will be up to you to determine who to retain, how many people to retain (subject to any minimum staffing requirements we may prescribe), how you compensate these people, terms of employment and working conditions for your employees, when and how to discipline the people you hire, and when and how to terminate the people you hire. However, you must at all times comply with all applicable employment laws. We will not have any duty or obligation to operate your Waxing Studio, to direct your employees, to schedule your employees, or to oversee your employment policies or practices.

2. No person may perform any body or facial waxing services on any customer until they have completed our Initial Cerology Training Program, and thereafter complete any additional training programs we require for Cerologists working in Waxing the City studios. However, the fact that we offer training to your employees from time to time does not relieve you from the primary responsibility to assure your employees are properly trained.

3. Either a signer on this Agreement with at least twenty percent (20%) ownership interest in you (if you are a corporation, limited liability company, partnership or other business entity that buys the franchise) or you (if you are a person), must take an active role in the day-to-day management, training, quality control and customer service functions of your Waxing Studio by completing at least four hundred eighty (480) hours of active "Operational Engagement" with the day-to-day operations of your

Waxing Studio within the first six (6) months after the Waxing Studio's opening date. "Operational Engagement" includes participation in training and coaching staff, overseeing daily operations in the Waxing Studio, ensuring compliance with our standards and policies, engaging in marketing and community outreach activities, and other activities as described in the Manual. We reserve the right to extend this obligation for an additional six (6) months if we determine, in our sole discretion, that you are not meeting our key performance indicators or financial performance thresholds. After this initial participation obligation is concluded, while we do not require that you personally supervise your Waxing Studio on a day to day basis, we strongly recommend that you do so. If you are not the "on premise" supervisor of the Waxing Studio, then you must designate an individual to serve as the Principal Operator of your Waxing Studio. The Principal Operator will devote his/her best efforts to the supervision and conduct of the development and operation of your Waxing Studio. In addition to the other training requirements in this Agreement the Principal Operator, and anyone owning a controlling interest in your Waxing Studio if other than the Principal Operator, must complete our initial training requirements and all additional training as we may reasonably designate. You and the Principal Operator must attend and participate in any scheduled business review calls and any on-site visits by our representatives at your Waxing Studio.

4. You will be solely responsible for all wages, travel, and living expenses, and all other costs incurred by you and your employees in connection with any training or instruction that we provide.

5. You will obtain from each person you hire as an Cerologist, as Principal Operator, and as a studio coordinator or studio manager of your Waxing Studio (and all other persons performing similar functions, regardless their title), a Confidentiality Agreement, enforceable by us, and in such form as we approve, in which they agree, among others, to maintain in confidence all confidential information and trade secrets we provide to them, and not to use any of the Names and Marks except in the performance of their duties in the Waxing Studio business.

N. Photographs. We will have the right to photograph and make video or digital recordings of your Waxing Studio premises and your employees at all reasonable times. We will have the right to use all photographs and videos or digital recordings of your Waxing Studio for such purposes as we deem appropriate, including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or arbitration proceeding, to the extent the consent of any of your employees or others is required for our use of these photographs and recordings for commercial purposes, you will use your best efforts to obtain these consents. Neither you nor your employees will be entitled to any right to be compensated by us, our advertising agencies, or other Waxing the City franchisees for any use of such photographs or recordings.

O. Ownership of Information. All of the information we or our affiliates obtain from you or about your Waxing Studio, and all information in your records or ours concerning the customers of your Waxing Studio ("the Information") and all revenues we derive from the Information will be our property. However, you may at any time during the term of this Agreement use in the operation of your Waxing Studio (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Waxing Studio, such as customer data. The Information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. You hereby authorize your payment processor to release the information to us at any time. Following termination or expiration of this Agreement, you will no longer use any of the Information, except to comply with your post-term obligations under this Agreement, and you authorize your payment processor to release the Information exclusively to us and/or our designees.

P. Manual. You will operate your Waxing Studio in accordance with all mandatory provisions of the Manual. You will treat the Manual as confidential, and will use all reasonable efforts to maintain the Manual as secret and confidential. You will use the Manual only in the operation of your Waxing Studio. The Manual will remain our sole property. We may from time to time revise the contents of the Manual. You agree to comply with each new or changed standard. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will control. Any required specifications, standards and operating procedures described in the Manual or otherwise exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

Q. Notices of Default: Lawsuits or Other Claims. You will immediately notify us of, and deliver to us a copy of any notice regarding, a breach, default, claim, lawsuit, administrative or agency proceedings or investigations, or other actions or proceedings relating to your Waxing Studio. Upon request from us, you will provide such additional information as may be required by us regarding the same.

R. Your Dealings With Us and Our Affiliates. You acknowledge that when we are required to perform any services for you, we may use any third parties, including affiliates of ours, to perform those services. We may designate another party to perform, or delegate to another party the performance of, our duties and obligations under this Agreement or authorize that party to act on our behalf. If you are required to pay us a fee for services, we may have you pay that fee directly to the affiliate or third party that performs the service. However, if you are not required to pay us a fee for the service, you will not be obligated to pay any parties we contract with for services that we are required to provide to you without charge under this Agreement. We and our affiliates may also receive rebates or compensation from other parties in connection with the provision of such services.

S. Purchases. You will purchase only such types, models or brands of fixtures, furniture, equipment, millwork inventory, supplies and other items that we approve for Waxing the City studios as meeting our standards for quality, design, warranties, appearance, function and performance. Although we do not do so for every item, we have the right to approve the manufacturer or supplier of any item used in the operation of your Waxing Studio. You will not install or maintain at your Waxing Studio any newspaper racks, video games, jukeboxes, gaming machines, gum machines, vending machines, video or similar devices without our, and any necessary governmental, prior written approval. We may require you, in our sole discretion, to purchase certain fixtures, furniture, equipment, millwork, inventory, supplies, services, and other items used or offered at your Waxing Studio from suppliers who have been approved by us, in which case we will provide you with a list of approved suppliers. We may require you to offer additional services or products and some of those products or services may require that you purchase additional equipment or training for your staff.

1. You acknowledge and agree that you may be required to purchase components that you will need to build-out your Waxing Studio exclusively from us or our affiliates, or from other mandatory suppliers or vendors that we approve, in our sole discretion. You acknowledge and agree that you may be required to purchase for use in the operation of your Waxing Studio certain products (including all retail products you offer for sale), supplies or other services, including certain items comprising the Information System, the Grand Opening Program, local marketing services, mass communication services (including texts and email messages), and technology and security systems exclusively from us or our affiliates, or from other mandatory suppliers or vendors that we approve, in our sole discretion. You also acknowledge and agree that we may designate a single source for certain products, supplies or other services.

2. You must purchase all of the hard and soft wax, and waxing strips, you use in your Waxing Studio, and all retail products you sell in your Waxing Studio, from us or from our designated suppliers, and we may auto-ship these items to you at your cost. You must also purchase from us or our

affiliate mobile device hardware and management software and services for the operation of tablets and mobile devices inside your Waxing Studio. Payment will be due on all such purchases prior to shipment.

3. We may implement a program that automatically ships supplies or other products that we designate to your Waxing Studio on a monthly basis at your cost which you are required to purchase from us or our vendors for resale to members and customers or for use in your Waxing Studio, including in conjunction with promotions with vendors, distributors, manufacturers and licensing partners.

4. If you choose to purchase any non-mandatory components of the design package specified by us for the build-out of your Waxing Studio from a different source, including millwork and fixtures, then you must pay us a fee to inspect the opening design of your Waxing Studio or applicable fabrication drawings before you open to confirm that the components and their installation in your Waxing Studio comply with our standards and specifications. Your selected vendor must also meet any other standards and specifications we require.

5. **THOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO FIXTURES, FURNITURE, EQUIPMENT (INCLUDING WITHOUT LIMITATION ANY AND ALL REQUIRED COMPUTER SYSTEMS), MILLWORK, SUPPLIES, INVENTORY OR OTHER APPROVED ITEMS.**

T. Taxes on Fees. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. (For purpose of clarification, this does not apply to any federal or Minnesota income taxes that we or our affiliates must pay.)

U. National and Regional Accounts. We, or others acting on our behalf, may from time to time solicit companies or organizations to offer fixed pricing packages to their employees. You will have the right to participate in, and receive the benefits of, all such programs we establish with companies or organizations that have employees in your market. You will have the right each calendar year, by October 31, to opt out of participating in these programs for the next year. If you do not opt out by the means we specify, then you must honor the pricing that we quote for any employees of these companies or organizations who seek to use the services of your Waxing Studio. Once you opt out, you will not participate in any new programs (unless and until you opt in again), but you must continue to comply with the program requirements for any programs that were in effect before the start of the year for which you exercised your right to opt out of the programs.

V. Participation in Programs; Reciprocity. You must, at your expense, honor and participate in all customer loyalty, national campaigns, member programs, gift card, service packages and other promotional programs we require. In addition, you agree to abide by any reciprocity policy we may establish as modified from time to time. Such policy will likely prohibit you from selling any service packages or other offers that do not provide full reciprocity benefits to your customers with other Waxing the City studios, and require you to honor service packages and other approved offers sold by other Waxing the City studios.

W. Compliance with Privacy Laws. You must comply with all standards, laws, rules, regulations, or any equivalent thereof relating to personal information, data privacy, and data protection, including but not limited to, as applicable, the California Consumer Privacy Act, Cal. Civ. Code Section 1798.100 et seq., and must comply with any privacy policies or data protection and breach response policies we periodically may establish. If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of

security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Waxing Studio, unless otherwise directed by us.

#### 10. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. You acknowledge that all the information you have now or obtain in the future concerning the System and the concepts and methods of promotion franchised hereunder is derived from us pursuant to this Agreement, and that you will treat such information in confidence. You agree never to, directly or indirectly, engage in or abet the misappropriation (as the term “misappropriation” is defined in the Minnesota Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System and the concepts and methods of promoting franchises hereunder. You will disclose such confidential information only to such of your employees as must have access to it in order to operate your Waxing Studio and use it only for the operation of your Waxing Studio. At our request, you must deliver to us confidentiality agreements and non-compete agreements in a form satisfactory to us from your owners and the spouses of your owners. The scope of the confidentiality agreements shall be consistent with the provisions of this Section 10.A, and the scope of the noncompete agreements shall be consistent with the provisions of Section 17 of this Agreement. For the avoidance of doubt, you may not use any such confidential information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without our express written consent. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. You shall not, without our prior written consent, input any such confidential information into any generative AI platform, or disclose such information to any provider or source of generative AI services. You shall opt out of allowing any provider or source of generative AI to utilize confidential information for training of any AI model or for other purposes.

B. Notwithstanding any provision of Section 10.A, at your discretion, you may allow any financial institution that has loaned money to you or to your business to have access to your books and records to confirm your billings, collections, receivables, and any other financial information you have provided to the financial institution.

C. If you conceive or develop any improvements or additions to the System, new trade names, trade and service marks or other commercial symbols related to your Waxing Studio, or any advertising and promotion ideas related to your Waxing Studio, or have any suggestions, comments, or other feedback with respect to the System (collectively, “Improvements”), you will fully disclose the Improvements to us without disclosure of the Improvements to others, and you will obtain our written approval before using such Improvements. Any such Improvement that we approve may be used by us and all our other franchisees without any liability to you or obligation to pay you royalties or other compensation. You will assign Improvements to us, and hereby do assign, without charge, any rights, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvement. We, at our discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvement. We also may consider such Improvement as our property and trade secret. We will, however, authorize you to use any Improvement authorized generally for use by our other franchisees.

D. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets in limited circumstances, as specified in the Manual.

## 11. INSURANCE; INDEMNIFICATION

A. Insurance. You alone will be responsible for any claim, action, loss, damage, liability, injury or death arising out of, or relating to, the operation of your Waxing Studio or arising out of, or relating to, your acts or omissions or the acts or omissions of any of your agents, employees or contractors in connection with the operation of your Waxing Studio. You agree to indemnify and hold us and our affiliates and our respective officers and directors harmless against and from any and all such claims, actions, losses, liability, damages, injuries, or deaths, including costs and reasonable attorneys' fees. You will obtain and maintain in force and pay the premiums for general liability insurance with complete operations coverage, broad form contractual liability coverage, property damage, and other insurance (including bonds) in such types as we may require (such as cyber insurance and employment practices insurance), or as required by law from time to time. All such policies will have minimum limits we may prescribe from time to time, and will be with carriers who have minimum ratings that we may prescribe from time to time. Such insurance policies will expressly protect both you, us and our affiliates and our respective officers, directors and employees, and will require the insurer to defend both you and us in any action you will submit to us, within thirty (30) days of our request, any and all loss ratios or other information we request in connection with such insurance policies. You will furnish to us copies of all insurance policies, certificates of insurance, endorsements, or other proof of insurance in the form we require, as set forth above, naming us as an additional insured, and providing that such policy will not be canceled, amended or modified except upon thirty (30) days' prior written notice to us. At our request, you will deliver to us proof of insurance in the form we require and evidence of policy renewals at least thirty (30) business days before expiration. You will have all policies of insurance provide that the insurance company will have no right of subrogation against either party hereto or their respective agents or employees. Maintenance of the insurance requirement will not relieve you of the obligations of indemnification. If you fail to obtain or maintain in force any insurance as required by this Section or to furnish any proof of insurance required hereunder, we may (but have no obligation to), in addition to all other available remedies, obtain such insurance or certificates, and you will promptly reimburse us for all insurance premiums and other costs incurred in obtaining such insurance, including an administrative fee for our time in obtaining the coverage for you. You assume all risks in connection with the adequacy of any insurance or self-insurance program and waive any claim against us for any liability costs or expenses arising out of any uninsured claim, in full or in part, of any nature whatsoever. Your obligation to obtain and maintain these insurance policies in the minimum amounts we require is not limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 11(B). Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide adequate coverage for you. The requirements of insurance specified in this Agreement are for our protection. You should consult with your insurance agents, brokers, attorney or other insurance advisors to determine the level of insurance protection you need in addition to the coverages and limits we require. If you do not obtain or maintain insurance coverage that meets our requirements and we obtain it for you, you must pay us our then current insurance handling fee plus the cost of the premiums we pay for the insurance.

B. Relationship; Your Indemnification. We and you are independent contractors. Neither we nor you will make any agreements, representations, or warranties in the name of or on behalf of the other or that our relationship is other than franchisor and franchisee. Neither we nor you will be obligated by or have any liability under any agreements, representations or warranties made by the other nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Waxing Studio. You assume sole and complete responsibility for and will defend at your own cost and indemnify, reimburse and hold harmless us, our affiliates and our respective officers and directors from and against all loss, costs, expenses, obligations and damages and liabilities (including defense costs) arising directly or indirectly out of the development or operation of your Waxing Studio, including, without

limitation, claims relating to your employment practices, equipment selection, and floor plan, you or your employees' actions or inactions and any amounts we pay on your behalf. You will have the right to defend any such claim against you. We, using our own counsel, by notice to you, may control any matter in which we are named or directly affected, but this will not affect your liability to pay all attorneys' fees we incur in defending ourselves, which obligation is part of your indemnification obligation. The indemnities and assumptions of liabilities and obligations set forth in this Agreement will continue in full force and effect subsequent to the expiration or termination of this Agreement.

C. Our Indemnification. We will indemnify you against and reimburse you for any obligations or liability for damages payable to third parties and attributable to agreements, representations or warranties made by us, or caused by our negligence or willful action (so long as such obligations or liabilities are not asserted on the basis of theories such as agency, apparent agency or vicarious liability or claim of negligent failure to compel your compliance with the provisions of this Agreement, the Manual or any other agreement between you and us), and for costs reasonably incurred by you in the defense of any such claim brought against you or in any action in which you are named as a party, provided that we will have the right to participate in and, to the extent we deem necessary, to control any litigation or proceeding which might result in liability of or expense to you subject to such indemnification.

## 12. FINANCIAL STATEMENTS AND AUDIT RIGHTS

A. Financial Information, Reports, Inspections and Audits. Following the opening of your Waxing Studio, by the first Monday of each month, you will provide us with monthly sales information from the Waxing Studio. In addition, within thirty (30) days following your fiscal year end, you will provide us with copies of your financial statements (reviewed by your accountant), including an income statement for the fiscal year just ended and a balance sheet, cash flow statement, and any other document accompanying your financial statements, as of the end of such fiscal year, which financial statements will have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. We will also have the right to request other financial statements, reports and information from you during the year, and you will deliver those financial statements, reports and information to us when, and in the form and manner, we require. Also, on or before April 15 of each year, you must provide us with a copy of your federal tax return and the federal tax returns of your owners for the previous tax year.

1. If you fail to timely provide any information to us, you must pay us a late reporting fee of One Hundred Dollars (\$100) per violation. This payment does not, however, limit our rights or excuse your compliance with this obligation, and your failure to timely report the information will be a material default under this Agreement.

2. You will make all of your financial books and records available to us and our designated representatives at all reasonable times for review. Your financial books and records for each fiscal and calendar year will be kept in a secure place and will be available for review by us for at least five (5) years after the end thereof. Without limiting the foregoing, we reserve the right, without notice to you, to independently access the Waxing Studio's accounting and financial systems and data or any accounting or financial systems used or required by us for the System to determine Gross Revenue and fees due to us under this Agreement, and you shall grant us access to all such accounting and financial systems and data.

3. We will have the right to audit or cause to be audited any financial information you provide to us, and your books, records, and sales and income tax returns. If any audit discloses an understatement of the Gross Revenues of your Waxing Studio for any period or periods, you will, within five (5) days of receiving the audit report, pay to all Royalty Fees and General Advertising and Marketing Fund Contributions due on the previously unreported Gross Revenues, plus late payment charges. In addition, if an understatement for any period equals two percent (2%) or more of the Gross Revenues of

your Waxing Studio for the period, you must reimburse us for the cost of the audit, including, without limitation, the charges of the person auditing your records, and their travel and living expenses.

### 13. ASSIGNMENT OF FRANCHISE AGREEMENT

A. By Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising under it without restriction. Upon any transfer or assignment of this Agreement by us, we will be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment.

B. Conditions to Your Transfer or Assignment. This Agreement, and your rights and obligations under it, are and will remain personal to you. As used in this Agreement, the term “Transfer” will mean any sale, lease, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by your disability or death or by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets used to operate your Waxing Studio, or of any interest in you, or if you are a corporation, partnership, limited liability company or other entity, a transfer, pledge, assignment, or other disposition of direct or indirect control or ownership of fifty percent (50%) or more of any interest in your entity. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of your Waxing Studio, the withdrawal of that person will be considered a “Transfer.” A “Transfer” will also be deemed to occur when there are more than two (2) people listed as the Franchisee and there is a change in the ownership of your Waxing Studio such that less than a majority of the original signators continue to have a majority interest in the equity of the business. You (and your shareholders, partners and members) will not directly or indirectly make a Transfer without our prior written consent and any transfer shall be subject to our right of first refusal, as set forth in Section 19 below. Unless otherwise provided in this Agreement, we will not unreasonably withhold, delay or condition our consent to a Transfer, subject to all of the following conditions being satisfied:

1. you are in full compliance with this Agreement, you have no uncured defaults, and all your debts and financial obligations to us and our affiliates are current;

2. you provide us with all information we may require concerning the proposed transaction (including a copy of the purchase agreement and all related documents), and the proposed transferee;

3. we are satisfied that the proposed transferee (and if the proposed transferee is an entity, all holders of any interest in such entity) meets all of the requirements for our new franchisees, including, but not limited to, good reputation and character, business experience, and financial strength, credit rating and liquidity, and that the sale price is not excessive;

4. you sign a written agreement in a form satisfactory to us in which you and your investors covenant to observe all applicable post-term obligations and covenants contained in this Agreement and release us and our affiliates from any claims you may have against us, or any further obligations we may have to you;

5. the proposed transferee enters into a new franchise agreement with us, on the terms we then generally offer to new franchisees (including fees payable and size of territory); provided, however, that no new initial franchise fee will be required to be paid, and further provided that the term of that franchise agreement, unless otherwise agreed, will be the remaining term of your franchise agreement;

6. the proposed transferee agrees in writing to perform such maintenance, remodeling and re-equipping of your Waxing Studio that we determine necessary to bring your Waxing Studio in compliance with our then-current standards, including any updates to your technology and security equipment that we determine necessary;

7. prior to the date of the proposed Transfer, the proposed transferee's Principal Operator successfully completes such training and instruction as we deem necessary;

8. you and all holders of an interest in you sign a general release, in the form prescribed by us, releasing, to the fullest extent permitted by law, all claims that you or any of your investors may have against us and our affiliates, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities;

9. prior to the Transfer, you or the proposed transferee pay to us or the applicable broker, as we designate, any broker fees or commissions that we or you incur in connection with the Transfer; and

10. prior to the Transfer, you pay us a transfer fee. If the Transfer occurs before your Waxing Studio has opened for business, the transfer fee will be Twelve Thousand Dollars (\$12,000). If the Transfer occurs after your Waxing Studio is open, then the transfer fee will be Seven Thousand Five Hundred Dollars (\$7,500).

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 13(B), and may do so in the Manual or otherwise in writing.

You consent to our releasing to any proposed transferee any information concerning your Waxing Studio that you have reported to us, or that is in our files or otherwise available to us, including but not limited to financial information.

If a transfer or assignment is caused by your death or incapacity (including the death or incapacity of any person directly or indirectly owning fifty percent (50%) or more of an interest in the entity that is the franchisee under this Agreement), the provisions of this Subparagraph B must be met by the heir or personal representative succeeding to your interest; provided, however, if the heir or personal representative assigns, transfers, or sells its interest in the franchise and in your Waxing Studio within one hundred twenty (120) days after your death or incapacity, the transferee, and not the heir or personal representative, must comply with the provisions of this Subparagraph B.

Nothing in this Section will be construed as prohibiting your interests from being pledged as security to an institutional lender who has provided financing to or for your Waxing Studio, provided the institutional lender accepts such security interest subject to our conditions.

C. Acknowledgement of Restrictions. You acknowledge and agree that the restrictions imposed on transfers are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as our reputation and image, and are for the protection of us, you, and all other franchisees that own and operate Waxing the City studios.

#### 14. OUR TERMINATION RIGHTS

A. Without Notice. You will be in default and we may, at our option, terminate this Agreement, without affording you any opportunity to cure the default, effective upon delivery of notice of termination to you, following the occurrence of any of the following events:

1. you are liquidated or dissolved;
2. your Waxing Studio is not constructed strictly according to the plans we have approved and you do not remedy the deficiencies within thirty (30) days after notice from us;
3. you fail to operate for seven (7) consecutive days (unless prevented from doing so by fire, flood, or acts of nature), or otherwise abandon your Waxing Studio, or forfeit the right to do or transact business in the jurisdiction where your Waxing Studio is located, or lose the right to possession of the premises in which your Waxing Studio operates;
4. you or any of your owners make an unauthorized Transfer under this Agreement;
5. you or any of your owners are proven to have engaged in fraudulent conduct, or are convicted of, or plead guilty or no contest to a felony or a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks or the goodwill associated therewith;
6. you are given three (3) or more notices of being in material violation of any of the terms or requirements of this Agreement within any twelve (12) month period, whether or not such defaults are timely cured after notice;
7. you misuse or make any unauthorized use of the Marks and do not cease such misuse or unauthorized use within twenty-four (24) hours' notice from us;
8. you maintain false books or records or submit any false or misleading application, statement or report to us, whether in applying for the franchise or during the term of this Agreement;
9. you withhold our access to accounting and financial systems or data, revoke any electronic-funds transfer or direct debt authorization granted to us or our affiliates, or initiate any stop payments against us or our affiliates;
10. you fail to open the Waxing Studio for business to the general public by the Required Opening Date in the Rider to this Agreement;
11. you, by act or omission, materially impair the value of, or the goodwill associated with, any of the Marks or the System; or
12. you fail to comply with our requirements for securing real estate.

B. With Notice and Failure to Cure. Except for those defaults provided for under Section 14.A above, you will be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or any other agreement you or any of your affiliates have with us or with any of our affiliates, or in any Manual, policy or procedure statement or other written document provided by us, or to carry out the terms of this Agreement in good faith. Before we terminate this Agreement as a result of such defaults, we will provide you with thirty (30) days written notice of your default. If the defaults specified in such notice are not cured within the thirty (30) day period (either by you or by any financial institution that has loaned money to you or to your business), we may terminate this Agreement upon the expiration of the thirty (30) day period without further notice. Such defaults will include, without limitation, the occurrence of any of the following events:

1. you fail to construct or remodel your Waxing Studio within the time provided for in this Agreement;

2. you fail, refuse, or neglect to promptly pay when due any monies owing to us, to our affiliates, or to other creditors you have, or to submit the financial or other information required under this Agreement;

3. a threat or danger to public health or safety results from the construction, maintenance, or operation of the Waxing Studio;

4. you offer or sell non-approved products or services; or

5. you, by act or omission in connection with the operation of your Waxing Studio, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body; provided, however, that if such act or omission damages the goodwill associated with the System or the Marks, we will have the right to terminate this Agreement if you do not cure such default within twenty-four (24) hours after notice from us.

C. Compliance Fee. In addition to our right to terminate the Franchise Agreement, if you breach your obligations under this Agreement and fail to cure the default within the applicable cure period provided above, you must pay us our then-current “Compliance Fee” on a monthly basis until the default is cured in order to offset our costs incurred to address the default. The Compliance Fee is in addition to any fee that the PCC may levy against you or any other costs or damages we may incur as a result of the breach.

D. Applicable Law. If the provisions of this Section 14 are inconsistent with applicable law, the applicable law will apply.

E. Pre-termination Options. Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates, fail to comply with any term of this Agreement, or notify us that your Waxing Studio is closing, then in addition to our right to terminate this Agreement or to bring a claim for damages, we have the option to:

1. remove the listing of your Waxing Studio from all advertising published or approved by us;

2. cease listing your Waxing Studio on any Technology Platforms;

3. prohibit you from attending any meetings or programs held or sponsored by us;

4. terminate your access to any computer system or software we own, maintain or license to you (whether licensed by us or by one of our affiliates);

5. suspend all services we or our affiliates provide to you under this Agreement or otherwise; and/or

6. contact your landlords, lenders, suppliers and customers regarding the status of your operations, and provide copies of any default or other notices to your landlords, lenders and suppliers.

Our actions, as outlined in this Section 14.E may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this Section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise. Further, you acknowledge that the taking of any or all such actions on our part will not deprive you of the most essential benefits of this Agreement, and will not constitute a constructive termination of this Agreement.

15. YOUR TERMINATION RIGHTS: NOTICE REQUIRED

You may terminate this Agreement upon ten (10) days' notice to us if we violate any material obligation to you and fail to cure such violation within thirty (30) days after our receipt of written notice from you; provided, however, that you must be in compliance with the Agreement at the time of giving each notice and at the time of termination. Your written notice of our alleged violation must identify the violation, demand that it be cured, and indicate your intent to terminate this Agreement if it is not cured.

16. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will terminate, the franchise will revert to us, and you will have the obligations set forth below, which obligations survive the expiration or termination of this Agreement, along with any other provisions of this Agreement which by their nature may or are to be performed following expiration or termination of this Agreement:

A. You will immediately cease to operate the business franchised under this Agreement, and will not thereafter, directly or indirectly, represent to the public or hold yourself out as an Waxing the City franchisee with respect to such business.

B. You will immediately and permanently cease to use, in any manner whatsoever, all confidential information, approved Information System and related software, methods, procedures and techniques used by or associated with the System, and the Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the System, as well as any name, mark, symbol, logo or slogan similar to any of the Marks. You will also specifically authorize us to physically remove any signage bearing any of the Marks that you may fail to remove. Further, if we elect to remove such signage, you will, upon demand, reimburse us for any costs we incur in doing so.

C. You will immediately return to us the Manual, all copies or excerpts thereof, and any property held or used by you that is owned by us and will cease to use, and either destroy or convey to us, all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks.

D. Subject to Section 16.H below, you will take such actions as may be necessary to cancel any assumed name or similar registration that contains the Mark "Waxing the City<sup>®</sup>" or any other Mark, and will immediately and permanently refrain from and cease all use of the Mark "Waxing the City" or any other Mark on or in any Technology Platforms and cancel any Technology Platform you control as we direct. You agree and acknowledge that your continued use of the Marks after the expiration or termination of this Agreement will be without our consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. § 1117) entitling us to recover treble damages, costs and attorneys' fees.

E. You must within ten (10) days after termination or expiration of the Agreement, reimburse to customers all service packages purchased for services that have not been redeemed, on a pro-rata basis, if: (i) the service packages are available for redemption only at your Waxing Studio; or (ii) the nearest Waxing the City studio available for redemption is located ten (10) or more miles from your Waxing Studio. For example, if a customer purchased a service package at a cost of One Hundred Dollars (\$100) for ten (10) services, and at the time of termination or expiration had only used five (5) services (50% of the total services purchased), then you must pay the customer Fifty Dollars (\$50) (or 50% of total fees paid).

F. You will, within ten (10) days after termination or expiration of this Agreement, make such modifications and alterations to your Waxing Studio premises as may be necessary to distinguish the appearance of the premises from all attributes of the System and will make such specific additional changes

thereto as we may request. You agree that, at a minimum, such modifications will include: (i) removal of all signage; (ii) alteration of the color scheme and decor; and (iii) discontinuation of the use of any item containing any of the Marks.

G. Within five (5) days after termination, you will pay to us all amounts owed to us under this Agreement, including the Royalty Fees that would be due through the date this Agreement was scheduled to expire. Further, if this Agreement is terminated for any reason other than as a result of a material breach of this Agreement by us that is not cured within thirty (30) days following notice from you, such sums will include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default and the termination. You agree that until such obligations are paid in full, you hereby grant us a lien against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by you and located on your Waxing Studio premises on the date this Agreement terminates or expires and authorize us to file financing statements and other documents we deem appropriate to perfect such lien.

H. If requested by us, you will take all further action and execute all documents necessary to convey and assign to us all telephone and fax numbers that have been used in the operation of your Waxing Studio, as well as any other registrations or listings for any Technology Platforms that include the words "Waxing the City" or if we do not so request, you will cease all use of such telephone numbers and Technology Platforms that include the words "Waxing the City."

I. You will comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete and the covenants not to disclose trade secrets or confidential information.

J. We may, if you fail or refuse to do so, execute in your name and on your behalf, any and all actions and/or documents that may be necessary to affect your obligations under Sections 16.D and 16.H, and you hereby irrevocably appoint us as your attorney in fact to do so, which appointment is coupled with an interest.

K. You will furnish us with written evidence satisfactory to us of compliance with all the obligations set forth in this Section 16 within thirty (30) days after termination or expiration of this Agreement.

L. Upon expiration or termination of this Agreement, we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all or any portion of the tangible and intangible assets relating to the Waxing Studio, including the Waxing Studio premises if you own the Waxing Studio premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to take an assignment of your lease for (1) the Waxing Studio premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Waxing Studio. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

The purchase price for the assets of the Waxing Studio will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last statement of the Waxing Studio provided to us under Section 12 before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis without provision for salvage value; (2) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) we may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the Book Value. We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after we deliver notice of our election to purchase the assets of the Waxing Studio, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Waxing Studio without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Waxing Studio, we may, pending the closing, appoint a manager to maintain Waxing Studio operations.

If we assume any leases for the premises for the Waxing Studio or if we assume the leases for other tangible leased assets used in the Waxing Studio under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interests and will pay in full all amounts due the lessor under the leases existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume any leases.

#### 17. YOUR COVENANTS NOT TO COMPETE

A. During Term. You will not, directly or indirectly, during the term of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder or member of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in owning, operating, or managing any business that offers hair removal services, wherever located, whether within the Protected Territory or elsewhere.

B. After Expiration, Termination, or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease to or lease from, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in offering hair removal services, which is located within the Protected Territory or within a ten (10) mile radius of any Waxing the City studio, wherever located, whether within the Protected Territory or elsewhere.

C. Reasonableness. You agree that the scope of the prohibitions set forth in Sections 17.A and 17.B are reasonable and necessary to protect us and the System (including other franchisees of the System). You agree that the prohibitions in Section 17.A must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the time period and the scope of the prohibitions set forth in Section 17.B are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you otherwise have training or experience.

D. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 17 so long as you do not own, directly or indirectly, more than five percent (5%) of the securities of such corporation.

E. Relief. You agree that damages alone cannot adequately compensate us if there is a violation of these noncompetitive covenants and that injunctive relief is essential for our protection. You

therefore agree that in case of your alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. In addition, if you violate the restriction provided for in Section 17.B, the period of time during which the restriction will remain in effect and be extended until two (2) years after you cease violating the restriction.

## 18. ENFORCEMENT

A. Injunctive Relief/Attorneys' Fees. We and you will each be entitled to the entry of temporary restraining orders and temporary and permanent injunctions to (i) enforce your and our rights to terminate this Agreement for the causes set forth in Paragraphs 15 and 16 of this Agreement and (ii) prevent or remedy a breach of this Agreement if that breach could materially impair the goodwill associated with our or your business, including but not limited to, the enforcement of obligations upon termination or expiration of this Agreement and the enforcement of the non-compete provisions of this Agreement. You and we will also be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing these provisions. If we are successful in obtaining an injunction, or any other judicial relief or order from an arbitrator against you, or in successfully defending any claim you have brought against us, you will pay us an amount equal to all of our costs of prosecuting and/or defending the action, including reasonable attorneys' fees, costs of investigation, court and arbitration costs, and other litigation or arbitration expenses and interest on such costs. Your and our respective rights to obtain injunctive or other equitable relief is in addition to any other right we or you may have under this Agreement. It will in no way limit or prohibit us from obtaining money damages from you if you breach this Agreement.

B. Mediation. Except where it is necessary for either you or us to obtain equitable relief to preserve the goodwill of our respective businesses (including, but not limited to, the enforcement of obligations upon termination of this Agreement and the covenants not to compete contained in this Agreement), you and we each agree to enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between us, for a minimum of four (4) hours, prior to initiating any legal action or arbitration against the other.

1. Upon written notice by either you or us, to the other, of your or our desire to mediate, the party receiving the notice will select an independent entity that provides mediation services to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not name such an organization within ten (10) days from the date the notice of intention to mediate is received, then the other party may proceed as if this Section 18.B did not exist, or, at its option, make the selection of the organization to provide mediation services. If you or we select an organization that is unwilling to serve as mediator, then the other party may select the organization. Once the organization is designated and agrees to accept the appointment as mediator, the organization will be directed to schedule a mediation proceeding at a time mutually convenient to us and to you. The mediation will be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If you and we cannot agree on a date for mediation, then the mediation organization will select a date it believes is reasonable for both of us, given all of the claimed conflicts in dates. The person actually mediating the dispute will be required to have at least ten (10) years of experience as either a franchisee or franchisor (or as an officer of such an entity) or in franchise law. You and we will equally share the cost of the mediator. The mediator will select the location for the mediation, but unless you and we both agree otherwise, the mediation will be held in a metropolitan area with at least 250,000 persons that is not located within one hundred (100) miles of either your principal office or our principal office.

2. Except for the matters identified above where you or we are permitted to seek injunctive relief without first mediating the dispute, if either party initiates litigation or arbitration without complying with their obligation to mediate in accordance with this paragraph (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the

provisions of this Section 18.B), then upon petition of whichever of us has a lawsuit or arbitration proceeding brought against us, the court or arbitrator will dismiss the litigation or arbitration without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to the attorneys' fees and costs the party seeking dismissal incurred. If the court or arbitrator refuses for any reason to dismiss the action, then regardless of the outcome of the action, or of any award given in the action, the party initiating the litigation or arbitration will be responsible for all attorneys' fees and costs incurred throughout the litigation or arbitration by the other party as damages for failing to comply with the provisions of this Section 18.B.

C. Arbitration. Except insofar as you or we elect to enforce this Agreement by judicial process and injunction as provided in Section 18.A, all disputes and claims arising out of or relating to this Agreement, or to the breach thereof, or to any of our standards or operating procedures, or other obligation of either of yours or ours, or to the breach thereof (including any claim that this Agreement, any provision of this Agreement, any specification, standard, operating procedure or any other obligation of yours or ours is illegal, unenforceable or voidable), or any aspect of the relationship between you and us (even if additional persons are named as parties to such action), must be resolved by arbitration in Minneapolis, Minnesota, or if our principal office is not located in Minnesota, then at the office of the American Arbitration Association located closest to our principal office. It is our intention that state laws attempting to void out of state forum selection clauses for arbitration be preempted by the Federal Arbitration Act and that arbitration be held in the place designated above.

1. The arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise agreements, if any; otherwise, the general rules of commercial arbitration).

2. The arbitrator appointed must have at least ten (10) years' experience in franchising or franchise law, and the arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers and limitations of this Agreement. The arbitrator shall have no authority to add, delete or modify in any manner the terms and provisions of this Agreement. However, if an arbitrator, notwithstanding the foregoing, determines that any contractual limitations period provided for in this Agreement is not applicable or enforceable, then the parties agree to be bound by the provision of any statute of limitations which would otherwise be applicable to the controversy, dispute or claim which is the subject of any arbitration proceeding initiated hereunder. All findings, judgments, decisions and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator will have the right to award or include in any award the specific performance of this Agreement, but will be required to file a reasoned brief with his or her award.

3. You and we each agree that any award from the arbitrator may be appealed under the Optional Appellate Arbitration Rules of the American Arbitration Association.

4. You and we acknowledge that judgment upon an arbitration order may be entered in any court of competent jurisdiction and will be binding, final, and nonappealable, except for mistakes of law, as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section 18.C.

5. Unless this Agreement is terminated in accordance with the provisions of Paragraphs 15 or 16, during the pendency of any arbitration proceeding, you and we will fully perform the requirements of this Agreement.

6. If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with the provisions of Subparagraph 18.A, the arbitrability of such claim will be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration will be made by the arbitrator appointed in accordance with this Agreement.

7. All arbitration proceedings will be individual proceedings between you and us, and will not be conducted on a “class” basis, or include any other of our franchisees as named parties unless you and we each agree.

If, after either you or we institute an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision, is nonarbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction.

D. Waiver of Punitive Damages. We and you (and your owners and guarantors if applicable) agree to waive, to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against the other and against any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between us, each of us will be limited to the recovery of any actual damages sustained by it.

E. Venue. We and you (and your owners and guarantors if applicable) each agree that if litigation is permitted under this Agreement, the sole forum for litigation arising under this Agreement, or any aspect of the relationship between us (even if additional parties are named as parties to that litigation) will be the state or federal courts of Minnesota. Those actions must be exclusively venued either in the District Courts of Minnesota, County of Ramsey, or the United State District Court for the District of Minnesota. You and we each waive any objection you or we may have to either the jurisdiction or the venue of such court (except to the extent jurisdiction is preempted by the arbitration provisions of this Agreement), and you and we each consent to personal jurisdiction and venue in such court. However, if we are permitted to seek injunctive relief under this Agreement, we may, at our option, bring that action in the county in which your Waxing Studio is located.

F. Jury Waiver. YOU AND WE EACH WAIVE THE RIGHT TO A TRIAL BY JURY. This waiver applies to all causes of action that are or might be included in any such action, including claims related to the enforcement or interpretation of this Agreement, allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action and it applies even if persons that are not a party to this Agreement are named as additional parties in the proceeding.

G. Waiver of Collateral Estoppel. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having those disputes directly affect the contract or relationship between us. We and you therefore each agree that a decision of an arbitrator or court of law to which one of us is not a party will not prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between us. You and we therefore each waive the right to assert that principles of collateral estoppel prevent either you or us from raising any claim or defense in an action between us if either you or we lost a similar claim or defense in another action.

H. No Affiliate Liability. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours or of any of

our affiliates will have any liability for (i) any obligations or liabilities we have relating to or arising under this Agreement, or (ii) any claim against us based on, in respect of, or by reason of, the transactions contemplated in this Agreement. This provision will not, however, affect any right, duty or obligation of ours or yours, or of any guarantor of your obligations.

19. RIGHT OF FIRST REFUSAL

If, at any time during the Term of this Agreement, you receive a bona fide offer to purchase or lease your Waxing Studio (or if you are a company, partnership or other entity, the equity ownership of you), which offer you are willing to accept, you will communicate in writing to us the full terms of the offer and the name of the offeror. We may elect to purchase or lease the business on the terms set forth in the offer. If we elect to purchase or lease the business, we will give you written notice of the election within thirty (30) days after we receive your communication of the offer. If we fail to give written notice of election within thirty (30) days, you may sell or lease to the offeror on the terms offered, subject to the provisions relating to assignment. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which we may give written notice of election to purchase or lease; otherwise, an additional notice must be given to us and an additional option period must expire prior to any such transfer. If we elect to purchase or lease the business, we will have the right to substitute equivalent cash for any non-cash consideration included in the bona fide offer to purchase or lease the business and we and you will use our best efforts to complete the purchase or lease within sixty (60) days from the date of our notice of election to purchase or lease. Our failure to exercise our rights under this Section 19 shall not affect our right to approve or disapprove the transfer as set forth in Section 13 above.

20. MISCELLANEOUS

A. Unpaid Amounts. Any unpaid amounts owed by you to us or any of our affiliates including any Royalty Fee, General Advertising and Marketing Fund Contributions and product purchases will bear interest at the rate of one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. You must reimburse us and our affiliates for all costs incurred in the collection of unpaid amounts, including attorneys' fees.

B. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. You and we will substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of either of us, which is determined to be invalid or unenforceable and is not waived by the other party. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

C. Cumulative Rights. Except as otherwise set forth in this Agreement, our and your rights under this Agreement are cumulative and no exercise or enforcement of any right or remedy under this Agreement will preclude the exercise or enforcement of any other right or remedy under this Agreement or which we or you are entitled by law to enforce.

D. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) and the Federal Arbitration Act, this Agreement and the franchise relationship will be governed by the laws of the State of Minnesota. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state (including Minnesota) relating to franchises or business opportunities, other than those of the state in which the Franchised Location is located. This waiver of any rights under Minnesota law will not apply if the Franchised Location is located in Minnesota or you are a resident of (or if you are an entity, your principal(s) is a resident of) Minnesota.

E. Disavowal of Oral Representations. You and we acknowledge that we want all terms of our business relationship to be defined in this written agreement, and that neither of us wants to enter into a business relationship with the other in which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations as set forth in this Agreement. Therefore, you and we agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between us. We each agree that we placed, and will place, no reliance on any such discussions. You agree that no representations have been made to you concerning this Agreement or the Waxing the City franchise other than as contained in this Agreement and in the Franchise Disclosure Document you received before you signed this Agreement (the "FDD"). You agree that no claims, representations or warranties of earnings, sales, profits, or success of your Waxing Studio have been made to you other than as set forth in Item 19 of the FDD.

F. Approvals. Wherever our consent or approval is required in this Agreement, unless the provision specifically indicates otherwise, we have the right to withhold our approval in our discretion, for any reason, or for no reason. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable. Our approvals and consents will not be effective unless given in writing.

G. Interpretation. It is the desire and intent of you and us that the provisions of this Agreement be enforced to the fullest extent possible under the applicable laws and public policies. Therefore, if any provision of this Agreement is determined by a court or arbitrator to be invalid or unenforceable, that determination will apply only to the operation of that provision in the particular proceeding in which the determination is made. We and you agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision will have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement will be construed simply according to its fair meaning and not strictly against you or us.

H. Waiver. Except as otherwise provided in this Section 20.H, neither of us will be deemed to have waived any obligation of the other, or to have agreed to any modification of this Agreement, unless we have done so in writing, and the writing is signed by the person giving the waiver or agreeing to the modification. However, you agree that you will give us immediate written notice of any claimed breach or violation of this Agreement as soon as possible after you have knowledge, or determine, or are of the opinion, that there has been a breach or violation by us of this Agreement. If you fail to give written notice to us of any claimed misrepresentation, violation of law, or breach of this Agreement within one (1) year from the date you have knowledge, determine, are of the opinion, or become aware of facts and circumstances reasonably indicating, that you may have a claim against us or against any of our affiliates under any state law, federal law, or common law, then the misrepresentation, violation of law, or breach will be considered to have been condoned, approved and waived by you, and you will be barred from beginning any legal, arbitration, or other action against us or against our affiliates, or from instituting any counterclaim against us or our affiliates, for the misrepresentation, violation of law, or breach, or from using the alleged act or omission as a defense to any action we may maintain against you.

I. Time. Time is of the essence to this Agreement.

J. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via facsimile, email, or electronic signature, record, process, confirmation, or transmission attached to or logically associated with this Agreement and executed and adopted with the intent to sign.

K. Entire Agreement. The preambles are a part of this Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between you and us with respect to your Waxing Studio and any other aspect of the relationship we have with you, and cannot be amended except by a written agreement signed by you and us. This Agreement also supersedes all prior agreements and negotiations we have had with you related to your acquisition of this franchise or your and our rights and obligations. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made to you in the FDD.

L. Headings and Terms. The headings of the Sections hereof are for convenience only and do not define, limit or construe the contents of such Sections. The term “you” as used herein is applicable to one or more persons, a corporation, a partnership or limited liability company, and each of their respective owners, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If more than one person executes this Agreement for you, then your obligations are joint and several.

M. Patriot Act. You represent and warrant that to your actual and constructive knowledge: (i) neither you (including your directors, officers and managers), nor any of your affiliates, or any funding source for your Waxing Studio, are identified on the list at the United States Treasury’s Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State’s Debarred Lists, or on the U.S. Department of Treasury’s Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

N. Personal Guaranty. You, or if you are a corporation, partnership, limited liability company or partnership, or other entity, all of your owners, will sign the personal guaranty agreement in the form attached to this Agreement (the “Guaranty Agreement”). Any person or entity that at any time after the Effective Date of this Agreement becomes an owner of yours will, as a condition of becoming an owner, sign the Guaranty Agreement. In addition, a spouse of an owner and any other person we designate must also sign the Guaranty Agreement.

## 21. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be deemed to have been duly given upon the earlier of (i) when received; (ii) one (1) business day after placement with a reputable national overnight carrier; or (iii) three (3) business days after deposit (not including the day of deposit), if placed in the mail for delivery by certified mail, postage pre-paid, and, in the cases of clauses (ii) or (iii), addressed to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to us: Waxing the City Franchisor LLC  
111 Weir Drive  
Woodbury, Minnesota 55125  
Attention: President

Notice to you: See Rider

22. ACKNOWLEDGEMENTS

A. Independent Investigation. You acknowledge that you have conducted an independent investigation of the business franchised under this Agreement, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your ability as an independent business person.

B. Franchise Agreement. You acknowledge that you have received, read, and understood this Agreement and that we have fully and adequately explained the provisions of it to your satisfaction and that we have accorded you time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

C. Other Franchises. You acknowledge that other Waxing the City franchisees have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. You also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations we grant to other of our Waxing the City studios (whether franchised, or studios that we or our affiliates operate), and you will not be entitled to require us to grant similar variations or privileges to you.

[THIS AGREEMENT CONTINUES WITH A RIDER AND INITIAL FRANCHISE FEE ATTACHMENT, WHICH ARE A PART OF THIS AGREEMENT]

FRANCHISE AGREEMENT RIDER

- 1. Effective Date: \_\_\_\_\_
- 2. Franchisee: \_\_\_\_\_
- 3. Franchised Location:  
\_\_\_\_\_  
\_\_\_\_\_

If no location has been determined at the time this Franchise Agreement has been executed, then the Franchised Location shall be within the following area, provided the exact location shall be subject to our review and approval:

If the above-named location specifies a location yet to be determined, we reserve the right to sell franchises, and grant territories to others who will operate Waxing the City studios in and around the above-described location. You may then be required to choose a final location outside of any protected territory given to any other franchisee, and that territory may be outside of the city or areas identified above. Should this happen, you would have to obtain our review and approval for a new location. Likewise, if you choose to move your final address at any time, or if the location set forth above, or any other location we agree upon, becomes unavailable for any reason, it is your obligation to select a new location, and to obtain our approval of that location before you acquire the site, or obtain any rights in the location.

- 4. Protected Territory:  
\_\_\_\_\_  
\_\_\_\_\_

5 Ownership: Franchisee represents and warrants that any entity to which this Agreement will be transferred will have the initial ownership set forth below, and that no changes will be made in such ownership without the prior written approval of Franchisor:

Name	Percentage Ownership
_____	_____ %

- 6. Principal Operator designated by Franchisee:
- 7. Required Opening Date: \_\_\_\_\_
- 8. Initial Franchise Fee (see Initial Franchise Fee Attachment):
- 9. Address for notice to you: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

FRANCHISOR:  
WAXING THE CITY FRANCHISOR LLC

FRANCHISEE:

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

INITIAL FRANCHISE FEE ATTACHMENT TO RIDER

The initial franchise fee is the one that is initialed by you and by us.

\_\_\_\_/\_\_\_\_     **New Franchisee** (including conversion studios): \$42,500

\_\_\_\_/\_\_\_\_     **New Franchisee** (including conversion studios) (**Qualified Veterans Only**): \$38,250.

\_\_\_\_/\_\_\_\_     **Existing, Qualifying Waxing the City, Anytime Fitness, The Bar Method, Basecamp Fitness, or OrangeTheory Franchisee**: \$37,500

\_\_\_\_/\_\_\_\_     **Existing, Qualifying Waxing the City, Anytime Fitness, The Bar Method, Basecamp Fitness, or OrangeTheory Franchisee (Qualified Veterans Only)**: \$33,750

\_\_\_\_/\_\_\_\_     **Franchise agreement signed pursuant to an obligation you have under an Area Development Agreement**: Remaining balance due on Initial Franchise Fee as set forth in the Area Development Agreement.

\_\_\_\_/\_\_\_\_     **Transfer of an existing franchise or renewal of an existing franchise**: No initial franchise fee.

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND  
PERSONALLY BY THE TERMS AND CONDITIONS  
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement (the "Agreement") between WAXING THE CITY FRANCHISOR LLC ("we" or "us") and \_\_\_\_\_ (the "Franchisee"), dated \_\_\_\_\_, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Agreement.

The undersigned waive (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

FRANCHISEE:

PERSONAL GUARANTORS:

\_\_\_\_\_  
- Individually

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Telephone

GENERAL RELEASE

In consideration of the agreement of WAXING THE CITY FRANCHISOR LLC (“Franchisor”) to allow (“Franchisee”) to [RENEW OR TRANSFER] its Franchise Agreement dated \_\_\_\_\_ between Franchisee and Franchisor (“Agreement”), Franchisee hereby releases and forever discharges Franchisor, its affiliates, each of their predecessors, as well as their current or former members, directors, officers, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties known and unknown, foreseen and unforeseen, from the beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement or under any other agreement between Franchisee and Franchisor or its affiliates.

**[FOR TRANSFERS:** Further, Franchisee acknowledges that transfer of the Agreement shall terminate Franchisee’s interest in the Agreement, but Franchisee will continue to be bound by all post-termination provisions of the Agreement, including but not limited to the obligations of confidentiality, and the covenant not to compete contained in the Agreement.]

**[IN CALIFORNIA:** The foregoing release is intended as a general release of all claims, demands, actions, causes of action, obligations, damages and liabilities of any kind or nature whatsoever that relate to the matters recited therein, and is intended to encompass all known and unknown, foreseen and unforeseen claims which the releasing party may have against any party being released. Section 1542 of the California Civil Code provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

You expressly waive the provisions of Section 1542 of the California Civil Code and expressly release each party to be released from all liability or claims arising out of any matters recited in the release.]

The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

\_\_\_\_\_

DATE: \_\_\_\_\_

## CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

The following provisions shall supersede and apply to all Waxing the City franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination, transfer and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to termination, transfer and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of transfer, termination and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

2. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

3. The Franchise Agreement requires binding arbitration. The arbitration will occur at Minneapolis, Minnesota with the costs being borne by both parties unless the party seeking arbitration seeks arbitration prior to mediating the dispute. 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 a franchise agreement restricting venue to a forum outside the State of California.

4. The Franchise Agreement requires application of the laws and forum of Minnesota. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business may be void under California Business and Professions Code Section 16600.

6. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

7. The Franchise Agreement contains a waiver of punitive damages and jury trial provision. These waivers may not be enforceable under California law.

8. Recital B, the last sentence of the second paragraph of Paragraph 1.C. and Paragraph 22 are hereby deleted in their entirety. Paragraph 20.E. is deleted in its entirety and replaced with "[Intentionally Deleted]".

9. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute

resolution venue stated elsewhere. Any language in the franchise agreement or amendment to, or agreement to the contrary, is superseded by this condition.

10. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Illinois:

- 1. Illinois law governs the Franchise Agreement.
- 2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- 3. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- 4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.
- 5. No statement, questionnaire or 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 in connection with the franchise.
- 6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Indiana:

This Indiana Addendum is only applicable if you are a resident of Indiana and your business will be located in Indiana.

1. Section 17.B of the Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

B. After Expiration, Termination or Transfer. You will not, directly or indirectly for a period of two (2) years after the transfer by you, or the expiration or termination of this Agreement, on your own account or as an employee, consultant, partner, officer, director, shareholder, lender, or joint venturer of any other person, firm, entity, partnership, corporation or company, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any hair removal business, which is located within the Protected Territory.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Waxing the City franchises sold to residents in the state of Maryland:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we secured a surety bond in the amount of \$478,086 from Capitol Indemnity Corporation. A copy of the bond is on file at the Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

2. Section 13.B.8 of the Franchise Agreement is revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 14.A of the Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

4. Section 18.F of the Franchise Agreement is revised to include the following language:

Notwithstanding the standing provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

5. The representations made in the Franchise Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. The Franchise Agreement states that Minnesota law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland Law, and we will comply with that law in Maryland.

7. Notwithstanding anything to the contrary in the Franchise Agreement, nothing will prevent the Franchisee from filing suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Sections 22 (a) and (b) of the Franchise Agreement are deleted in their entirety and replaced with the following:

“[Intentionally Deleted]”

9. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.

10. Each provision to this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

**1. THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

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

3. Franchisor will comply with Minn. Stat. Section 80C.14, subs. 3, 4 and 5, which require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

4. Section 3 is revised to include the following:

To the extent required by the Minnesota Franchise Act, Franchisor will protect your rights to use the trademarks, service marks, trade names, logos and other commercial symbols, or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the marks, provided you are using the Names and Marks in accordance with this Agreement.

5. NSF checks are governed by Minn. Stat. Section 604.113, which puts a cap of \$30 on service charges.

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.

7. Franchisor shall not require Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

8. You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

- 1. Section 8.J of the Franchise Agreement is revised to include the following:

Revisions to the manual will not unduly affect your obligations, including economic requirements, under this Agreement.

- 2. Section 13.A of the Franchise Agreement is revised to include the following:

The Franchisor will not make an assignment except to an assignee who, in the Franchisor’s good faith judgment, is willing and able to assume its obligations under the Agreement.

- 3. Section 15 of the Franchise Agreement is modified by the addition of the following at the end of such section:

In addition, the Franchisee shall have the right to terminate the Franchise Agreement to the extent allowed under applicable law.

- 4. Sections 18.E, 18.F, 18.G and 18.H of the Franchise Agreement are revised to include the following language:

Provided, however, that all rights arising under Franchisee’s favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By:
Its:
Date:

By:
Its:
Date:

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. Sections 16.G and 18.A of the Franchise Agreement are amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

2. Section 16.G of the Franchise Agreement is modified to delete any requirement that franchisee consent to termination penalties or liquidated damages.

3. Section 17.B of the Franchise Agreement is amended by adding the following language at the end:

Covenants not to compete, such as those mentioned in this Section 17.B are generally considered unenforceable in the state of North Dakota.

4. Sections 18.E and 18.G of the Franchise Agreement are deleted in their entirety.

5. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the Franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Section 18.F of the Franchise Agreement is modified to delete any requirement that franchisee consent to the jurisdiction of courts located outside of North Dakota.6. Section 20.D of the Franchise Agreement is amended to provide that the Franchise Agreement will be governed by the laws of the State of North Dakota.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Waxing the City franchises sold to residents in the state of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

1. Section 18 and 20 of the Franchise Agreement is supplemented by the addition of the following:

§ 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 the Act.”

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Franchise Agreement, the following provisions shall supersede and apply to all Waxing the City franchises sold to residents in the state of Virginia:

This Virginia Addendum is only applicable if you are a resident of Virginia or if your business will be located in Virginia.

1. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisee:  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT  
AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Waivers and Acknowledgments.** Recital B and Sections 20(e), 22(a) and 22(b) of the Franchise Agreement are deleted in their entirety and replaced with the following: “[Intentionally Deleted]”

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

WAXING **THE** CITY

**EXHIBIT F**

**AREA DEVELOPMENT AGREEMENT,  
GUARANTY AND STATE SPECIFIC ADDENDA**



AREA DEVELOPMENT AGREEMENT

WAXING THE CITY FRANCHISOR LLC  
111 Weir Drive  
Woodbury, Minnesota 55125  
866-956-4612  
[www.waxingthecity.com](http://www.waxingthecity.com)

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. GRANT OF DEVELOPMENT RIGHTS.....	1
2. DEVELOPMENT FEE.....	2
3. DEVELOPMENT SCHEDULE.....	2
4. TERM.....	3
5. DEFAULT AND TERMINATION.....	3
6. RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION.....	3
7. TRANSFER.....	4
8. ACKNOWLEDGMENTS.....	5
9. MISCELLANEOUS.....	5
RIDER.....	7

WAXING THE CITY®  
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made as of the Effective Date set forth in the Rider attached to this Agreement (the “Rider”) between WAXING THE CITY FRANCHISOR LLC, a Delaware limited liability company (“we” or “us”) and the person or persons named in the Rider as the Developer (“you”).

RECITALS:

A. We and our predecessor have invested substantial time, effort and money to acquire and develop a system of operating boutique studios that offer body and facial waxing services to the general public, as well as other related products and services under the federally registered trademark, “Waxing the City®,” and other trademarks, service marks and intellectual property rights. We grant franchises to qualified candidates for the operation of facial and body waxing studios. We also license our trademark rights in “Waxing the City” and may in the future adopt, use and license additional or substitute trademarks, service marks, logos and commercial symbols in connection with the operation of Waxing the City studios (collectively the “Marks”). These businesses use our methods, procedures, standards, and specifications (all of which are collectively referred to as the “System”) which we may improve, further develop or otherwise modify from time to time.

B. You acknowledge that you have had an adequate opportunity to be thoroughly advised of the provisions of this Agreement, the form of franchise agreement we currently use to grant rights to operate waxing studios, and our Franchise Disclosure Document, and have had sufficient time and opportunity to evaluate and investigate the System and the procedures and financial requirements associated with the System, as well as the competitive market in which it operates.

C. You are entering into this Agreement because you want to develop and operate multiple waxing studios which use the Marks and the System. You recognize that while you will have certain limited rights to transfer your interest in this Agreement, and in the studios you develop, we are entering into this Agreement with you based on your representation that you intend to personally develop all of the studios described in this Agreement, and not with a view to reselling your right to open these studios.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. Grant of Development Rights. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate the number of facial and body waxing studios identified in the Rider (the “Waxing Studios”), using the Marks and operating within the nonexclusive area described in the Rider (the “Development Territory”).

B. You agree to be bound by the “Development Schedule” set forth in the Rider. Time is of the essence for the development of each Waxing Studio in accordance with the Development Schedule. Each Waxing Studio must be developed and operated by you pursuant to a separate Franchise Agreement that you enter into with us.

C. Unless otherwise indicated in the Rider and except as set forth in Section D below, if you are in compliance with the Development Schedule set forth in the Rider, we will not develop or operate or grant anyone else a franchise to develop and operate a Waxing Studio from any location in the Development

Territory prior to the earlier of (i) the expiration or termination of this Agreement; (ii) the date on which your last Waxing Studio must be open pursuant to the terms of the Development Schedule; or (iii) the date on which the Protected Territory for your final Waxing Studio is determined; except that if the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will expire upon the earliest of (1) any of the foregoing events or (2) the date when the Protected Territory for your final Waxing Studio to be developed in such city, county or designated market area under this Agreement is determined. Notwithstanding anything in this Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory will expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, Waxing Studios from locations in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been signed between us and you and that has not been terminated.

D. You acknowledge and agree that (i) we and our affiliates have the right to grant other franchises or operate company or affiliate owned waxing or hair removal studios/businesses (including Waxing Studios) at locations outside the Development Territory even if they compete with your Waxing Studios for customers, and (ii) we and our affiliates have the right to operate, and to grant franchises or licenses to others to operate waxing or hair removal studios/businesses, or any other business, within and outside the Development Territory under trademarks other than the Marks, all without compensation to you.

2. Development Fee. You must pay us a Development Fee in the amount set forth in the Rider. This fee is nonrefundable and is payable in full when you sign this Agreement and is fully earned by us at that time. You will sign the Franchise Agreement for your first Waxing Studio concurrently with this Agreement. A separate Franchise Agreement must be signed, on our then-current form, for each such Waxing Studio. Upon the execution of each Franchise Agreement, the terms and conditions of the Franchise Agreement control the establishment and operation of such Waxing Studio. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement.

3. Development Schedule. The following provisions control with respect to your development rights and obligations:

A. You must comply with the Development Schedule requirements regarding (i) the execution of the Franchise Agreements and site approval requests, (ii) the opening date for each Waxing Studio, and (iii) the cumulative number of Waxing Studios to be open and continuously operating for business in the Development Territory. You represent that you have conducted your own independent investigation and analysis of the prospects for the establishment of Waxing the City studios within the Development Territory, approve of the Development Schedule as being reasonable, viable, and essential to the potential success of your business and recognize that failure to sign a Franchise Agreement, obtain a site approval, open a Waxing Studio or have a cumulative number of Waxing Studios open and operating, according to the applicable dates set forth in the Development Schedule, gives us the right, in our sole discretion, to immediately terminate this Agreement pursuant to Section 5.

B. You may not open a Waxing Studio under this Agreement unless you have notified us of your intention to develop the Waxing Studio at least thirty (30) days prior to the date set forth in the Development Schedule and meet each of the following conditions (these conditions apply to each Waxing Studio to be developed in the Development Territory):

1. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied on a timely basis all

monetary and material obligations under the Franchise Agreements for all existing Waxing the City studios.

2. Execution of Franchise Agreement. You and we have entered into our then-current form of Franchise Agreement and such other agreements that we require for the grant of Waxing the City franchises for the proposed Waxing Studio. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different than the current form of Franchise Agreement, including different fees and obligations. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Waxing Studio must be in accordance with the terms of the applicable Franchise Agreement.

4. Term. Unless sooner terminated in accordance with Section 5 of this Agreement, the term of this Agreement and all rights granted to you will expire on the date that you sign the Franchise Agreement for the last Waxing Studio that is scheduled to be opened under the Development Schedule.

5. Default and Termination. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement or if you or any “affiliate” of yours breaches any of the terms of any Franchise Agreement or any other agreement that you or your affiliates have with us or our affiliates. For purposes of this Agreement, an “affiliate” of any person will be any person or entity that controls that person, is under the control of that person, or is under common control with that person.

All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority, (iii) you make a general assignment or other similar arrangement for the benefit of your creditors, (iv) a final judgment against you remains unsatisfied of record for thirty (30) days or longer, (v) execution is levied against your business or property, or the business or property of any of your affiliates that have entered into Franchise Agreements with us, (vi) suit to foreclose any lien or mortgage against premises or equipment is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed, (vii) you fail to timely meet any of your obligations set forth in the Development Schedule or you fail to comply with our requirements for securing real estate for any Waxing Studio, (viii) you or any of your affiliates open any Waxing Studios before that person or entity has signed a Franchise Agreement with us for that studio in the form we provide, (ix) you fail to pay an initial franchise fee when due; (x) you fail to comply with any other provision of this Agreement, or your or any of your affiliates fail to comply with any other agreement you or they have with us or our affiliates and do not correct the failure within thirty (30) days after written notice of that failure is delivered to the breaching party (except that if the failure to comply is the third failure to comply with any provision of any agreement that you or any of your affiliates have with us or an affiliate of ours within twelve (12) consecutive month period, then we need not provide any opportunity to cure the default), or (xi) we have delivered to you or any of your affiliates a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

6. Rights and Duties of Parties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will automatically terminate, and:

A. All remaining rights granted to you to develop Waxing Studios under this Agreement will automatically be revoked and will be null and void and shall revert to us. You will not be entitled to any refund of any fees.

B. You and your affiliates must within five (5) business days of the termination or expiration pay all sums owing to us and our affiliates. In addition, you agree to pay as fair and reasonable liquidated damages (but not as a penalty) an amount equal to Ten Thousand Dollars (\$10,000) for each undeveloped Waxing Studios. You agree that this amount is in addition to the Development Fees paid under this Agreement, and is for lost revenues from Royalty Fees (as defined in the Franchise Agreement) and other amounts payable to us, including the fact that you were holding the development rights for those Waxing Studios and precluding the development of certain Waxing Studios in the Development Territory, and that it would be difficult to calculate with certainty the amount of damage we will incur. Notwithstanding your agreement, if a court determines that this liquidated damages payment is unenforceable, then we may pursue all other available remedies, including consequential damages.

7. Transfer. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity. Upon any transfer of this Agreement by us or any of our legal rights and obligations hereunder, we will be released from all such obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent as set forth below.

1. As used in this Agreement, the term "Transfer" means any sale, assignment, lease, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you or control of the business franchised hereunder. You acknowledge that these provisions prohibit you from subfranchising or sublicensing any right you have under any agreement with us, and that your intent in entering into this Agreement is that you (and not any licensee or transferee) will be opening and operating the Waxing Studios to be developed under this Agreement. In addition, if there are two (2) individuals signing this Agreement as Developer, and one (1) of those individuals is no longer involved in the ownership of the business that is developing Waxing Studios, the withdrawal of that person shall be considered a "Transfer." A "Transfer" shall also be deemed to occur when there are more than two (2) people listed as the Developer and there is a change of the ownership of the business such that less than a majority of the original signators continue to have a majority interest in the equity of the business. You shall not in any event have the right to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without our express prior written consent, which consent may be withheld for any reason whatsoever in our sole and absolute judgment.

2. We will not charge you any fee in connection with your Transfer of your interest in this Agreement. However, as a condition to our approval of any Transfer, you must sign franchise agreements for all of the Waxing Studios to be developed under this Agreement, you must transfer all of those agreements to the same person or entity that acquires your interest in this Agreement, and you must comply with all of the conditions for transferring each of those

agreements, including the requirement to pay a transfer fee in connection with the transfer of each of those agreements.

3. The restriction on Transfer contained in this Agreement does not apply to, or otherwise restrict, your right to transfer any interest in any franchise agreement you previously signed for any Waxing Studio to be developed under this Agreement. You may transfer those agreements apart from any rights you have in this Agreement, provided you comply with the transfer provisions of each agreement you seek to transfer.

4. We may expand upon, and provide more details related to, the conditions for Transfer and our consent as described in this Section 7, and may do so in our operations manual or otherwise in writing.

8. Acknowledgments. To induce us to execute this Agreement, you represent and warrant to us as follows:

A. You recognize and acknowledge the importance of maintaining our standards for service, and further recognize and acknowledge the importance of following the System with respect to the development and operation of Waxing the City studios.

B. You have the entire control and direction of the Waxing the City studios to be opened and operated by you, subject only to the conditions and covenants established by the Franchise Agreements for those studios. You acknowledge that the businesses to be operated under those Franchise Agreements involve business risks, and that your success shall be largely determined by your own skill and efforts as an independent business person.

C. You have entered into this Agreement after making an independent investigation of our operations and history and not upon any representation as to profits which you might be expected to realize and that no one has made any representation to induce you to accept the franchise granted hereunder and to execute this Agreement, except as may be set forth in the Franchise Disclosure Document you acknowledge receiving at least fourteen (14) days prior to the date you paid us or any affiliate any money or executed any agreement with us or any affiliate.

9. Miscellaneous. You acknowledge that other Waxing the City franchisees/area developers have or will be granted franchises or area development rights at different times and in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement. You shall not complain on account of any variation from standard specifications and practices granted to any other franchisee/area developer and shall not be entitled to require us to grant to you a like or similar variation thereof. The provisions set forth in the franchise agreement for your first Waxing Studio containing any covenants not to compete, enforcement provisions, notice provisions, and sections referenced as “Miscellaneous” or “Acknowledgments” are hereby incorporated into this Agreement by reference and shall be applicable to this Agreement until such time as you sign a subsequent franchise agreement, at which time the provisions of the new agreement relating to covenants not to compete, enforcement, notice, and all sections referenced as “Miscellaneous” or “Acknowledgments” shall be incorporated into this Agreement by reference in place of the previous provisions. Likewise, if you or any affiliate later sign yet another franchise agreement, at all times, the provisions contained in the last franchise agreement you or such affiliate sign with us, which relate to covenants not to compete, enforcement, and notice, and all sections referenced as “Miscellaneous” or “Acknowledgments,” are hereby incorporated into this Agreement by reference in place of the previous provisions. You acknowledge having received a copy of our current form of franchise agreement for use in the sale of Waxing Studios, and that until you sign an agreement for your first studio, the provisions of

the form we provided to you relating to these matters will be deemed incorporated herein by reference and applicable to this Agreement. Any reference to the expression “this Agreement” in such Sections will be interpreted as a reference to this Area Development Agreement and any reference to “Protected Territory” will read as Development Territory. This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. We may designate another party to perform, or delegate to another party the performance of, of our duties and obligations under this Agreement or authorize that party to act on our behalf. Any provisions of this Agreement which, by their nature, may or are to be performed following expiration or termination of this Agreement, shall survive such termination or expiration. You must indemnify us in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) wherein our liability is alleged or in which we are named as a party as a result of activities by you which are not in accordance with this Agreement, with our policies, or with any law, rule, regulation, or custom governing your business that is conducted pursuant to this Agreement. If such an action or a claim is made against us, you shall indemnify and hold us harmless from all costs reasonably incurred by us in the defense of any such claim brought against us or in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) in which we are named as a party including, without limitation, reasonable attorneys’ fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses, and from all amounts paid or incurred by us arising out of such claim or action (collectively, the “Costs”). We may defend any claim made against us. Such an undertaking by us shall, in no way, diminish your obligation to indemnify us and hold us harmless. We are not required or obligated to seek recovery from third parties or otherwise mitigate our losses in order to maintain a claim against you. The above Recitals are made a part of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via facsimile, email, or electronic signature, record, process, confirmation, or transmission attached to or logically associated with this Agreement and executed and adopted with the intent to sign.

[THIS AGREEMENT CONTINUES WITH A RIDER,  
WHICH IS A PART OF THIS AGREEMENT]

AREA DEVELOPMENT AGREEMENT RIDER

1. Effective Date: \_\_\_\_\_
2. Developer: \_\_\_\_\_
3. Development Territory:

---



---



---

If this Development Territory references one or more sites yet to be determined, then we reserve the right to develop and operate a Waxing Studio in and around the above-described city, county or area, and to sell franchises and grant territories to others (including through area development agreements) who will operate Waxing Studios in and around the above-described city, county or area. You may then be required to choose a final location for your Waxing Studio outside of any protected territory given to us or to any other franchisee or area developer, which final location may be outside of the county, city or area identified above. Should this happen, you would have to obtain our review and approval for a new Development Territory, and location for your Waxing Studio.

4. Number of Waxing Studios to be opened and operating in the Development Territory: \_\_\_\_\_
5. Total Development Fee due at signing of this Agreement: \_\_\_\_\_
6. Development Schedule:

You acknowledge and agree that a material provision of this Area Development Agreement is that the following number of Waxing Studios must be opened and continuously operated by you in the Development Territory in accordance with the following Development Schedule:

Waxing Studio Number	Date by Which the Waxing Studio Must Be Opened and Operated by You in the Development Territory	Cumulative Number of Waxing Studios to be Opened and Operated by You in the Development Territory as of the Date in Preceding Column
1		1
2		
3		

For purposes of determining compliance with this Development Schedule, only the Waxing Studios you actually open and continuously operate in the Development Territory for at least the first six (6) months after opening will be counted toward the number of Waxing Studios required to be open and operated by you.

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

FRANCHISOR:

DEVELOPER:

WAXING THE CITY FRANCHISOR LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND  
PERSONALLY BY THE TERMS AND CONDITIONS  
OF THE AREA DEVELOPMENT AGREEMENT

In consideration of the execution of the Area Development Agreement (the "Agreement") between WAXING THE CITY FRANCHISOR LLC ("we" or "us") and \_\_\_\_\_ (the "developer"), dated \_\_\_\_\_, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the developer, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an Area Development Agreement containing the identical terms and conditions of the Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the developer.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the developer or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply in all modifications to the Agreement of any nature agreed to by developer with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

DEVELOPER:

---

- Individually

---

Print Name

---

Address

---

City                      State                      Zip Code

---

Telephone

---

- Individually

---

Print Name

---

Address

---

City                      State                      Zip Code

---

Telephone

4901-3619-2908, v. 1

## CALIFORNIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The following provisions shall supersede and apply to all Waxing the City franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination, transfer and non-renewal of the Area Development Agreement and certain provisions of the Area Development Agreement relating to termination, transfer and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Area Development Agreement and your relationship with Franchisor, including the areas of termination and renewal of Franchisee's franchise. If the Area Development Agreement is inconsistent with the law, the law will control.

2. The Area Development Agreement requires binding arbitration. The arbitration will occur at Minneapolis, Minnesota with the costs being borne by both parties unless the party seeking arbitration seeks arbitration prior to mediating the dispute. 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 a franchise agreement restricting venue to a forum outside the State of California.

3. The Area Development Agreement requires application of the laws and forum of Minnesota. This provision may not be enforceable under California law. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Area Development Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

4. The provision in the Area Development Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101

5. Recital B and Section 8 of the Area Development Agreement are deleted in their entirety and Section 8 is replaced with the following:

“[Intentionally Deleted]”

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

ILLINOIS ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Illinois:

This Illinois Addendum is only applicable if you are a resident of Illinois and your business will be located in Illinois.

1. Illinois law governs the Area Development Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois** is void.
5. No statement, questionnaire or 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 in connection with the franchise.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede and apply to all Waxing the City franchises sold to residents in the state of Maryland:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we secured a surety bond in the amount of \$478,086 from Capitol Indemnity Corporation. A copy of the bond is on file at the Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

2. Section 5 of the Area Development Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

3. Section 8 of the Area Development Agreement is revised to include the following language:

Notwithstanding the standing provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. The representations made in the Area Development Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Section 7 of the Area Development Agreement is revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. The Development Agreement states that Minnesota law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland law, and we will comply with that law in Maryland.

7. Notwithstanding anything to the contrary in the Development Agreement, nothing will prevent the Franchisee from filing suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Section 8 of the Area Development Agreement is deleted in its entirety and replaced with the following:

“[Intentionally Deleted]”

9. No statement, questionnaire, or acknowledgment signed or agreed to by 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 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.

10. Each provision to this Addendum to the Development Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## MINNESOTA ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

**1. THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE**

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

3. Franchisor will comply with Minn. Stat. Section 80C.14, subds. 3, 4 and 5, which require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Area Development Agreement.

4. Franchisor shall not require Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

5. NSF checks are governed by Minn. Stat. Section 604.113, which puts a cap of \$30 on service charges.

6. No statement, questionnaire, or acknowledgment signed or agreed to by 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 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

NEW YORK ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

1. Section 8 of the Area Development Agreement is revised to include the following language:

Provided, however, that all rights arising under Franchisee’s favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied.

2. Section 7 of the Area Development Agreement is revised to include the following:

Franchisor will not make an assignment except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume its obligations under the Agreement.

3. The Area Development Agreement is modified by the addition of the following Section 5:

In addition, Franchisee shall have the right to terminate the Area Development Agreement to the extent allowed under applicable law.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

NORTH DAKOTA ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. Section 6.B of the Area Development Agreement is amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

2. Section 6.B of the Area Development Agreement is modified to delete any requirement that franchisee consent to termination penalties or liquidated damages.

3. No statement, questionnaire, or acknowledgment signed or agreed to by 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 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

VIRGINIA ADDENDUM TO DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Waxing the City Franchisor LLC Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Virginia:

This Virginia Addendum is only applicable if you are a resident of Virginia or if your business will be located in Virginia.

1. No statement, questionnaire, or acknowledgment signed or agreed to by 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 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT  
AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Acknowledgments.** Recital B and Section 8 of the Area Development Agreement are deleted in their entirety and replaced with the following: “[Intentionally Deleted]”

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

Franchisor:  
WAXING THE CITY FRANCHISOR LLC

Franchisee:

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

WAXING **THE** CITY

**EXHIBIT G**

**STATE SPECIFIC ADDENDA TO  
FRANCHISE DISCLOSURE DOCUMENT**

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE CALIFORNIA FRANCHISE INVESTMENT LAW

The following provisions shall supersede and apply to all Waxing the City franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

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

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

2. OUR WEBSITE (WWW.WAXINGTHECITY.COM) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

4. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph.

“Neither Waxing the City nor any person described in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.”

5. Item 17 of the FDD is amended by the insertion of the following:

“The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination and non-renewal of the Franchise Agreement and Area Development Agreement and certain provisions of the Franchise Agreement and Area Development Agreement relating to termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and Area Development Agreement and your relationship with us, including the areas of transfer, termination and renewal of your franchise. If the Franchise Agreement or Area Development Agreement are inconsistent with the law, the law will control.

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).”

6. The Franchise Agreement and Area Development Agreement require application of the laws and forum of Minnesota. This provision may not be enforceable under California law.

7. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur at the office of the American Arbitration Association located nearest Waxing the City Franchisor LLC's principal offices (currently, Woodbury, Minnesota). You will bear all costs of arbitration if we secure any relief against you in the arbitration, or are successful in defending a claim you bring against us in the arbitration. 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 a franchise agreement restricting venue to a forum outside the State of California.

8. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

9. The maximum interest rate to be charged in California is 10%.

10. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business may be void under California Business and Professions Code Section 16600.

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

12. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

13. 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.

14. The second paragraph of the Cover Page to the Franchise Disclosure Document is hereby deleted in its entirety and replaced with the following:

“The total investment necessary to begin operation of a Waxing the City franchise ranges from \$339,945 to \$646,195. This includes \$136,042 to \$170,242 that must be paid to the franchisor or its affiliates.

We may also offer you the right to develop at least 3 Waxing Studios under an Area Development Agreement. The total investment necessary to begin operation under an Area Development Agreement for 3 Waxing Studios ranges from \$394,945 to \$701,195 which includes the total investment for one Waxing Studio. This includes \$191,042 to \$225,242 which must be paid to the franchisor or its affiliates.”

15. The table in Item 7, under the heading, “Your Estimated Initial Investment Area Development Agreement” is hereby deleted in entirety and replaced with the following table:

**YOUR ESTIMATED INITIAL INVESTMENT  
AREA DEVELOPMENT AGREEMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Development Fee (Note 1)	\$97,500	\$97,500	Lump sum	Upon signing the Area Development Agreement	Us
Estimated Initial Investment for Single Waxing Studio Franchise (Note 2)	\$297,445	\$603,695	See Estimated Initial Investment Chart for Single Waxing Studio Franchise	See Estimated Initial Investment Chart for Single Waxing Studio Franchise	See Estimated Initial Investment Chart of Single Waxing Studio Franchise
<b>TOTAL</b>	<b>\$394,945</b>	<b>\$701,195</b>			

**Notes:**

- (1) The Development Fee is described in Item 5. Under an Area Development Agreement, you must commit to opening more than one Waxing Studio, and you will pay the Development Fee at the time you sign the Area Development Agreement, which will vary depending on the number of Studios you agree to develop. As described in Item 5, we offer Area Development Agreements for 3, 5, or more than 5 Studios. These estimates assume you agree to develop 3 Studios.
- (2) These estimates do not include the Initial Franchise Fee as the Development Fee would replace the Initial Franchise Fee.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE HAWAII FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all Waxing the City franchises offered and sold in the state of Hawaii:

This Hawaii Addendum is only applicable if you are a resident of Hawaii or if your business will be located in Hawaii.

1. The states in which Waxing the City Franchisor LLC's registration is effective or where the Franchise Disclosure Document has been filed are as follows: California, Hawaii, Illinois, Indiana, Michigan, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
2. The states in which Waxing the City Franchisor LLC's, Franchise Disclosure Document is or will be shortly on file are as follows: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
3. No state has refused, by order or otherwise, to register the Waxing the City franchise.
4. No state has revoked or suspended the right to offer Waxing the City franchises.
5. Waxing the City Franchisor LLC has not withdrawn the proposed registration of the Franchise Disclosure Document in any state.

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

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

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

Based upon the Franchisor's financial condition, the Hawaii Director of Commerce and Consumer Affairs has required the deferral of all initial fees to be paid to the Franchisor until the Franchisor's pre-opening obligations to the franchisee have been fulfilled.

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 Franchisor's registered agent in the state authorized to receive service of process is:

Commissioner of Securities of Department of Commerce and Consumer Affairs  
335 Merchant Street  
Honolulu, Hawaii 96813

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Illinois:

1. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

2. Illinois law governs the Franchise Agreement.

3. 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.

4. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

6. 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 in connection with the franchise.

7. The Franchise Disclosure Document cover page is revised to remove the following sentences:

“We may also offer you the right to develop at least 3 Waxing Studios under an Area Development Agreement.”

“If you sign an Area Development Agreement, you will pay to the franchisor a Development Fee based upon the number of Waxing Studios you agree to open, which replaces the Initial Franchise Fee you would have paid for these Waxing the City franchises.”

8. Each provision of this addendum to the FDD shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this addendum.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all Waxing the City franchises sold to residents in the state of Maryland:

1. Item 17 of the Franchise Disclosure Document is amended as follows:

“Termination for bankruptcy filing may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)”

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

“However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.”

3. The following sentence is added to the end of the “Summary” section of Item 17(v), entitled “Choice of forum”:

However, subject to your arbitration obligation, you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17(v) and (w) are modified by the insertion of the following:

“Any Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

5. The following language is added to the end of the chart in Item 17:

“You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.”

6. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we secured a surety bond in the amount of \$478,086 from Capitol Indemnity Corporation. A copy of the bond is on file at the Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

7. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended by the insertion of the following:

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. 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.

9. Each provision of this Addendum to the FDD shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE MINNESOTA FRANCHISE LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

**1. THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE**

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

3. We will comply with Minn. Stat. Section 80C.14, subs. 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 Agreement.

4. Item 13 is revised to include the following language:

“To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logo types or other commercial symbols related to the trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement and Development Agreement.”

5. Item 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.

6. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

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

8. 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.

9. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE NEW YORK GENERAL BUSINESS LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

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

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

7. Franchise Questionnaires and Acknowledgements - 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.

8. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten

(10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. The North Dakota Insurance Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17c. and from any other place it appears in the Disclosure Document or in the Franchise Agreement.

2. Item 17r. is revised to provide that covenants not to compete, such as those mentioned in Item 17r. of the Disclosure Document, are generally considered unenforceable in the state of North Dakota.

3. The North Dakota Insurance Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any references in the Disclosure Document and in the Franchise Agreement are deleted and to any requirement that the franchisee consents to the jurisdiction of courts located outside of North Dakota are deleted.

4. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

5. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of trial by jury are deleted.

6. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

8. Any references in the Disclosure Document and in the Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.

9. 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.

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE RHODE ISLAND FRANCHISE INVESTMENT ACT

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in 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.”

STATE SPECIFIC ADDENDUM  
AS REQUIRED BY THE VIRGINIA RETAIL FRANCHISING ACT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Waxing the City Franchisor LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. The following language is added to the end of the “Summary” section of Item 17 (e), entitled “Termination by franchise without cause”:

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 Franchise Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON ADDENDUM  
TO THE FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
  
19. **Assurance of Discontinuance.** On or about October 28, 2019, our predecessor entered into an Assurance of Discontinuance (No. 19-2-28299-1 SEA) with the State of Washington entitled In Re: Franchise No Poaching Provisions under which it agreed to refrain from including “no-poach” language in its Franchise Agreement, which restricts a franchisee from recruiting and/or hiring the employees of other franchisees and/or employees of the franchisor or its affiliates, which the Attorney General alleged violates Washington state and federal antitrust and unfair practices laws. Our predecessor also agreed to refrain from enforcing that language in any of its existing Franchise Agreements, notified its current franchisees of the entry of the Assurance of Discontinuance, notified the Washington Attorney General if any of its franchisees attempted to enforce such a provision, offered to amend existing Franchise Agreements to delete the no-poach language and remove the language from existing Franchise Agreements as they come up for renewal. Our predecessor satisfied the requirements in the Assurance of Discontinuance and submitted to the State of Washington a declaration of completion.

STATE SPECIFIC ADDENDUM  
AS  
REQUIRED BY  
THE WISCONSIN FAIR DEALERSHIP LAW

Notwithstanding anything to the contrary in the Waxing the City Franchisor LLC Franchise Disclosure Document, Franchise Agreement or Area Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Waxing the City franchises offered and sold in the state of Wisconsin:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document, Franchise Agreement and Development Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provision of the Franchise Agreement or Development Agreement that are inconsistent with the law Wis.Stat.Ch.135, the Wisconsin Fair Dealership Law, § 32.06(3), Wis. Code.

WAXING **THE** CITY

**EXHIBIT H**

**FINANCING DOCUMENTS**

**Exhibit H-1**

**Geneva Capital, LLC Finance Documents**

**MASTER EQUIPMENT LEASE AGREEMENT**

Agreement # \_\_\_\_\_  
Federal Tax # \_\_\_\_\_

**CUSTOMER INFORMATION**

FULL LEGAL NAME OF CUSTOMER		STREET ADDRESS	
CITY	STATE	ZIP	PHONE
EQUIPMENT LOCATION:			

**SUPPLIER INFORMATION**

NAME OF SUPPLIER	STREET ADDRESS	CITY	STATE	ZIP	PHONE
------------------	----------------	------	-------	-----	-------

**EQUIPMENT DESCRIPTION**

Equipment Cost \$ \_\_\_\_\_

QUANTITY	ITEM DESCRIPTION	SERIAL #

**RENTAL TERMS**

**RENTAL PAYMENT AMOUNT**

**SECURITY DEPOSIT**

Term in months \_\_\_\_\_  
 Rent Commencement Date: \_\_\_\_\_  
 Payments of \$ \_\_\_\_\_ (w/o tax) plus applicable taxes  
 \$ \_\_\_\_\_  
 Rental Payment Period is monthly unless otherwise indicated

**END OF LEASE TERMS:** Provided the Master Equipment Lease Agreement (the "Agreement") has not terminated early and no event of default under the Agreement has occurred, Customer shall have the following options at the end of the original term. **1. Purchase the equipment immediately upon expiration of the Lease. 2. Renew the Agreement per paragraph 1 of the Agreement. 3. Return the Equipment to a location designated by Owner per paragraph 5 of the Master Equipment Lease Agreement.**

**THIS IS A NONCANCELABLE/IRREVOCABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED BY CUSTOMER.**

**MASTER TERMS AND CONDITIONS** (This Agreement contains provisions set forth on page 2 and any supplements and/or addendums, all of which are made part of this Agreement).  
**1. AGREEMENT:** Customer agrees to rent from Owner the personal property described under "EQUIPMENT DESCRIPTION" and as modified by supplements and/or addendums to this Agreement from time to time signed by Customer and Owner (along with any upgrades, replacements, repairs and additions, "Equipment"). This Agreement may be modified only by written agreement, signed by Customer and Owner, and not by course of performance or dealing. The term of this Agreement will begin on the Rent Commencement Date as established by the above RENTAL TERMS and will continue for the number of consecutive months provided herein. **THE TERM WILL BE EXTENDED, IN ACCORDANCE WITH THE END OF LEASE TERMS, ON A MONTH TO MONTH RENTAL BASIS UNLESS CUSTOMER SENDS OWNER WRITTEN NOTICE OF CUSTOMER'S INTENTIONS AT LEAST THIRTY (30) DAYS BEFORE THE END OF THE ORIGINAL TERM, PROVIDED THAT THE MONTHLY PAYMENT SHALL BECOME DUE IF CUSTOMER FAILS TO REMIT THE PURCHASE OPTION AMOUNT TO OWNER OR RETURN THE EQUIPMENT AS PROVIDED HEREIN.** Customer authorizes Owner to insert in this Agreement the Rent Commencement Date, any serial numbers and other identification data about the Equipment, as well as any other omitted factual matters. This Agreement is the final agreement between the parties; any verbal or written communications prior to this Agreement are hereby superseded by this Agreement. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. **(CONTINUE ON PAGE 2)**

**OWNER ACCEPTANCE**

**CUSTOMER ACCEPTANCE**

If transmitted electronically, via facsimile, email or similar means you agree that we may treat electronic record or a paper copy of the output received from electronic transmission as an original of this written Agreement.

DATED (MM/DD/YYYY): \_\_\_\_\_  
 OWNER: GENEVA CAPITAL, LLC  
 1311 Broadway St, Alexandria, MN 56308



DATED (MM/DD/YYYY): \_\_\_\_\_  
 CUSTOMER: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_



AUTHORIZED SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_



TITLE: \_\_\_\_\_

**PERSONAL GUARANTY:** As additional consideration for Owner to enter into this Master Equipment Lease Agreement ("Agreement"), the undersigned ("You") and for more than one guarantor, jointly, severally, absolutely, unconditionally, and continually personally guarantee that the Customer will make all payments and meet all obligations required under this Agreement and any supplements thereto fully and promptly. You agree that Owner may make other arrangements with the Customer and You waive all notice of those changes and will remain responsible for any and all payment and obligations under the Agreement. Owner does not have to notify You if the Customer is in default. If the Customer defaults, You will immediately pay in accordance with the default provisions of the Agreement all sums due under the terms of the Agreement and will perform all the obligations of the Agreement. If it is necessary for Owner to proceed legally to enforce this Guaranty, this Agreement will be deemed fully executed and performed in, and will be governed by and construed in accordance with the state law in accordance with Owner's or Its Assignee's principal place of business. You expressly consent to jurisdiction of any state or federal court in Owner's state or Its Assignee's principal place of business or any other court so chosen by Owner. **YOU EXPRESSLY CONSENT TO GOVERNING LAW, VENUE PROVIDED HEREIN AND EXPRESSLY HEREBY WAIVE THE RIGHT TO TRIAL BY JURY FOR ANY CLAIMS, COUNTERCLAIMS, AND DEFENSES YOU MAY HAVE RELATED TO OR RELATING TO THIS AGREEMENT.** You agree to pay all costs, including attorneys' fees and costs incurred in enforcement of this Guaranty. You agree to be bound by paragraph 14 of this Agreement. It is not necessary for Owner to proceed first against the Customer or the equipment before enforcing this Guaranty against You.



Personal Guarantor	Personal Guarantor Signature	DATE (MM/DD/YYYY)	Mobile Phone #	Email Address
Personal Guarantor	Personal Guarantor Signature	DATE (MM/DD/YYYY)	Mobile Phone #	Email Address

- 2. **NON-CANCELABLE LEASE:** CUSTOMER'S OBLIGATION TO MAKE PAYMENTS, TO PAY OTHER SUMS WHEN DUE AND TO OTHERWISE PERFORM AS REQUIRED UNDER THE AGREEMENT IS ABSOLUTE AND UNCONDITIONAL AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, REDUCTION, SETOFF, DEFENSE, OR COUNTERCLAIM WHICH CUSTOMER MAY HAVE AGAINST ANY PERSON FOR ANY REASON WHATSOEVER OR ANY MALFUNCTION, DEFECT OR INABILITY TO USE ANY ITEM OF EQUIPMENT.
- 3. **RENT:** The Agreement shall commence upon the Rent Commencement Date and shall end upon full performance by Customer in observance of all terms, conditions, and covenants set forth in the Agreement and any extension thereof. Rent shall be paid in advance and in the amount and frequency as provided herein plus any applicable taxes and fees including but not limited to sales tax, use tax, property tax, equipment protection fees, and late charges. The first such rental payment shall be due on the Rent Commencement Date and each subsequent payment will be due on the same day of each subsequent month or other frequency as explicitly provided for. Owner will have the right to apply all sums received from Customer to any amounts due and owed to Owner under the terms of this Agreement or any other Agreement between Owner and Customer. Customer agrees that Customer owes Owner additional pro rata rent calculated as one-thirtieth (1/30<sup>th</sup>) of the monthly rental amount per day from the earlier of the date of Equipment delivery or the date of advanced funding to Supplier until the Rent Commencement Date and the Agreement begins. Provided no events of default have occurred, Owner will allow Customer to pay off the Agreement early for an amount equal to the sum of all remaining unpaid rental payments, discounted to a net present value at a rate up to five percent (5%), plus the purchase option price.
- 4. **OWNERSHIP OF EQUIPMENT:** Owner has purchased the Equipment at the direction of Customer. Owner shall at all times have sole ownership and title to the Equipment. Customer warrants that the Equipment shall at all times remain personal property; the Equipment is removable from and is not essential to any premise upon which it is located regardless of attachment to realty, and Customer agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment. This Agreement is a "true lease" and not a loan or installment sale. If this Agreement is held by a court not to be a "true lease" Customer hereby grants Owner a security interest in the Equipment and all proceeds arising therefrom. If any portion of the rent or other payments hereunder shall be deemed interest and such interest exceeds the highest rate permitted by applicable law, such excess interest shall be applied to your obligations to us or refunded if no obligations remain. Customer hereby authorizes Owner to file UCC financing statements as We deem necessary to protect Our interest, and Owner may charge a fee to cover related costs or at Owner's discretion a non-filing protection fee. The parties further agree that this Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code ("UCC") and notwithstanding any determination to the contrary, Owner will have the rights and remedies of a lessor as if the Agreement were a "finance lease" under Article 2A of the UCC. To the extent permitted by applicable law, Customer hereby waives any and all rights conferred upon a lessee under UCC Article 2A-508 through 2A-522 as enacted by Minnesota Statute Sections 336.2A-508 through 336.2A-522 whether or not said statute is applicable, or other applicable law. Customer shall not alter the Equipment without prior consent from Owner. Any alterations or improvements to any item of Equipment shall be deemed accessions and shall be returned to Owner with the Equipment to Owner upon the Agreement expiration or earlier repossession. Customer shall maintain the Equipment in good repair, condition and working order. Customer shall furnish all parts, mechanisms, devices and labor required to keep the Equipment in such condition and pay all costs incident to the Equipment's operation.
- 5. **LOCATION OF EQUIPMENT:** Customer will keep and use the Equipment at Customer's Equipment Location on page 1 and Customer agrees not to move it unless Owner agrees to it in advance. At the end of the Agreement's term or upon termination for any other cause, unless Equipment is purchased or the Agreement is renewed, Customer will return the Equipment to a location Owner specifies at Customer's expense. The Equipment must have been inspected and tested by a source authorized by Owner and paid at Customer's expense documenting that the Equipment is in full working order, in complete repair and is in good retail condition acceptable to the Owner. Customer agrees to remove any and all sensitive data stored on Equipment or software at Customer's expense. Upon request, Customer shall advise Owner as to the exact location of the Equipment. Owner reserves the right to inspect the Equipment (by a source authorized by the Owner) at any time during normal business hours throughout the Agreement term and Customer shall permit Owner access to the Equipment for such purposes.
- 6. **WARRANTIES: OWNER MAKES NO WARRANTY, REPRESENTATION, OR COVENANT, EXPRESS OR IMPLIED, THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THE EQUIPMENT IS MERCHANTABILITY. CUSTOMER SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT INCLUDED IN THIS AGREEMENT BASED UPON CUSTOMER'S OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY OWNER. OWNER SHALL HAVE NO LIABILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT, FOR ANY DELAY OR FAILURE BY SUPPLIER(S) TO DELIVER AND INSTALL THE EQUIPMENT OR TO PERFORM ANY SERVICES, OR WITH RESPECT TO THE SELECTION, INSTALLATION, TESTING, PERFORMANCE, QUALITY, MAINTENANCE, OR SUPPORT OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OWNER'S AND NO REPRESENTATION BY SUPPLIER SHALL IN ANY WAY AFFECT CUSTOMER'S DUTY TO PAY THE RENTAL PAYMENTS AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT.**
- 7. **LOSS OR DAMAGE:** Customer is responsible for the risk of loss, destruction of, or damage to the Equipment. No such loss or damage relieves Customer from the payment obligations under this Agreement. Customer agrees to promptly notify Owner in writing of any loss or damage and at Owner's discretion either pay to Owner the Accelerated Amount or repair or replace the Equipment so that the Equipment is returned to the condition required herein.
- 8. **COLLATERAL PROTECTION & INSURANCE:** Customer agrees to keep the Equipment fully insured against property damage and/or loss with Geneva Capital, LLC and its Assigns as Loss Payee in an amount not less than the original Equipment Cost until this Agreement is terminated. Customer also agrees to obtain a \$500,000 comprehensive general liability insurance policy and to include Geneva Capital, LLC and its Assigns as an Additional Insured on the policy. Customer agrees to provide Owner with a complete certificate of insurance acceptable to Owner, before this Agreement begins. In the event the acceptable certificate is not received or later lapses, Customer further authorizes Owner as Customer's attorney-in-fact to enroll Customer in an equipment protection program through a third-party insurance provider and Customer agrees to pay a monthly administrative surcharge to Owner. Owner shall be under no obligation or duty to enroll Customer in such program and such coverage may not protect Customer's interests and may be at a higher cost than what Customer could arrange on its own. Any insurance proceeds will be paid to Owner and Customer grants Owner a power of attorney to effectuate such payments of insurance proceeds or negotiate checks. Insurance proceeds shall be applied to any loss or damage, but Customer shall remain liable for any balance due under this Agreement if insurance proceeds are insufficient to pay off the Lease. **NOTHING IN THIS PARAGRAPH WILL RELIEVE CUSTOMER OF CUSTOMER'S RESPONSIBILITY FOR PROPERTY AND LIABILITY INSURANCE COVERAGE ON THIS EQUIPMENT.**
- 9. **INDEMNITY:** Customer shall and does hereby agree to indemnify, defend and hold harmless Owner and any Assignee, and each of their directors, officers, employees, agents or affiliates from any and all claims, demands, actions, suits, proceedings, costs, expenses, damages, and liabilities (including attorneys' fees) arising out of, connected with or resulting from the delivery, possession, use, operation, maintenance, repair or return of Equipment by Customer or its employees, agents, customers or vendors. Customer's obligations under the preceding sentence shall survive expiration of any rental term or the termination of the Agreement.
- 10. **TAXES AND FEES:** Customer agrees to pay when due all taxes (including but not limited to sales tax, personal property tax, fines and penalties) relating to this Agreement or the Equipment on a monthly basis. If the Equipment is subject to personal property tax, Customer agrees to pay a monthly amount to Owner, beginning in the first year in which the taxes are assessed, calculated as 1/12th of the estimated personal property tax for the year as well as any administrative fees charged by the Owner for processing the tax filings. Such amount will be adjusted each year to reflect changes in the valuation of the Equipment. If the Equipment or use of the Equipment requires licensing or registration with any governmental authority, Customer shall, at Customer's expense, obtain and maintain such license or registration continuously during the term of this Agreement and pay all license and/or registration fees. Customer agrees Owner may make a profit on any administrative surcharge, or processing of any taxes and/or fees.
- 11. **ASSIGNMENT: CUSTOMER HAS NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT.** Owner may sell, assign, or transfer this Agreement. Customer agrees that if Owner sells, assigns, or transfers this Agreement, the new owner will have the same rights and benefits that Owner has now and will not have to perform any of Owner's obligations. Customer agrees that the rights of the new owner will not be subject to any claims, defenses, or set offs that Customer may have against Owner.
- 12. **DEFAULT AND REMEDIES:** If Customer does not pay any rental payment or other sum due to Owner when due, or if Customer breaches any of Customer's obligations in the Agreement or any other agreement with Owner, or if Customer or any Guarantor of Customer's obligations dies, becomes insolvent, files for or is the subject of a proceeding in bankruptcy, Customer will be in default. Customer agrees that a default under this Agreement or any other agreement between Customer and Owner shall constitute a default under all agreements at Owner's discretion. If any part of a payment is not received by Owner within 4 days of its due date, Customer agrees to pay a late charge of 15% of the payment which is late or \$25.00, whichever is greater, or if less, the maximum charge allowed by law. If Customer is ever in default, Owner may do any of the following, each of which shall be cumulative: retain Customer's security deposit; elect not to renew any or all time-out controls programmed within the Equipment; remotely disable the Equipment; instruct Supplier, manufacturer or others to withhold service on the Equipment; proceed by appropriate court action(s) to enforce any right or remedy under this Agreement, at law or in equity, including any right under the UCC; recover interest on any unpaid payment from the date it was due until fully paid at the rate of 18% per annum or if less the highest rate permitted by law; without notice, cancel this Agreement whereupon all of Customer's rights to the use of the Equipment shall terminate, and Customer shall deliver possession of the Equipment to Lessor in accordance with this Agreement and Customer shall deliver possession of the Equipment to Lessor in accordance with this Agreement and Customer shall remain liable for all amounts due herein; take possession of any or all of the Equipment and sell, dispose of, hold, use or lease the Equipment; declare immediately due and payable, as liquidated damages for loss of bargain and not as a penalty (i) all accrued and unpaid rent and other accrued obligations hereunder, plus (ii) the sum of all unpaid rent for the remaining Agreement term plus the end of term purchase option price, both discounted to present value at a discount rate of 3% (the "Accelerated Amount") (the Accelerated Amount shall bear interest at a rate equal to 18% per annum or if less the highest rate permitted law). If any information supplied by Customer on the credit application or during the credit process is later found to have been falsified or misrepresented, Customer shall be considered in default and in addition to the preceding remedies, Owner may file criminal charges against Customer and prosecute to the fullest extent of the law. If Owner refers this Agreement to an attorney or collection agency for collection, Customer agrees to pay Owner reasonable attorney and collection fees and actual court costs. Customer further agrees that in the event of default, Owner shall be allowed to take possession of the Equipment and in the event of repossession transfers all ownership interest in said equipment to Owner. If Owner takes possession of the Equipment, Customer agrees to pay the cost of repossession including any damage to the Equipment or real property as a result of the repossession. Customer agrees that Owner will not be responsible to pay Customer any consequential or incidental damages for any default by Owner under this Agreement. Customer agrees that any delay or failure to enforce Owner's rights under this Agreement does not prevent Owner from enforcing any rights at a later time. Customer further authorizes Owner to obtain and use consumer credit reports as may be needed and Customer waives any right or claim Customer may otherwise have under the Fair Credit Reporting Act in absence of this continuing consent.
- 13. **MISCELLANEOUS:** The Security Deposit is to secure Customer's performance under this Agreement. Customer will pay the security deposit on the date Customer signs this Agreement. In the event this Agreement is not fully completed or consummated, the security deposit will be retained by Owner to compensate Owner for Owner's documentation, processing, collection efforts and other expenses. If all conditions herein are fully complied with and provided there are no events of default to this Agreement per paragraph 12, the security deposit will be refunded to Customer after the return of the Equipment in accordance with paragraph 5 or the Agreement is paid in full. This Agreement may be signed in counterparts that together will constitute one document. This Agreement may be executed by way of facsimile or electronic transmission, and if so, shall be treated as an original having the same binding legal effect. Only the counterpart of this Agreement that bears Owner's manually applied signature shall constitute the original chattel paper for purposes of possession. Any provision of this Agreement that is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the Agreement. Captions or paragraph headings are intended for convenience or reference only and shall not be construed to define, limit or describe the scope or intent of any provision hereof. Customer will promptly execute or otherwise authenticate and deliver to the Owner such further documents or take such further action as Owner may reasonably request in order to carry out the intent and purpose of this Agreement. Unless Customer provides Owner with written notice of non-acceptance of the Equipment within ten (10) days of Supplier's delivery of Equipment to Customer, the Equipment shall be deemed to be fully accepted and Agreement shall be fully valid and in force whether or not Customer has executed a Delivery & Acceptance Certificate. Upon Owner's request, Customer agrees to provide updated financial information (including but not limited to financial statements and tax returns).
- 14. **LAW. THIS AGREEMENT WILL BE DEEMED FULLY EXECUTED AND PERFORMED IN OWNER'S OR ITS ASSIGNEE'S PRINCIPAL PLACE OF BUSINESS AND WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE STATE LAW IN ACCORDANCE WITH OWNER'S OR ITS ASSIGNEE'S PRINCIPAL PLACE OF BUSINESS. CUSTOMER EXPRESSLY CONSENTS TO JURISDICTION OF ANY STATE OR FEDERAL COURT IN OWNER'S STATE OR ITS ASSIGNEE'S PRINCIPAL PLACE OF BUSINESS OR ANY OTHER COURT SO CHOSEN BY OWNER. CUSTOMER EXPRESSLY CONSENTS TO GOVERNING LAW, VENUE PROVIDED HEREIN AND EXPRESSLY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY FOR ANY CLAIMS, COUNTERCLAIMS, AND DEFENSES CUSTOMER MAY HAVE RELATED TO OR RELATING TO THIS AGREEMENT.**



AUTHORIZED SIGNATURE

DATE

Geneva Capital, LLC  
1311 Broadway Street  
Alexandria, MN 56308

**Credit Release & Information Verification Language**

By signing this application the applicant(s) certifies that all information contained in this application, and all attachments hereto, are true and accurate to the best of the applicant(s) knowledge and are made for the purpose of obtaining credit for business purposes, and not for personal or family use. The applicant(s) hereby authorize Geneva Capital L.L.C. and its assigns to obtain and use consumer credit reports on the undersigned, now and from time to time, as may be needed in the credit evaluation and review process and waives any right or claim the applicant(s) would otherwise have under the Fair Credit Reporting Act in absence of this continuing consent. The applicant(s) further authorize any government agency, bank or financial institution to release credit information on the applicant(s) accounts to Geneva Capital L.L.C. and its assigns. If credit is extended, Applicant agrees that submitting an electronic, photocopy or facsimile copy of a signed authorization shall be deemed to be binding, valid, genuine and authentic as an original-signature document for all purposes. The applicant(s) further authorize Geneva Capital L.L.C. to mail, fax or e-mail solicitations of future lease financing services to applicant.

X \_\_\_\_\_

*Signature*

\_\_\_\_\_

*Date*

**Exhibit H-2**

**Guidant Financial Group Agreement**



# iFinance Agreement

Investing your retirement savings into a small business can be a prudent strategy for achieving your retirement goals. Guidant Financial is dedicated to ensuring that Guidant's iFinance meets all applicable regulations for a Rollover for Business Start-ups plan.

Please review each statement and verify your understanding of the specific actions you must take when utilizing a Rollover for Business Start-ups plan such as Guidant's iFinance.

### FIDUCIARY OBLIGATIONS:

To benefit from the tax-deferred advantages of a qualified retirement account, regulations require that you choose investments that are in the best interest of your retirement account.

I verify that I have performed due diligence and believe that my decision to invest my personal retirement funds into the corporation is a good investment in the best interest of my 401(k).

I verify my understanding that I could lose up to 100% of my investment if the business fails.

I have done my own due diligence and have determined that the use of my retirement monies as funding source for iFinance and related business transaction is a prudent use of my retirement monies and is a good investment for the 401(k) Plan.

### 401(k) PLAN RESPONSIBILITIES:

As the trustee of a 401(k) plan, you have a duty to manage the plan so that it benefits all employees not just the owners and officers of the Corporation.

I verify that I will use this 401(k) as a long-term savings vehicle for all employees of the business and agree that I will encourage all eligible employees to participate.

I verify my understanding that when company stock is offered for purchase within the 401(k) plan, the offering must be available for all eligible employees.

### PERSONAL SALARY/COMPENSATION CONSIDERATIONS:

To avoid any appearance of a conflict-of-interest with your 401(k) investment, you must defer paying yourself compensation until the company becomes an active business.

I verify that I will not draw compensation from the company before being opened for business; the company must be actively engaged in the buying or selling of goods and/or services.

I verify my understanding that my compensation should come from revenue generated from the business and not from the proceeds of the sale of employer stock to the 401(k).

I verify my understanding that taking compensation above what is fair and reasonable for the position and industry can create a prohibited transaction.

### TERMS OF AGREEMENT:

I acknowledge that I have read, understand, and agree to be bound by the terms of this Agreement as detailed in the linked <sup>1</sup> These Terms of Agreement are hereby incorporated by reference and, together with the documents executed in connection therewith, constitute the entire agreement between parties. There are no agreements, understandings, restrictions, representations, or warranties other than those set forth or referred to herein unless the parties have entered into an Addendum in writing, signed by the parties, that specifically references this Agreement.

I agree to discuss these requirements – *Fiduciary Obligations, 401(k) Plan Responsibilities, & Personal Salary/Compensation Considerations* – with my Outside Counsel to make an informed decision.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Printed Name \_\_\_\_\_

<sup>1</sup> [http://www.guidantfinancial.com/Libraries/documents/Guidant\\_401k\\_Online\\_Terms\\_and\\_Conditions\\_2010\\_09\\_21.sflb.pdf](http://www.guidantfinancial.com/Libraries/documents/Guidant_401k_Online_Terms_and_Conditions_2010_09_21.sflb.pdf)



# iFinance Agreement

## CLIENT INFORMATION

Client Legal Name:  
Client Date of Birth:

Spouse's Name (if applicable):  
Spouse's Date of Birth:

Client Address:

County:

City:

State:

Zip:

What state do you want the Corporation filed in?<sup>2</sup>:

## SHAREHOLDER INFORMATION

**Retirement Funds/Accounts:** Please list all parties investing retirement funds that will be used with iFinance.

◊ Have there been any rollovers within any of the below referenced accounts within the last 12 months?

If yes, please explain:

Account Owner Name	Type	Custodian	Amount	Inherited?
--------------------	------	-----------	--------	------------

**Non-Retirement Funds:** Please list all parties investing personal funds in your new Corporation

Account Owner Name	Source	Amount
	<i>Guidant Fee/Cash</i>	

I have confirmed with my custodian that my funds can be transferred and I acknowledge that I am ultimately responsible for ensuring that my funds are eligible for transfer/rollover into the iFinance Plan.

The Internal Revenue Code imposes a limit of one IRA-to-IRA distribution with a 12 month period. Distributions that fall outside this exception are subject to applicable taxes and penalties. Have you made a 60 day IRA-to-IRA distribution from any IRA you own during the preceding 12 months, whether that IRA is listed above or not? If "yes" what was the date on the distribution check and to whom was that check made payable?

<sup>2</sup> In the event you submit your contract and later change the state of investment, additional requirements and fees will apply. Contact Guidant immediately.



## iFinance Agreement

### OUTSIDE COUNSEL

Consultations with outside counsel are conducted by telephone. Please indicate who you prefer to have represented by outside counsel<sup>3</sup>.

I, \_\_\_\_\_, hereby acknowledge that I have personally filled out the iFinance Agreement, the information therein is accurate to the best of my knowledge, and Guidant is entitled to rely on that information in fulfilling the iFinance.

### PROPOSED INVESTMENT; BUSINESS TRANSACTION

- Are you purchasing a franchise?
- Will you be purchasing an existing business with iFinance?  
If yes, please answer the four following questions:
  1. This acquisition is an:
    2. Who are you purchasing the existing business from:
      - ◆ If other, please specify:
    3. Does this existing business have employees that will remain with the business after you acquire it?
      - ◆ If yes, how many existing employees are expected to remain with the business?
    4. Does this existing business have an existing retirement plan of any type?
      - ◆ If yes, specify the type: \_\_\_\_\_
      - ◆ If other, please specify: \_\_\_\_\_
  - Do you contemplate the iFinance corporation will purchase, lease or otherwise occupy real estate that is owned by you, a family member or any entity in which you or any family member have any ownership?  
If yes, please explain: \_\_\_\_\_
  - Do you anticipate the iFinance corporation entering into any type of commercial transaction or dealings with you, a family member or any entity in which you or any family member have ownership?  
If yes, please explain: \_\_\_\_\_
  - Identify any and all parties (including other entities) involved with your pending business transaction. Include any familial relationships among those parties:  
\_\_\_\_\_

<sup>3</sup> As provided in Paragraph 10 of the "Terms and Conditions." Client will receive two telephonic consultations, each ranging from 30-60 minutes maximum as determined by outside legal counsel to provide legal advice to Client on issues pertaining to the iFinance structure. If client's spouse/other investor desires to have separate legal counsel (i.e. no joint representation), the legal fees and costs of that separate legal counsel for the spouse/other investor will be the sole responsibility and expense of the Client. Client understands and agrees that GUIDANT will have no responsibility for such additional expenses.

"Joint Representation" means that both parties will be considered equally as clients, that both have the same legal interests, and both agree to attend all conferences with Outside Counsel. If you cannot meet those requirements, you must select single representation. With single representation, you may invite your spouse to attend any conference even if the spouse is not a client, with the understanding that you waive confidentiality in order to have the spouse attend. In this case, you both understand that only the represented spouse is entitled to reply on the legal advice.



## iFinance Agreement

Do you, your spouse, your children, or other investor(s) currently have ownership interest in any other business entities? (These include sole proprietorships, inactive and shell entities.)

Entity Name	State of Filing	Entity Type	Active?	What does it do?
Your ownership	Spouse's Ownership	List other owners, their relationship to you, and percentage of their ownership:		
# of Employees	# of 1099 Contractors:	Will this business interact with the iFinance business in any way? Explain:		
Type of Existing Retirement Plan:				

I understand that ANY interaction or co-mingling between any entity/business I have an ownership interest in and the new corporation that is being set up as part of my iFinance plan may constitute a prohibited transaction. If I decide that the entity or entities in which I have a personal ownership interest will interact with the iFinance corporation in any way, I agree to consult with my account manager and the outside legal counsel referred by Guidant, prior to such interaction. I agree to inform my outside counsel of all facts relating to any such possible interaction. My initials below indicate that all individuals involved in the iFinance structure understand and agree to the above statements.



# iFinance Agreement

This Agreement to Provide Services, dated \_\_\_\_\_, is a contract between Guidant Financial Group, Inc. ("GFG") and \_\_\_\_\_ ("Client").

Upon return of a signed and completed copy of this Agreement, subject to the \_\_\_\_\_ your payment of GFG's Agreed Fee, and the approval of this Agreement by GFG's compliance department, you will have retained GFG to produce documents and to provide services required for the iFinance program, as detailed below:

**AGREED FEE**  
Establishment of new 1) Corporation, including all fees;  
Establishment of new 2) Profit Sharing 401(k) Plan; Plan;  
Establishment of new 3) Corporate Bank account;  
Establishment of new 4) 401(k) Bank account;  
Assistance in transfer of funds from current plan to the new 401(k) Plan;  
Two (2) hours of consultation with outside legal counsel;<sup>6</sup> and  
Ongoing support with SFC consultant(s).

Please add the optional expedited service to the Agreed Fee for an additional \$499.00. This includes the expedited filing fee (where available), overnight delivery of documents as necessary, and expedited processing priority. This service is not offered for all states - consult your Consultant for details.<sup>7</sup>

Method of payment (select one of the choices below):

I have read, understand and agree to the terms of this agreement as detailed in the linked \* <sup>8</sup>

Client Signature \_\_\_\_\_ Date \_\_\_\_\_ Printed Name \_\_\_\_\_

<sup>4</sup> The default state of filing will be the Client's state of residence, unless otherwise indicated by the client and agreed to by GFG. It is the client's responsibility to notify GFG if client would prefer to file in a state other than client's state of residence. The number of shares and par value authorized for your Corporation will be determined based on GFG's standard practices, unless agreed to otherwise. GFG will pay up to \$500 in filing fees directly associated with the filing of the Articles of Incorporation. Filing fees will be determined by state filing fee requirements and based on GFG's standard filing practices, unless agreed to otherwise. Any filing fees, including fees related to the expedite of such filing, in excess of \$500 are the sole responsibility of the client and such excess fees must be paid by the client to GFG in advance of filing the Articles of Incorporation. GFG cannot guarantee the processing time for filings and will not be held liable for any damages caused by delay from processing a filing.

<sup>5</sup> In addition to the Agreed Fee, you will have the opportunity to engage GFG for the required recordkeeping services of your 401(k) Plan. Recordkeeping fees begin at \$119 per month. Fees will be paid in accordance with the terms of the Recordkeeping Agreement. Additional Recordkeeping fees may apply.

<sup>6</sup> As detailed in Paragraph 10 of the "Terms of Agreement."

<sup>7</sup> EXPEDITE filings in California will incur an additional charge of \$200 for each entity. This charge will be added to the Agreed Fee.

<sup>8</sup> Each individual contributing retirement funds to the iFinance is required to sign the agreement.

**Exhibit H-3**  
**United Leasing**

# United *Leasing & Finance*

Lease Number:

Commitment Date:

Rental Commencement Date:

Date of payment to vendor or date equipment delivered, whichever occurs first  
10<sup>th</sup> or 25<sup>th</sup> of month following the commitment date above

## EQUIPMENT LEASE

(Non-Consumer)

Subject to the terms, covenants and conditions set forth below, United Leasing, Inc., 3700 Morgan Avenue, Evansville, Indiana 47715, an Indiana corporation ("Lessor"), leases the following equipment (the "Equipment") to \_\_\_\_\_ ("Lessee"). Lessee is a corporation/limited liability company duly incorporated/organized and validly existing under the laws of the State of \_\_\_\_\_ and has the power to own and operate its properties, carry on its business, and enter into and perform its obligations hereunder. Lessee's correct legal name as shown on the records of the Secretary of State is \_\_\_\_\_. Lessee has all the requisite power and authority to run and operate its business as it is now being conducted. Lessee's chief executive office is located at \_\_\_\_\_.

### Equipment Information:

See attached Exhibit A

### Terms of Rent Payment:

Term of Lease:

Total # of Payments:

Equipment Rental:

Sales Tax:

**Total Rental:**

### Location of Equipment:

Address:

City, State Zip:

County:

### **Advance Rental Payments in the amount of \$ \_\_\_\_\_ to be applied against:**

<input checked="" type="checkbox"/>	First Rental Payment	_____ Security Deposit (Non-Refundable)
_____	Last Rental Payment	_____ Security Deposit (Refundable)
<input checked="" type="checkbox"/>	Administrative Fee –	
<input checked="" type="checkbox"/>	Interim Rent and tax to be calculated on number of days between Commitment Date and Rental Commencement Date, then billed to Lessee's account via ACH.	
_____	Other:	

### Purchase Options at Term:

The Equipment may be purchased upon expiration of the Term of Lease for \$1.00 plus \$395.00 termination fee.  
\_\_\_\_\_ The Equipment may be purchased upon expiration of the Term of Lease for its then fair market value plus \$395.00 termination fee.  
\_\_\_\_\_ Lessee agrees to purchase the Equipment upon the expiration of the Term of Lease for the sum of \$\_\_\_\_ which sum shall be paid by Lessee in addition to, and at the same time, as the final rental payment plus \$395.00 termination fee.

1. WARRANTIES. LESSOR IS NOT THE SELLER OR MANUFACTURER OF THE EQUIPMENT, MAKES NO WARRANTY OR REPRESENTATION, STATUTORY, EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, OR THE PERFORMANCE CAPABILITIES OF, THE EQUIPMENT DELIVERED HEREUNDER, AND LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE. LESSOR SHALL NOT EVER BE RESPONSIBLE FOR ANY LOSS OF USE OR OF ANY LOSS OF PROFITS, OR OF ANY OTHER DAMAGES, CONSEQUENTIAL OR INCIDENTAL, RESULTING FROM ANY BREACH OF ANY MANUFACTURER'S WARRANTY, OR RESULTING FROM ANY FAILURE, BREAKDOWN OR DEFECT IN THE USE, DESIGN, OPERATION OR MAINTENANCE OF THE EQUIPMENT. THIS EQUIPMENT IS LEASED AS IS. LESSOR IS NOT RESPONSIBLE FOR ANY DELAY IN OBTAINING ANY CERTIFICATE OF ORIGIN, TITLE, REGISTRATION OR OTHER DOCUMENTS – THESE ARE THE RESPONSIBILITY OF THE SELLER OR MANUFACTURER ONLY.

2. RENT. During the Term of Lease, Lessee will pay the rental amounts equal to the total rental for the number of months indicated in the total number of payments, as scheduled above. The first rental payment will be due on the "Commitment Date", and will apply to the rental period commencing on "Rental Commencement Date". All subsequent rental payments will be due in advance on the same date of each month (or other calendar period as indicated above) thereafter. Rent will be due whether or not Lessee has received any notice that payments are due. All rent will be paid to Lessor at its address above, or as otherwise directed by Lessor in writing. No portion of any rent payment shall constitute payment for any equity interest in the Equipment, and no rental payment shall create any rights in Lessee in the Equipment, except in accordance hereof.

Lessee hereby requests Lessor to lease the Equipment to Lessee on every term and condition set forth above and on the following pages. Upon written acceptance signed by the authorized employee of Lessor, Lessor agrees to lease the Equipment to Lessee.

3. FIXED RATE INDEMNITY. Lessor enters into interest rate hedging arrangements to limit its exposure to interest rate risks fundamental to leases provided with fixed interest rates. Lessee stipulates and agrees it has requested and selected that Lessor provides a fixed lease rate throughout the Initial Term of the Agreement. In consideration of Lessor's agreement to provide such fixed rate, if the Agreement or any Schedule to the Agreement shall be terminated before the end of the term, whether as a result of default, acceleration, voluntary pre-payment or any other reason whatsoever, Lessee hereby covenants and promises to pay to Lessor a funding indemnity amount to be determined by Lessor at time of such termination, and to be derived from the market interest and hedging rate environments then in effect, for the outstanding balance being terminated.

4. RENTAL COMMENCEMENT DATE. Lessee authorizes Lessor to insert as "Rental Commencement Date" the date upon which Equipment is first delivered to Lessee or any later date selected by Lessor. The term of this lease begins on the "Rental Commencement Date" and ends on the expiration of the number of months specified under "Terms of Rent Payment" after the "Rental Commencement Date".

5. USE. Lessee covenants and represents to Lessor (i) that the Equipment will be used exclusively for business and commercial purposes, (ii) will not be used at any time during the term of this lease for personal, family, or household purposes, (iii) it will use the Equipment in accordance with the manufacturer's suggested use, (iv) will maintain and inspect the Equipment according to manufacturer's recommendations and requirements and all applicable governmental regulations, and (v) Lessee will perform all required maintenance and replacement at its own expense, and upon the schedule and in such a manner as to keep the Equipment in good condition.

6. INSURANCE. : Lessee agrees to maintain: current physical damage (property) insurance for the amount of Equipment Cost or replacement value, whichever is higher, with a maximum deductible of \$2,500 naming Lessor and its "Assigns" as a "Loss Payee" on a "Lender's Loss Payable" endorsement; and acceptable public liability insurance naming Lessor and its "Assigns" as an "Additional Insured" with a combined single limit of liability of not less than \$1,000,000. Each policy must be with an insurer and in a form satisfactory to Lessor. Lessee must provide Lessor with written evidence of effective insurance on an ACORD 23 or equivalent document within 30 days of Lessor's request. If Lessee does not provide evidence of required insurance to Lessor when due, Lessor may, but have no obligation to, obtain insurance from an insurer of Lessor's choosing in such forms and amounts as Lessor deems reasonable to protect their interests ("Lease Insurance"). Lease Insurance covers the equipment, Lessor and their interests only; Lease Insurance does not name Lessee as an insured or loss payee. Lessee agrees to pay Lessor periodic charges for Lease Insurance ("Insurance Charges"), any portion of which may generate a profit to Lessor and/or their agents, and which include: premiums that may be higher than the premiums for required insurance if Lessee maintained required insurance separately; administration fees and a finance charge on any premium advances made by or on Lessor's behalf, that will not exceed the maximum lawful interest rate under applicable law. After Lessor's receipt of evidence of required insurance, Lessee's Insurance Charge payment obligation will cease. Lessee agrees to arbitrate any dispute with Lessor or with their agents regarding Lease Insurance or Insurance Charges under the rules of the American Arbitration Association in Evansville, Indiana; that arbitration shall be the exclusive remedy for such disputes; and that class arbitration is not permitted. This arbitration requirement does not apply to any other provision of this Agreement.

7. NON-CANCELABLE LEASE. This lease cannot be canceled or terminated except as provided herein.

8. TAXES. All applicable federal, state and local taxes, if any, payable on account of possession, lease, or use of the Equipment, including any and all personal property taxes, shall be paid by Lessee when the same are due and payable; a copy of said paid receipt shall be furnished to Lessor during each calendar year if paid directly to the taxing authority by Lessee. Additionally, Lessee will pay all applicable registration, sales, use, taxes or use fees, tag fees, excise taxes, permits and similar items along with a service fee when paid by Lessor on behalf of Lessee.

9. LOCATION OF EQUIPMENT. The Equipment shall be used by Lessee at the location specified on contract and shall not be removed or transferred to another location without prior written consent of Lessor. Mobile goods shall be deemed located where Lessee is located pursuant to UCC section 9-301.

10. TITLE. Lessor shall retain title to the Equipment covered by this agreement. Lessee agrees to be responsible for the safekeeping of all Equipment.

11. CASUALTY. In the event of damage to any item of the Equipment, Lessee shall immediately notify Lessor. Lessee shall not be entitled to rescind this agreement, nor to a defense against or abatement of rental fees because of theft, loss destruction, damage, attachment or seizure of any of the Equipment after delivery, and shall remain liable for all rental fees provided hereunder.

12. DEFAULT. If a material adverse change has occurred in the financial condition of the Lessee or Lessor believes the prospect of payment or performance of the Indebtedness is impaired; or if Lessee fails to make any payment provided for hereunder when due, or is in breach of any of its agreements contained herein, or if Lessee ceases doing business or is adjudicated a bankrupt, or takes advantage of any bankruptcy or insolvency laws, or if a receiver or trustee is appointed for Lessee's business, or if Lessee shall make an assignment for the benefit of creditors, or if in Lessor's judgment the Equipment furnished hereunder is deemed to be in danger of loss or abuse, then in any of those events, all remaining payments hereunder shall become immediately due and payable, and in addition, Lessor may enter upon the premises where the Equipment may be, without notice or demand, and take possession of and remove, sell, lease or dispose of the Equipment and from the proceeds retain all sums due hereunder. Any misrepresentations by Lessee as to any matter hereunder, or delivery by Lessee to Lessor of any document that is untrue in any respect on the date as of which the facts set forth therein are stated or certified shall constitute an event of default. Should Lessee be liquidated, dissolved, partitioned, or terminated, or should Lessee's charter expire or be revoked, such event shall constitute a default. After default, Lessor may reduce its claim to judgment, foreclose, or otherwise enforce its claim and security interest by any available judicial procedure. Lessor hereby retains any and all statutory or other available remedies in addition to all remedies stated herein, and the election of any remedy shall not be an election against, and shall not waive any other remedy. Any impoundment, seizure or confiscation of the equipment leased hereunder shall be an immediate default without further notice or demand by Lessor and Lessor, in addition to all other remedies hereunder, shall be entitled to an amount equal to 1/24th of the original cost of the Equipment, for each thirty (30) day period from the date of impoundment, seizure or confiscation until the return of the Equipment. Lessee hereby acknowledges and agrees in the event of any Default, as herein defined and in addition to any other remedy granted Lessor herein, Lessor shall be authorized to immediately request and receive the GPS coordinate location and any associated GPS history available and/or related to the Collateral from a party in possession of such information (or a party which possesses the means by which to obtain such information). Any third-party provider of the GPS information authorized under this paragraph shall be entitled to conclusively rely on Lessee's execution of this Agreement and this acknowledgment and authorization directing provider to provide the requested information.

13. DEFAULT INTEREST RATE. Upon the occurrence and during the continuance of any event of default described herein, at the option of Lessor, the leases shall bear interest at a rate which is 3% above the standard lease yield rate for all Lessee's obligations to Lessor.

14. REMEDIES. If the Lessee is in default under this Agreement, Lessor may, at its option, do any one or more of the following: (a) accelerate the remaining payments and any other amounts due under this Agreement; (b) use self-help and other lawful remedies to take possession of any Equipment; (c) sell or otherwise dispose of any Equipment in a manner which is commercially reasonable; (d) recover from Lessee all amounts then due and owing hereunder less the net sales price (net of all Lessor's costs and expenses of sale) of any Equipment Lender has repossessed and sold; or (e) utilize any other remedy available to Lessor under the Uniform Commercial Code or otherwise at law or in equity.

All remedies are cumulative and may be exercised concurrently or separately from time to time. Lessee will also pay Lessor all costs and expenses not offset against the proceeds of sale of any Equipment incurred by Lessor in enforcing this Agreement, including those incurred by using Lessor's salaried employees and those prior to filing of an action or in connection with a dismissed action. Any waiver by Lessor of a provision of this Agreement must be in writing, and forbearance by Lessor will not constitute a waiver. Post-default amounts will bear interest at 18% per annum or at such lesser default rate as set by law until paid.

15. LATE CHARGES/FEES/RETURNED CHECK CHARGE. If Lessee fails to pay, when due, any rent or other amount required herein to be paid by Lessee, Lessee shall pay to Lessor a late charge of \$50.00 or 10%, whichever is greater, on each such delinquent amount for each 10-day period or part thereof for which said amount is delinquent. No claim by Lessee, or any other person, of any defect or unfitness or unsuitability of the Equipment shall relieve Lessee of its obligation hereunder to pay rent, or any other obligation Lessee may have to Lessor under the terms of the lease.

Lessee agrees to pay a fee of \$50.00 for each check, negotiable order of withdrawal or share draft issued in connection with this Agreement that is returned because it has been dishonored.

The parties understand and agree that Lessor reserves the right to review and amend any and all fees without prior notice and, to the extent permitted by law, any update to any of Lessor's fees shall be applicable to new and existing Agreements between the parties,

and shall be incorporated herein. You may request the current fees from the Lessor at any time. The parties agree and understand that under no circumstances shall any amendment to the fees charged by Lessor be considered an amendment or breach of this Agreement.

16. ATTORNEY'S FEES. In the event of any default by Lessee, Lessee will pay Lessor's cost of collection, including reasonable attorney's fees and legal expenses incurred in exercising any rights or remedies.

17. NO ASSIGNMENT OR SUBLEASE. Lessee shall not, under any circumstances, without the express prior written consent of Lessor, assign or sublease its obligations or rights hereunder, or the Equipment leased hereunder to any person at any time. Any attempted assignment or sublease by Lessee shall immediately terminate Lessee's right to possession of the Equipment, and shall entitle Lessor to declare default under paragraph 11, and require all remaining payments hereunder to be immediately due and payable, and also authorize Lessee to recover the Equipment and return the Equipment to Lessor's possession.

18. ASSIGNMENT OF LEASE. This agreement and/or the right to collect the balance of payments under this agreement may be partially, wholly and repeatedly assigned by Lessor. In the event of such assignments, Lessee agrees to make all rental payments due under this agreement directly and exclusively to Assignee, upon notification of such assignment by Lessor. Lessee agrees to look solely to Lessor to perform all obligations, services and responsibilities under the agreement and acknowledges that any Assignee shall have no duty hereunder to perform such services. Rental payments made to Assignee shall be made without defense, set off or counterclaim. Lessee, in consideration for the execution of this Agreement, which right, including the right to all rental payments hereunder, shall continue until Lessee is notified otherwise in writing by Assignee.

19. SECURITY INTEREST. In order for Lessor to properly protect its interest in the Equipment, Lessee grants Lessor a security interest in the Equipment and in the proceeds thereof to secure payment and performance of all obligations of Lessee hereunder. Lessee agrees that Lessor may file a financing statement and all necessary documents to perfect any security interests without obtaining the signature of Lessee.

20. EQUIPMENT RETURN. At the end of the Term of Lease, if Lessee does not purchase the Equipment, Lessee will return the Equipment to Lessor at its office at 3700 Morgan Avenue, Evansville, Indiana or other location designated by Lessor, in good condition without damage or excessive wear and use, and pay any amounts owed under this lease, any taxes or other sums to be paid by Lessee.

21. ENVIRONMENTAL CONTAMINATION. Lessee agrees that it shall be solely and absolutely responsible for any damage or loss to the Equipment as a result of any environmental contamination or Equipment contamination by any substance, including any hazardous or toxic substance as those terms are defined by applicable local, state or federal law. Lessee shall also be responsible for any environmental contamination or remediation costs, fines or penalties related to either the use, possession or operation of the Equipment. Lessee shall absolutely indemnify and hold harmless Lessor from and against any claim for damages, cost, expense, fee or attorney's fee arising out of or relating to any violation of any local, state or federal law relating to environmental protection, contamination or remediation.

22. EQUIPMENT IDENTIFICATION. Lessor reserves the right at all times during this Lease the right to place and maintain in one or more locations upon each piece of Equipment the words United Leasing, Inc. and Lessee agrees not to remove, obscure, deface or obliterate any of said words or suffer any other person to do so.

23. EQUIPMENT MODIFICATION. Lessee will not change or modify the Equipment at any time during the term of this Agreement without the prior written consent of Lessor.

24. INDEMNIFICATION. Notwithstanding anything else contained herein, Lessee shall at all times absolutely indemnify and hold harmless Lessor from and against any loss, expense, claim or damage, including reasonable attorney's fees, arising out of Lessee's possession or use of the Equipment, or the design, manufacture, maintenance or physical condition of the Equipment.

25. ACCOUNTING TREATMENT. Lessor neither makes nor shall be deemed to have made any representation or warranty as to the accounting treatment to be accorded to the transactions contemplated by this lease or as to any tax consequences and/or tax treatment thereof.

26. GOVERNING LAW; VENUE. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF INDIANA REGARDLESS OF THE LOCATION OF THE COLLATERAL. VENUE FOR ANY ACTION RELATED TO OR ARISING FROM THIS AGREEMENT IN ANY WAY SHALL BE IN AN APPROPRIATE COURT IN VANDERBURGH COUNTY, INDIANA, OR IN ANOTHER COURT LESSOR SELECTS HAVING JURISDICTION. FOR CLARITY, LESSEE IRREVOCABLY AND UNCONDITIONALLY AGREES THAT LESSOR HAS THE OPTION TO CHOOSE THE VENUE, FORUM, AND STATE IN WHICH LESSOR COMMENCES ANY LEGAL ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY AND/OR OTHERWISE RELATED TO THIS AGREEMENT, THE TRANSACTION MADE HEREUNDER,

ANY DOCUMENTS, AND/OR THE COLLATERAL AND LESSEE HEREBY CONSENTS TO THE JURISDICTION OF THE COURTS LOCATED IN VANDERBURGH COUNTY, INDIANA, OR IN THE EVENT THAT THIS AGREEMENT IS ASSIGNED BY LESSOR, ANY OTHER COURT SELECTED BY THE ASSIGNEE; AND LESSEE FURTHER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT SHALL NOT COMMENCE ANY ACTION, LITIGATION, OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST LESSOR IN ANY WAY RELATING, DIRECTLY OR INDIRECTLY, TO THIS AGREEMENT, THE TRANSACTION MADE HEREUNDER, OR ANY DOCUMENTS, IN ANY FORUM OTHER THAN THE COURTS SITTING IN VANDERBURGH COUNTY, INDIANA.

27. SEVERABILITY. If any provision of this lease or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder and the application of such provision to other parties or circumstances will not be affected thereby and to this end the provisions of this lease are declared severable.

28. ADDITIONAL DOCUMENTS. Lessee will obtain and deliver to Lessor such documents as Lessor requests to protect its interest in this Agreement and the Equipment, including financing statements, of which Lessee hereby authorizes Lessor to sign on Lessee's behalf. Lessee will reimburse Lessor for all Lessor's search, filing and appraisal fees and other costs paid third parties in connection with this Agreement. Lessee will furnish Lessor such financial data or information relative to this Agreement or the Equipment as Lessor may from time to time reasonably request.

29. AGREEMENT TO COOPERATE TO CORRECT ADMINISTRATIVE ERRORS. Regardless of the reason for any administrative error or scrivener's error occurring within any document evidencing and/or securing this Agreement, Lessee agrees to cooperate with Lessor to correct any such errors. Lessee shall execute and/or initial and deliver reasonable amendments and/or modifications to correct any and all administrative and/or scrivener's errors within ten (10) days after receipt by Lessee of a written request from Lessor for such cooperation.

30. CONTINUING RIGHT TO OBTAIN CREDIT REPORTS. Lessee agrees, in accordance with that certain authorization for credit report inquiry executed by Lessee in conjunction with this Agreement, which credit report inquiry authorization shall be deemed herein incorporated and made part of this Agreement, that Lessor may obtain Lessee's credit report, credit score or other consumer or commercial credit report in connection with continuation of the extension of credit described in this Agreement, at intervals reasonably determined by Lessor and in accordance with the provisions of the credit reporting authorization.

31. CHANGE IN LEGAL OWNERSHIP. Lessee agrees to provide written notice to Lessor of any change in its ownership structure and to provide copies of any and all documents evidencing such change thirty (30) days prior to the effectiveness of such change. Lessor reserves the right to terminate the Agreement and/or take possession of the Equipment upon a change in the ownership structure of Lessee which is not acceptable to Lessor in its sole discretion. In addition to the actions authorized under this paragraph, any violation of this paragraph shall also be deemed a material breach of this Agreement, entitling Lessor to seek any and all remedies available under paragraph 13 herein.

32. FINANCIAL INFORMATION. The Lessee agrees to provide the Lessor, upon request, any financial statements or information the Lessor deems necessary. The Lessee warrants that the financial statements and information provided by the Lessee are accurate, correct and complete.

33. GENERAL. This agreement constitutes the entire agreement between the parties hereto, and supersedes and cancels any and all prior representations, agreements or understandings, if any, whether oral or written, relating the Equipment. Any waiver by Lessor to any term shall apply to that term alone and shall not be deemed or construed to apply to any other term of this Agreement. No modification hereof will be effective unless made in writing on or subsequent to the date hereof and executed in Lessor's behalf by an authorized officer. No salesperson of Lessor has authority to bind Lessor in any respect. This Agreement will not be binding on Lessor until accepted by Lessor's authorized officer, but notice of such acceptance is waived by Lessee.

34. CROSS COLLATERAL; CROSS DEFAULT. All collateral shall secure the payment and performance for all of Lessee's liabilities and obligations to Lessor whether under this Agreement or any other agreement between Lessee and Lessor, and under any other lease agreement including, but not limited to, all equipment financing agreements, lease agreements, interim funding agreements (collectively "Documents"). Lessor's security interest in the collateral shall not be terminated until and unless all of Lessee's obligations to Lessor under any of the Documents are fully paid and performed. The occurrence of any event of default under any of the other Documents shall be deemed an event of default hereunder.

35. JURY WAIVER. THE LESSEE AND THE LESSOR HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS LEASE AGREEMENT OR THE LEASE DOCUMENTS. NO OFFICER OF THE LESSOR HAS AUTHORITY TO WAIVE, CONDITION, OR MODIFY THIS PROVISION.

36. GUARANTORS. Lessee fully understands all terms and conditions herein, including the Default provision (Section 12), are the absolute obligation of any Guarantor (Personal or Corporate) to the transaction.

For Review Only

**Equipment Lease Signature Page**

Lease Number:

**LESSEE:**

Customer Name

By: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

Federal ID Number:

**LESSOR:**

United Leasing, Inc.

By: \_\_\_\_\_

Printed: Tristan Robinson

Title: Senior Director of Operations

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

For Review Only

# United *Leasing & Finance*

Exhibit A (Equipment by Vendor)  
For “<LTF>DocGenConCustomer.Name</LTF>” Lessee  
Lease Number: <LTF>DocGenConContract.Contract ID</LTF>

Attached hereto and made a part thereof that certain Equipment Lease Agreement, being <LTF>DocGenConCustomer.Name</LTF>, Lessee, <LTF>DocGenConContract.Contract ID</LTF>, Lease Number.

**Vendor:** <LTF>DocGenConVendor.Name</LTF>

<u>Quantity</u>	<u>Description</u>
<LTF>DocGenConEquipment.Quantity</LTF>	<LTF>DocGenConEquipment.Description</LTF>

<u>Serial Number</u>
<LTF>DocGenConEquipment.Serial Number</LTF>

<LTF>DocGenConCustomer.Name</LTF>

By: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

# United *Leasing & Finance*

Agreement No. \_\_\_\_\_

Commitment Date: Date of payment to vendor or date equipment delivered, whichever occurs first

## EQUIPMENT FINANCING AGREEMENT

<b>BORROWER</b>			
Business Address	City	State	Zip

### Full Description of Equipment, including Make, Model and Serial Number

Payments: <b>Total Number of Payments:</b>  <b>1<sup>st</sup> Payment: \$0.00</b>  <b>Followed by</b>  <b>___ Payments:</b>  <b>Balloon Payment Amount:</b>	Initial Payment (payable at inception)  <b>1<sup>st</sup> Payment: \$0.00</b>  <b>Administrative Fee</b>  <b>TOTAL DUE: \$0.00</b>	Equipment Cost/Advance  <b><u>Sale Price: \$0.00</u></b>  <b><u>Sales Tax: \$0.00</u></b>  <b><u>Total Financed: \$0.00</u></b>	
Equipment Location:	City	State	Zip

1. **SECURITY INTEREST.** Borrower hereby grants United Leasing, Inc. ("Lender") a security interest under the Uniform Commercial Code in the Equipment. The grant as to Equipment and Borrower's related obligations will be effective as of the later of execution hereof or when Borrower acquires an interest therein. The security interest secures Borrower's full and punctual payment and performance of Borrower's obligations hereunder and under any other agreement under which Borrower now or hereafter has obligations to Lender. Borrower shall ensure that such security interest is and remains a sole first lien security interest as additional security for this Agreement. Lender has requested personal guaranty(s) of principals of the Borrower.
  
2. **PAYMENTS.** Borrower will timely repay the Equipment Cost/Advance shown above in the payments shown above. The payment amounts shown above are based on the Equipment Cost/Advance. Actual payments will be calculated in the proportion that the actual advance bears to the Equipment Cost/Advance. If this transaction is not consummated, any initial payment may be retained by Lender as partial compensation for Lender's costs and expenses incurred. Any excess or deficiency between the first payment and the payment amount as finally determined will be payable with or credited to the second payment. The first monthly payment will be due and payable on either the 10<sup>th</sup> or 25<sup>th</sup>, whichever date comes first, following date of equipment delivery to Borrower of any equipment described above or on attached Exhibit A or on the date of disbursement of the proceeds to the seller of the Equipment, whichever occurs first and the Borrower authorizes the Lender to insert such date above in Payment schedule. A pro rata portion of the installment payment based on a daily charge of one-thirtieth (1/30) of the installment payment calculated from the payment commencement date to the start of the base term shall be due and payable at the payment commencement date. Other amounts due hereunder are payable upon Borrower's receipt of an invoice therefore and will automatically be paid along with the next installment payment if an ACH Agreement is in place. Borrower will pay Lender amounts due under this Agreement at Lender's address shown above or as Lender may otherwise notify Borrower. Amounts to be applied to the last payment(s) will be applied in inverse order until exhausted provided there has been no default under the agreement. If there is a default, payments may be applied to Borrower's obligations as Lender chooses.

3. NONCANCELLABLE. This is a non-cancelable irrevocable agreement and may not be cancelled by Borrower for any reason whatsoever. Borrower will make all payments whether or not Borrower is satisfied with the Equipment and without deduction for any claim Borrower may have against the supplier of the Equipment or against Lender.
4. FIXED RATE INDEMNITY. Lender enters into interest rate hedging arrangements to limit its exposure to interest rate risks fundamental to financing provided with fixed interest rates. Borrower stipulates and agrees it has requested and selected that Lender provides fixed rate financing throughout the initial term of the Agreement. In consideration of Lender's agreement to provide such fixed rate, if the Agreement or any schedule to the Agreement shall be terminated before the end of the term, whether as a result of default, acceleration, voluntary pre-payment or any other reason whatsoever, Borrower hereby covenants and promises to pay to Lender a funding indemnity amount to be determined by Lender at time of such termination, and to be derived from the market interest and hedging rate environments then in effect, for the outstanding balance being terminated.
5. LENDER TERMINATION. If any document(s) as required hereunder have not been executed and delivered to Lender, Lender may terminate its obligations to finance the Equipment on notice to Borrower (a) sixty (60) days from the Agreement date, (b) upon any material adverse change in Borrower's financial condition, (c) if the actual advance would exceed the Equipment Cost/Advance by more than 10% or (d) if Borrower is in default under the Agreement.
6. LOCATION; INSPECTION; USE. Borrower will keep, or permanently garage and not remove from such location as identified above for any period, all Equipment in Borrower's possession and control at the Equipment Location or such other location to which Lender may consent in writing. Upon request, Borrower will advise Lender as to the exact location of Equipment. Lender may inspect Equipment during normal business hours, and Borrower will ensure Lender's access for such purpose. All Equipment will be operated carefully and properly in compliance with all applicable governmental, insurance and manufacturer's warranty requirements and all manufacturer's instructions.
7. ENVIRONMENTAL CONTAMINATION. Borrower agrees that it shall be solely and absolutely responsible for any damage or loss to the Equipment as a result of any environmental contamination by any substance, including any hazardous or toxic substance as those terms are defined by applicable local, state or federal law. Borrower shall also be responsible for any environmental contamination or remediation costs, fines or penalties related to either the use, possession or operation of the Equipment. Borrower shall absolutely indemnify and hold harmless Lender from and against any claim for damages, cost, expense, fee or legal fee arising out of or relating to any violation of any local, state or federal law relating to environmental protection, contamination or remediation.
8. MAINTENANCE; ALTERATIONS. Borrower will maintain Equipment in good condition and repair and as specified in manufacturer's requirements. Borrower will cause Equipment of a type generally covered by a service contract to be covered under a contract providing sufficient coverage issued by a competent servicing entity. Borrower will not make any alterations or additions to Equipment which detract from its economic value or functional utility except as stated in the second preceding sentence. Alterations or additions not readily removable or made to comply with governmental requirements will be deemed accessions to the Equipment.
9. LOSS AND DAMAGE; STIPULATED VALUE. Borrower will bear all risk of loss, theft, destruction or requisition of or damage to Equipment ("Casualty Occurrence"). Borrower will give Lender prompt notice of a Casualty Occurrence and will then repair the Equipment; provided, if Lender decides the Equipment is lost, stolen, destroyed or damaged beyond repair or is requisitioned or suffers a constructive loss under an insurance policy carried hereunder, Borrower will pay Lender the present value of the total of all unpaid payments for the full term to be discounted at Lender's discretion. Any proceeds of insurance will be paid to Lender and credited against the outstanding balance. Upon such payment Lender's security interest will terminate as to the Equipment; provided this agreement is not then in default.
10. TITLING; REGISTRATION. Any Equipment subject to title registration laws will at all times be titled and/or registered by Borrower in such a manner and jurisdictions as Lender directs. Borrower will promptly notify Lender of any necessary or advisable retitling and/or re-registration of the Equipment in a different jurisdiction.
11. TAXES. Borrower will make all filings and pay all taxes and other governmental assessments relative to the Equipment as required by law. Borrower will pay or reimburse Lender for any other taxes and other governmental assessments other than Lender's net income taxes related to the payments due under or otherwise related to this agreement. Returns in connection with these latter matters will be filed by Lender or Borrower as Lender specifies.
12. INSURANCE. Borrower will maintain: physical damage (property for equipment / comprehensive and collision for vehicles) insurance for the amount of Equipment Cost or replacement value, whichever is higher, with a maximum deductible of \$2,500,

naming Lender and its Assigns as "Lender Loss Payee" on a "Loss Payable" endorsement. Borrower must provide Lender with written evidence of effective insurance on an ACORD 23 or equivalent document within 30 days of Lender request. If the borrower does not provide evidence of required insurance to Lender when due, Lender may, but have no obligation to, obtain insurance from an insurer of Lender's choosing in such forms and amounts as Lender deems reasonable to protect Lender's interests ("Equipment Insurance"). Equipment Insurance covers the equipment, Lender and Lender's interests only; Equipment Insurance does not name the borrower as an insured or loss payee. Borrower agrees to pay Lender periodic charges for Equipment Insurance ("Insurance Charges"), any portion of which may generate a profit to Lender and/or their agents, and which include: premiums that may be higher than the premiums for required insurance if Borrower maintained required insurance separately; administration fees and a finance charge on any premium advances made by or on Lender's behalf, that will not exceed the maximum lawful interest rate under applicable law. After Lender's receipt of evidence of required insurance, Borrower's Insurance Charge payment obligation will cease. Borrower agrees to arbitrate any dispute with Lender or with their agents regarding Equipment Insurance or Insurance Charges under the rules of the American Arbitration Association in (Evansville, Indiana); that arbitration shall be the exclusive remedy for such disputes; and that class arbitration is not permitted. This arbitration requirement does not apply to any other provision of this Agreement.

13. **LENDER'S PAYMENT.** If Borrower fails to perform any obligation hereunder, Lender may, but is not obligated to, perform the obligation, and Borrower will reimburse Lender's related costs. However, before Lender purchases insurance because Borrower has failed to comply with paragraph 9, Lender will give Borrower notice and an opportunity to obtain the required coverage. If Borrower does not do so and Lender places coverage, the charge for the replacement insurance Lender obtains, which will be billed and be payable with the installment payments, will include a fee plus interest on the premium as well as the allocable premium. Also, any insurance Lender obtains will not provide any liability coverage whatsoever, will insure Lender only, and will not relieve Borrower from Borrower's liability for the difference between the insurance proceeds and Borrower's responsibility for the Stipulated Value if the agreement must be paid off as to any Equipment after a Casualty Occurrence or cover any equity Borrower may have. No further insurance charges will be imposed once and for so long as Borrower complies with paragraph 12.
14. **INDEMNITY.** Lender is not responsible for any loss or injuries caused by the installation of use of the Equipment. Borrower agrees to hold Lender harmless and reimburse Lender for loss and to defend Lender against any claim for costs, losses or injury caused by the Equipment or its use or related to this Agreement. Borrower's indemnity obligation includes any cost, expense or liability Lender incurs, including court costs, legal fees, interest and penalties.
15. **DEFAULT.** If a material adverse change has occurred in the financial condition of the Borrower or Lender believes the prospect of payment or performance of the Indebtedness is impaired; or if Borrower fails to make any payment provided for hereunder when due, or is in breach of any of its agreements contained herein, or if Borrower ceases doing business or is adjudicated a bankrupt, or takes advantage of any bankruptcy or insolvency laws, or if a receiver or trustee is appointed for Borrower's business, or if Borrower shall make an assignment for the benefit of Lenders, or if in Lender's judgment the Equipment furnished hereunder is deemed to be in danger of loss or abuse, then in any of those events, all remaining payments hereunder shall become immediately due and payable, and in addition, Lender may enter upon the premises where the Equipment may be, without notice or demand, and take possession of and remove, sell, lease or dispose of the Equipment and from the proceeds retain all sums due hereunder. Any misrepresentations by Borrower as to any matter hereunder, or delivery by Borrower to Lender of any document that is untrue in any respect on the date as of which the facts set forth therein are stated or certified shall constitute an event of default. Should Borrower be liquidated, dissolved, partitioned, or terminated, or should Borrower's charter expire or be revoked, such event shall constitute a default. After default, Lender may reduce its claim to judgment, foreclose, or otherwise enforce its claim and security interest by any available judicial procedure. Lender hereby retains any and all statutory or other available remedies in addition to all remedies stated herein, and the election of any remedy shall not be an election against and shall not waive any other remedy. Any impoundment, seizure or confiscation of the equipment leased hereunder shall be an immediate default without further notice or demand by Lender and Lender, in addition to all other remedies hereunder, shall be entitled to an amount equal to 1/24th of the original cost of the Equipment, for each thirty (30) day period from the date of impoundment, seizure or confiscation until the return of the Equipment. Borrower hereby acknowledges and agrees in the event of any Default, as herein defined and in addition to any other remedy granted Lender herein, Lender shall be authorized to immediately request and receive the GPS coordinate location and any associated GPS history available and/or related to the Collateral from a party in possession of such information (or a party which possesses the means by which to obtain such information). Any third-party provider of the GPS information authorized under this paragraph shall be entitled to conclusively rely on Borrower's execution of this Agreement and this acknowledgment and authorization directing provider to provide the requested information.
16. **DEFAULT INTEREST RATE.** Upon the occurrence and during the continuance of any event of default described herein, at the option of Lender, the loans shall bear interest at a rate which is 3% above the standard loan yield rate for all Borrower's obligations to Lender.

17. REMEDIES. If the Borrower is in default under this Agreement, Lender may, at its option, do any one or more of the following: (a) accelerate the remaining payments and any other amounts due under the Agreement; (b) use self-help and other lawful remedies to take possession of any Equipment; (c) sell or otherwise dispose of any Equipment in a manner which is commercially reasonable; (d) recover from Borrower all amounts then due and owing hereunder less the net sales price (net of all Lender's costs and expenses of sale) of any Equipment Lender has repossessed and sold; or (e) utilize any other remedy available to Lender under the Uniform Commercial Code or otherwise at law or in equity.

All remedies are cumulative and may be exercised concurrently or separately from time to time. Borrower will also pay Lender all costs and expenses not offset against the proceeds of sale of any Equipment incurred by Lender in enforcing this Agreement, including those incurred by using Lender's salaried employees and those prior to filing of an action or in connection with a dismissed action. Any waiver by Lender of a provision of this Agreement must be in writing, and forbearance by Lender will not constitute a waiver. Post-default amounts will bear interest at 18% per annum or at such lesser default rate as set by law until paid.

18. NO ASSIGNMENT, LEASE OR SUBLEASE. Without the prior written consent of Lender, Borrower will not lease or sublease, transfer an interest in or allow a lien against any Equipment (except a lien in Equipment created by Lender) or transfer any obligation under this Agreement. Borrower's obligations are not assignable by operation of law. All Lenders' rights under this Agreement and interest in the Equipment may be disposed of without notice to Borrower. Borrower will acknowledge receipt of any notice of assignment in writing and will pay any assigned amounts as directed in the notice. If Lender assigns this Agreement or any interest herein, Borrower will not assert against the assignee any claim or defense it may have against Lender, and Borrower will pursue any rights on account thereof solely against Lender personally. No assignee will be obligated to perform any obligation of Lender under this Agreement unless assumed by the assignee. Subject to the foregoing, this Agreement is for the benefit of, and binds, the heirs, personal representatives, successors and assigns of the parties.

19. PERSONAL PROPERTY. Borrower will mark the Equipment or Equipment Location at Lender's request to indicate Lender's security interest in the Equipment. The Borrower shall prevent the Equipment from becoming (a) an accession to any personal property not subject to this Agreement or (b) affixed to any real property unless the security interest granted hereunder ranks prior to the interests of another person in the realty. Borrower will obtain and deliver to Lender, upon Lender's request, real property waivers in form satisfactory to Lender from all persons claiming an interest in the real property on which the Equipment is or is to be located.

20. ADDITIONAL DOCUMENTS. Borrower will obtain and deliver to Lender such documents as Lender requests to protect its interest in this Agreement and the Equipment, including financing statements, of which Borrower hereby authorizes Lender to sign on Borrower's behalf. Borrower will reimburse Lender for all Lender's search, filing and appraisal fees and other costs paid third parties in connection with this Agreement. Borrower will furnish Lender such financial data or information relative to this Agreement or the Equipment as Lender may from time to time reasonably request.

21. AGREEMENT TO COOPERATE TO CORRECT ADMINISTRATIVE ERRORS. Regardless of the reason for any administrative error or scrivener's error occurring within any document evidencing and/or securing this Agreement, Borrower agrees to cooperate with Lender to correct any such errors. Borrower shall execute and/or initial and deliver reasonable amendments and/or modifications to correct any and all administrative and/or scrivener's errors within ten (10) days after receipt by Borrower of a written request from Lender for such cooperation.

22. CONTINUING RIGHT TO OBTAIN CREDIT REPORTS. Borrower agrees, in accordance with that certain authorization for credit report inquiry executed by Borrower in conjunction with this Agreement, which credit report inquiry authorization shall be deemed herein incorporated and made part of this Agreement, that Lender may obtain Borrower's credit report, credit score or other consumer or commercial credit report in connection with continuation of the extension of credit described in this Agreement, at intervals reasonably determined by Lender and in accordance to with the provisions of the credit reporting authorization.

23. CHANGE IN LEGAL OWNERSHIP. Borrower agrees to provide written notice to Lender of any change in its ownership structure and to provide copies of any and all documents evidencing such change thirty (30) days prior to the effectiveness of such change. Lender reserves the right to terminate the Agreement and/or take possession of the Equipment upon a change in the ownership structure of Borrower which is not acceptable to Lender in its sole discretion. In addition to the actions authorized under this paragraph, any violation of this paragraph shall also be deemed a material breach of this Agreement, entitling Lender to seek any and all remedies available under paragraph 16 herein.

24. LATE PAYMENT AND FEES. If Borrower fails to pay an amount hereunder within ten (10) days when due, Borrower will pay Lender (a) a 5% late charge; (b) amounts Lender pays others in connection with collection of the amount; and (c) a \$50.00 returned check fee, if relevant.

The parties understand and agree that Lender reserves the right to review and amend any and all fees without prior notice and, to the extent permitted by law, any update to any of Lender's fees shall be applicable to new and existing Agreements between the parties, and shall be incorporated herein. You may request the current fees from the Lender at any time. The parties agree and understand that under no circumstances shall any amendment to the fees charged by Lender be considered an amendment or breach of this Agreement.

25. DEPOSIT. Any deposit Borrower furnishes in connection with this Agreement will not bear interest and may be applied by Lender to any obligations of Borrower to Lender which are in default. When Borrower has satisfied all Borrower's obligations hereunder, Lender will return any remaining balance of the deposit to Borrower.

26. TERMINATION FEE. At the end of the base term of payments, Borrower will pay and owe to Lender a termination fee of \$395.00.

27. GENERAL. This Agreement contains the entire agreement between Lender and Borrower concerning the financing of the Equipment and may be amended only by a written agreement signed by the parties. Notices hereunder must be in writing and mailed via registered mail or express overnight delivery by a nationally recognized carrier to the party involved at its respective address set forth above or at such other address as such party may provide the other on notice. Notices to Borrower will be effective upon deposit to Lender and to Lender upon receipt from Borrower. Each party will promptly notify the other of any change in address. The singular includes the plural and the word "Lender" includes all assignees of Lender. The liability of co-borrowers is joint and several. Paragraph titles are not an aid in interpretation.

28. CROSS COLLATERAL; CROSS DEFAULT. All collateral shall secure the payment and performance for all of Borrower's liabilities and obligations to Lender whether under this Agreement or any other agreement between Borrower and Lender, and under any other loan agreement including, but not limited to, all equipment financing agreements, lease agreements, interim funding agreements (collectively "Documents"). Lender's security interest in the collateral shall not be terminated until and unless all of Borrower's obligations to Lender under any of the Documents are fully paid and performed. The occurrence of any event of default under any of the other Documents shall be deemed an event of default hereunder.

29. GOVERNING LAW; VENUE. THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF INDIANA REGARDLESS OF THE LOCATION OF THE COLLATERAL. VENUE FOR ANY ACTION RELATED TO OR ARISING FROM THIS AGREEMENT IN ANY WAY SHALL BE IN AN APPROPRIATE COURT IN VANDERBURGH COUNTY, INDIANA, OR IN ANOTHER COURT LENDER SELECTS HAVING JURISDICTION. FOR CLARITY, BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT LENDER HAS THE OPTION TO CHOOSE THE VENUE, FORUM, AND STATE IN WHICH LENDER COMMENCES ANY LEGAL ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY AND/OR OTHERWISE RELATED TO THIS AGREEMENT, THE TRANSACTION MADE HEREUNDER, ANY DOCUMENTS, AND/OR THE COLLATERAL AND BORROWER HEREBY CONSENTS TO THE JURISDICTION OF THE COURTS LOCATED IN VANDERBURGH COUNTY, INDIANA, OR IN THE EVENT THAT THIS AGREEMENT IS ASSIGNED BY LENDER, ANY OTHER COURT SELECTED BY THE ASSIGNEE; AND BORROWER FURTHER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT SHALL NOT COMMENCE ANY ACTION, LITIGATION, OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST LENDER IN ANY WAY RELATING, DIRECTLY OR INDIRECTLY, TO THIS AGREEMENT, THE TRANSACTION MADE HEREUNDER, OR ANY DOCUMENTS, IN ANY FORUM OTHER THAN THE COURTS SITTING IN VANDERBURGH COUNTY, INDIANA.

30. NO AGENCY. BORROWER ACKNOWLEDGES THAT NO SUPPLIER, NOR ANY FINANCIAL INTERMEDIARY, NOR ANY AGENT OR EITHER IS AN AGENT OF LENDER, THAT NONE OF SUCH PARTIES IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS AGREEMENT, AND THAT NO REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY ANY SUCH PARTY IS BINDING UPON LENDER.

31. FINANCING. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. LENDER HAS HAD NO INVOLVEMENT IN THE SELECTION OR PURCHASE OF, AND HAS MADE NO AGREEMENT, REPRESENTATION OR WARRANTY AS TO ANY EQUIPMENT.

32. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT ALLOWED BY LAW, BORROWER WAIVES ANY RIGHT TO HAVE ANY ISSUE TRIED BY A JURY WHICH RELATES TO THIS AGREEMENT OR ANY PARTIES' OBLIGATIONS UNDER THIS AGREEMENT.
33. LEGAL FEES. In the event of any default by Borrower, Borrower will pay Lender's cost of collection, including reasonable legal fees and legal expenses incurred in exercising any rights or remedies.
34. GUARANTORS. Borrower fully understands all terms and conditions herein, including the Default provision (Section 15), are the absolute obligation of any Guarantor (Personal or Corporate) to the transaction.

By execution hereof, Borrower requests Lender to finance the Equipment hereunder. Execution hereof by a duly authorized officer of Lender indicates Lender's acceptance of such offer. Borrower represents and warrants that Borrower will use the Equipment solely for commercial or business purposes. Borrower hereby consents to and authorizes Lender, to whom this application is made, and its agents and assigns, to collect, use, retain, and disclose personal information about the Borrower ("**Personal Information**") for as long as it is required for the purposes of the transactions contemplated by this Agreement. Borrower also consents to and authorizes Lender, until such time as all amounts that Borrower owes under the Agreement have been paid, to obtain and share Personal Information, from time to time, from and with, credit reporting agencies, credit bureaus, any party mentioned in credit reports, and any other person, corporation, firm, or enterprise with whom Borrower has or proposes to have a financial relationship or any other person providing or requesting a reference. Borrower further consents to and authorizes those third parties to share Personal Information with Lender for the above-referenced purposes. Borrower certifies and warrants that the financial data and other information which Borrower has submitted or will submit to Lender, is or will be a true and complete statement of the matters covered. Borrower authorizes Lender to insert Equipment identification information above and to correct any patent errors, including omissions and clerical errors, such as incorrect Borrower name or Equipment descriptions and missing or incorrect dates in this Agreement and any related document.

Agreement No. \_\_\_\_\_

“BORROWER”

“LENDER”

**UNITED LEASING, INC.**

**By:** \_\_\_\_\_

By: \_\_\_\_\_

**Printed:** \_\_\_\_\_

Printed: Tristan Robinson

**Title:** \_\_\_\_\_

Title: Senior Director of Operations

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

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



Exhibit A (Equipment by Vendor)  
For "Customer Name" Borrower  
Agreement Number:

Attached hereto and made a part thereof that certain Equipment Finance Agreement, being \_\_\_\_\_, Borrower, \_\_\_\_\_, Agreement Number.

**Vendor:**

<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>
-----------------	--------------------	----------------------

Customer Name

**By:** \_\_\_\_\_

**Printed:** \_\_\_\_\_

**Title:** \_\_\_\_\_

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



PERSONAL GUARANTY

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged, including the execution of an Equipment Financing Agreement identified as Agreement Number \_\_\_\_\_ to United Leasing, Inc., 3700 Morgan Avenue, Evansville, Indiana 47715 as Lender to Borrower Name & Address \_\_\_\_\_ as Borrower, the undersigned \_\_\_\_\_ as Guarantor(s) jointly and severally, unconditionally guarantee(s) and promise(s) to pay or perform for Lender any and all obligations of Borrower under said Equipment Finance Agreement entered into between Lender and Borrower prior to the withdrawal hereof. If default shall at any time be made or suffered by Borrower in the prompt and timely payment of the payment or other sums to be paid thereunder, or in the performance of any other covenant or condition contained therein, at the times and in the manner provided therein, the undersigned, jointly and severally, agree upon demand to pay said payment, or any other sums that Borrower may be liable for thereunder, together with all damages that may arise in consequence of the nonperformance by Borrower of any said covenants and conditions, and fully to perform and carry out all other covenants and conditions of said Equipment Finance Agreement on the part of the Borrower to be performed. The "obligations" of Borrower secured hereby are intended to be construed in the most comprehensive sense and shall include all obligations of Borrower under said Loan Agreement, whether to pay or deposit money or perform some other act, whether due or not due, absolute or contingent, liquidated or unliquidated, and whether Borrower may be liable individually or jointly with others, whether recovery upon such obligations of Borrower may be or hereafter becomes barred by any statute of limitations or be or hereafter become otherwise unenforceable.

Lender may, without notice of demand, and without affecting the liability of the undersigned hereunder, from time to time; (1) Consent to Borrower's assignment of said Equipment Finance Agreement; (2) Take and hold security for the payment of this Guaranty of the performance of any such Equipment Finance Agreement and exchange, enforce, waive and reloan any such security; (3) Apply such security and direct the order and/or manner of sale thereof; (4) Reloan or substitute Guarantors; and (5) Assign Lender's right, title and interest in and rights under this Personal Guaranty, in whole or in part.

The undersigned hereby waive: (a) Demand, protest notice of protest, notice of Borrower's default notice of nonpayment or nonperformance, notice of acceptance hereof and of default hereunder; (b) The right, if any, to the benefit of, or to direct the application of, any security hypothecated to Lender or its successors or assigns until all obligations of Borrower to Lender, however, arising, shall have been paid or performed; and (c) The right to require Lender, or its successors and assigns, to proceed against Borrower, or any other Guarantor, or any security, or insurance, or to pursue any other remedy in Lender's power. Lender may proceed against the undersigned directly and independently of Borrower, and other persons, and each other. No modification, amendment, extension or renewal of, nor any waiver or excuse of any default under, and such Equipment Finance Agreement, nor the substitution, elimination or addition of any vehicles or equipment thereunder, nor the termination of the loan of any or all of the vehicles or equipment thereunder, nor the death, disability or incapacity of Borrower, the undersigned or any of them, shall reloan any of the undersigned, the undersigned hereby consenting thereto and waiving notice of any such transaction or vent. The covenants hereof shall survive the redelivery of any item of equipment, or the acceptance thereof, and the termination of any such Equipment Finance Agreement, and the undersigned waive to the maximum extent allowed by law the benefit of any statute of limitations affecting their liability.

The undersigned specifically stipulates and agrees to, and submits to, jurisdiction of any state or federal court located in Vanderburgh County, Indiana and agrees that Vanderburgh County, Indiana shall be the sole venue for any litigation regarding this Guaranty or the undersigned's rights or obligations under this Personal Guaranty. The undersigned also agrees to pay all reasonable attorney's fees, litigation expenses and all other costs and expenses incurred by the Lender or its successors and assigns in the enforcement in connection with this Personal Guaranty.

The undersigned hereby further waives jury trial, the right to interpose any counterclaim or consolidate any other action with an action on this Guaranty, and the benefit of any statute of limitations affecting its liabilities hereunder, or the enforcement thereof.

It is the intention of each of the undersigned, that this shall constitute a GUARANTY of the obligations of the Borrower under said Equipment Finance Agreement between Lender and Borrower which is made prior to the actual receipt by the holder hereof of written notice from such undersigned of withdrawal of the GUARANTY, but any such withdrawal shall not affect the then existing liability of such undersigned to any extent.

The obligations of each of the undersigned hereunder are primary and independent of the obligations of each other and of Borrower and of all other persons, and proceedings against each of the undersigned may be brought and maintained hereunder whether or not any other person is a party thereto.

DATED: \_\_\_\_\_

\_\_\_\_\_  
**GUARANTOR** – Printed Name

\_\_\_\_\_  
**SOCIAL SECURITY NUMBER**

HOME ADDRESS: \_\_\_\_\_

CELL PHONE: \_\_\_\_\_

HOME PHONE: \_\_\_\_\_

PERSONAL EMAIL ADDRESS: \_\_\_\_\_

For Review Only

WAXING **THE** CITY

**EXHIBIT I**

**PROVISION SERVICES AGREEMENT**



## SERVICES AGREEMENT

THIS SERVICES AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between PV Distribution LLC, a Delaware limited liability company ("ProVision") and \_\_\_\_\_, ("Customer") having a Waxing the City<sup>®</sup> Studio located at the following address: \_\_\_\_\_ (the "Studio").

### 1. Services:

a. *Website Hosting Services.* ProVision agrees to perform and provide to Customer, services consisting of non-exclusive electronic access to a digital information processing, transmission and storage system ("Server") to store Customer's website ("Site") and make the Site available on and via the global computer communications network ("Internet") as specified herein ("Hosting Services"). Customer agrees that the Hosting Services shall not include any web site development services, authorship or creation with respect to the Site.

b. *Software Installation and Support.* ProVision agrees to install the Waxing the City- approved proprietary studio management software (the "Proprietary Software") on Customer's Equipment (defined in Section 3.d.), or assist Customer in its access to the Proprietary Software in the event the Proprietary Software is web-based and, through it or its designees, to provide remote support of the Proprietary Software ("Proprietary Installation and Support Services" or "Proprietary I&S Services"). The Proprietary I&S Services may include the periodic upgrading of the Proprietary Software with newer versions or releases. All installation, assistance and support for the Proprietary Software is provided remotely. Upgrades, updates or other changes to the Proprietary Software may be made remotely and at such times as ProVision deems necessary or appropriate, in its sole discretion, with or without notice. Upon availability of a new release or version of the Proprietary Software, ProVision may cease supporting prior versions or releases upon not less than thirty (30) days prior written notice. Any new or additional Equipment necessitated by a software upgrade will be the responsibility of Customer.

c. *Security Monitoring.* ProVision agrees to perform and provide to Customer security monitoring services ("Security Monitoring Services") if, and only if, Customer purchases all security equipment through ProVision pursuant to a separate purchase order and ProVision installs that equipment. Customer acknowledges that the Security Monitoring Services will include the monitoring of the physical alarm system but such Security Monitoring Services do not include the video recorders or the monitoring of closed circuit televisions (CCTVs). *ProVision will not provide Security Monitoring Services for a security system purchased from, or installed, by a third party.*

d. *Availability of Services.* The Hosting Services, Proprietary I&S Services and Monitoring Services (if applicable) are collectively referred to as the "Services." Subject to the terms and conditions of this Agreement, ProVision shall attempt to provide the Services for twenty- four (24) hours a day, seven (7) days a week throughout the term of this Agreement. Customer agrees that from time to time the Services may be inaccessible or inoperable for any reason, including, without limitation: (i) equipment malfunctions; (ii) periodic maintenance procedures or repairs which ProVision may undertake from time to time; or (iii) causes beyond the control of ProVision or which are not reasonably foreseeable by ProVision, including, without limitation, interruption or failure of telecommunication or digital transmission links, hostile network attacks network congestion or other failures. Customer agrees that ProVision has no control of availability of Services on a continuous or uninterrupted basis.

e. *ProVision Materials.* In connection with performance of the Services and at the sole discretion of ProVision with no obligation, ProVision may provide to Customer certain materials, including, without limitation, license to the Proprietary Software or other computer software (in object code or source code form), data, documentation or information developed or provided by ProVision or its suppliers under this Agreement, domain names, electronic mail addresses and other

network addresses assigned to Customer, and other know-how, methodologies, equipment, and processes used by ProVison to provide the Services to Customer ("ProVison Materials").

f. *Customer Content.* Customer shall be solely responsible for providing, updating, uploading and maintaining the Site and any and all files, pages, data, works, information and/or materials on, within, displayed, linked or transmitted to, from or through the Site, including, without limitation, trade or service marks, images, photographs, illustrations, graphics, audio clips, video clips, email or other messages, metatags, domain names, software and text ("Customer Content"). The Customer Content shall also include any registered domain names provided by Customer or registered on behalf of Customer in connection with the Services.

## **2. Licenses, Access and Proprietary Rights**

a. *License of Customer Content.* Customer grants to ProVison, and ProVison accepts from Customer, a non-exclusive, worldwide and royalty free license to copy, display, use and transmit on and via the Internet the Customer Content in connection with ProVison's performance or enforcement of this Agreement.

b. *Access to Customer Equipment and Facilities.* Customer shall permit ProVison access to the facility at the above-referenced address to install and configure all Equipment and any ProVison Materials necessary for ProVison to perform the Services.

c. *License of ProVison Materials.* In consideration of Customer's payment of all compensation to ProVison pursuant to Section 4, ProVison grants to Customer, and Customer accepts from ProVison, a limited, non-transferable, non-exclusive license or sublicense, as applicable, for the term of this Agreement, to copy and use the ProVison Materials, solely in connection with the operation of the Studio identified at the above referenced address and in connection with the Site for Customer's internal business purposes.

d. *ProVison Proprietary Rights.* ProVison shall retain all right, title and interest (including copyright and other proprietary or intellectual property rights) in the ProVison Materials and all legally protectable elements, derivative works, modifications and enhancements thereto, whether or not developed in conjunction with Customer, and whether or not developed by ProVison, Customer or any contractor, subcontractor or agent for ProVison or Customer. To the extent that ownership of the ProVison Materials do not automatically vest in ProVison by virtue of this Agreement or otherwise, Customer agrees to and hereby does transfer and assign to ProVison all right, title and interest in the ProVison Materials and protectable elements or derivative works thereof. Upon any termination or expiration of this Agreement, Customer shall return all ProVison Materials to ProVison and erase and remove all copies of all ProVison Materials from any computer equipment and media in Customer's possession, custody or control.

## **3. Site and Services Terms and Limitations**

a. *Site Storage and Security.* At all times, Customer shall bear full risk of loss and damage to the Site and all Customer Content. Customer shall be solely responsible for undertaking measures to: (i) prevent any loss or damage to Customer Content; (ii) maintain independent archival and backup copies of the Site and all Customer Content; (iii) ensure the security, confidentiality and integrity of all Customer Content transmitted through or stored on the Server; and (iv) ensure the confidentiality of Customer's password. The Server, ProVison and Services are not an archive and ProVison shall have no liability to Customer or any other person for loss, damage or destruction of any Customer Content. If Customer's password is lost, stolen or otherwise compromised, Customer shall promptly notify ProVison, whereupon ProVison shall suspend access to the Services by use of such password and issue a replacement password to Customer's authorized representative.

b. *Acceptable Use Policy.* Customer is solely responsible for all acts, omissions and use under and charges incurred with Customer's account or password or in connection with the Site or any Customer Content displayed, linked, transmitted through or stored on the Server. Customer agrees not to engage in unacceptable use of any Services, which includes, without limitation, use of the Services to: (i) disseminate or transmit unsolicited messages, chain letters or unsolicited commercial email; (ii) disseminate or transmit any material that, to a reasonable person may be abusive, obscene, pornographic, defamatory, harassing, grossly offensive, vulgar, threatening or malicious; (iii) disseminate or transmit files, graphics, software or other material, data or work that actually or potentially infringes the copyright, trademark, patent,

trade secret or other intellectual property right of any person; (iv) create a false identity or to otherwise attempt to mislead any person as to the identity, source or origin of any communication; (v) export, re-export or permit downloading of any message or content in violation of any export or import law, regulation or restriction of the United States and its agencies or authorities, or without all required approvals, licenses and/or exemptions; (vi) interfere, disrupt or attempt to gain unauthorized access to any computer system, server, network or account for which Customer does not have authorization to access or at a level exceeding Customer's authorization; (vii) disseminate or transmit any virus, trojan horse or other malicious, harmful or disabling data, work, code or program; or (viii) engage in any other activity deemed by ProVizion to be in conflict with the spirit or intent of this Agreement or any ProVizion policy.

c. *Rights of ProVizion.* Customer agrees that ProVizion may, in its sole discretion, remove or disable access to all or any portion of the Site or Customer Content stored on the Server at any time and for any reason. ProVizion has no obligation to monitor the Site or any Customer Content, but reserves the right in its sole discretion to do so.

d. *Equipment.* Customer shall be solely responsible for providing, maintaining and ensuring compatibility with all hardware, software, electrical and other physical requirements necessary for ProVizion to perform the Services and for Customer to access the Site, including, without limitation, telecommunications and digital transmission connections and links, routers, local area network servers, virus software, firewalls, or other equipment (collectively "Equipment").

e. *Alarm Permit.* Customer acknowledges that an alarm permit may be required. Obtaining the alarm from the local authority (Police or Fire Departments) is the responsibility of Customer.

f. *Monthly Alarm Testing.* Customer agrees that a monthly test of the security system is required.

#### **4. Fees; Payment Terms**

a. *Fees.* Customer shall pay ProVizion for the Services and license hereunder at Section 2(c) the amounts set forth below. ProVizion expressly reserves the right to change its rates charged hereunder for the Services at any time, upon thirty (30) days' notice to Customer.

Technology Fee for ProVizion Materials and Proprietary I&S, Web Hosting, and Monitoring Services Fee = \$799.00

ProVizion may change the amount and calculation of the foregoing fee ten percent (10%) annually. Adjustments are compounded annually and cumulative including increases in any given year of greater than ten percent (10%) to adjust for prior years when no increase, or an increase of less than the permitted percentage increase, was implemented.

Pre Transfer/Renewal Technology Fee = \$550 (charged for inspections of technology systems to determine compliance with system standards in advance of any renewal or transfer of the franchise).

*ProVizion will not provide Security Monitoring Services for any security system purchased from or installed by a third party.*

b. *Invoices.* Customer will be invoiced on a monthly basis in advance for Services to be provided for such month. Customer agrees to sign and deliver to ProVizion and to ProVizion's bank(s) and Customer's bank, as necessary, all forms and documents that ProVizion may request to permit ProVizion to debit Customer's account, either by check, via electronic funds transfer or other means or methods as ProVizion may designate (the "Payment Methods") for the Technology Fee and for any other fees and payments that may be owing to ProVizion under this Agreement. Customer will notify ProVizion at least twenty (20) days before closing or changing the account against which such debits are to be made. If such account is closed or ceases to be used, Customer will immediately provide all documents and information necessary to permit ProVizion to debit the amounts due from an alternative account.

i. If any check that Customer submits to ProVizion is returned for insufficient funds, or if ProVizion is unable to collect funds via the Payment Methods due to insufficient funds, Customer will pay ProVizion an Insufficient Funds Fee of \$100 for each returned check, and each time ProVizion is unable to collect monies via the Payment Methods.

- ii. ProVision reserves the right to invoice on a pro rata basis for any part of a calendar month to allow for subsequent invoices to be calculated and paid on a calendar monthly basis.
- iii. If Customer is delinquent in its payments, in addition to any other rights ProVision has under this Agreement, ProVision may suspend Services upon written notice to Customer until all payments are current and ProVision may modify the payment terms to require other assurances to secure Customer's payment obligations hereunder.
- iv. All fees charged by ProVision for Services are exclusive of taxes and similar fees now in force or enacted in the future imposed on the transaction, all of which the Customer will be responsible for, except for taxes based on ProVision's net income.
- v. Customer agrees that amounts of any unpaid invoice shall accrue interest at one and one half percent (1.5%) per month or the maximum amount permitted by law, whichever is less.
- vi. Customer shall pay all costs of collection, including reasonable attorney's fees and costs, in the event any invoice requires collection efforts.

c. *Taxes.* Customer shall promptly pay all federal, state and local taxes arising out of this Agreement and the Services and equipment described herein, including any sales to similar tax on any payments payable to ProVision under this Agreement. ProVision will not be liable for these or any other taxes, and Customer will indemnify ProVision for any such taxes that may be assessed or levied against ProVision which arise or result from the Services or equipment described in this Agreement.

## **5. Warranties and Disclaimer**

a. *ProVision Warranties.* ProVision warrants to Customer that: (i) ProVision has the right and authority to enter into and perform its obligations under this Agreement; and (ii) ProVision shall perform the Services in a commercially reasonable manner. Customer's sole remedy in the event of breach of this warranty will be to terminate the Agreement pursuant to Section 8.

b. *Customer Warranties.* Customer represents and warrants to ProVision that: (i) Customer has the power and authority to enter into and perform its obligations under this Agreement; (ii) Customer Content does not and shall not contain any content, materials, data, work, trade or service mark, trade name, link, advertising or services that actually or potentially violates any applicable law or regulation or infringe or misappropriate any proprietary, intellectual property, contract or tort right of any person; and (iii) Customer has express written authorization from the owner to copy, use and display the Customer Content on and within the Site.

c. *Disclaimer of Warranty.* EXCEPT AS EXPRESSLY STATED AT SECTION 5(a), PROVISION MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, CONCERNING ANY SUBJECT MATTER OF THIS AGREEMENT. PROVISION EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE SERVICES OR PROVISION MATERIALS WILL MEET CUSTOMER'S REQUIREMENTS OR WILL BE UNINTERRUPTED, ERROR FREE OR FREE FROM DATA LOSS.

## **6. Limitation of Liability**

EXCLUSIVE OF LIABILITY UNDER SECTION 7 (INDEMNIFICATION), IN NO EVENT SHALL PROVISION BE LIABLE TO CUSTOMER OR ANY OTHER PERSON FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF DATA, LOSS OF PROFIT OR GOODWILL, FOR ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ITS SUBJECT MATTER, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, EVEN IF PROVISION HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. PROVISION'S TOTAL LIABILITY FOR DAMAGES SHALL BE LIMITED TO THE TOTAL FEES PAID BY CUSTOMER TO PROVISION HEREUNDER FOR THE ONE (1) YEAR PERIOD PRIOR TO ANY ACT OR OMISSION GIVING RISE TO ANY POTENTIAL LIABILITY.

## **7. Indemnification**

a. *By Customer.* Customer agrees to indemnify, hold harmless and defend ProVision and its directors, officers, employees and agents from and against any third party action, claim, demand, dispute, or liability, including reasonable attorney's fees and costs, arising from or relating to: (i) Customer's breach of this Agreement; (ii) any negligence or willful misconduct of Customer;

(iii) any allegation that the Site or Customer Content infringes a third person's copyright, trademark or proprietary or intellectual property right, or misappropriates a third person's trade secrets; or (iv) any action or conduct of ProVizion undertaken pursuant to this Agreement. Customer agrees that ProVizion shall have the right to participate in the defense of any such claim through counsel of its own choosing.

b. *By ProVizion.* ProVizion agrees to indemnify, hold harmless and defend Customer and its directors, officers, employees and agents from and against any third party action, claim, demand or liability, including reasonable attorney's fees and costs, arising from or relating to any allegation that the ProVizion Materials infringe a third person's copyright, trademark or proprietary or intellectual property right, or misappropriates a third person's trade secrets.

## **8. Insurance**

a. At all times during the term of this Agreement, Customer must maintain in force, at its sole expense, the types and amounts of insurance that ProVizion may require from time to time. The insurance coverage must be maintained under one or more policies of insurance issued by insurance companies rated A+ or better by Alfred M. Best & Company, Inc. All policies must name ProVizion and Waxing the City Franchisor LLC as additional insureds and must provide that ProVizion receives ten (10) days' prior written notice of termination, expiration, reduction or cancellation of any such policy. Upon the execution of this Agreement Customer must provide ProVizion with a copy of the certificate or other evidence as ProVizion may require of the required insurance. Customer must submit to ProVizion annually, a copy of the certificate or other evidence of the renewal or extension of any such insurance.

## **9. Term and Termination**

a. *Term.* The term of this Agreement shall be in conjunction with Customer's Franchise Agreement executed between itself and Waxing the City Franchisor LLC to operate an Waxing the City® Studio at the Facility ("Franchise Agreement").

b. *Termination.* This Agreement may be terminated by a written agreement executed by the parties. In addition, the Agreement will terminate automatically without further notice in the event that the Franchise Agreement between Customer and Waxing the City Franchisor LLC is terminated or expires. Notwithstanding the foregoing, ProVizion reserves the right, in its sole discretion and without prior notice, at any time, to suspend Customer's access to or use of the Server, Services or any portion thereof, in the event ProVizion believes or has reason to believe that Customer is in violation or may be violating any term or condition of this Agreement. In the event of suspension of Services, ProVizion shall thereafter provide prompt written notice to Customer of the suspension of Services and the reasons therefore. In addition, in the event that ProVizion's license to or right to distribute the Proprietary Software is terminated for any reason, any license granted to Customer for use of the Proprietary Software shall automatically terminate. ProVizion shall provide Customer with written notice of such termination. ProVizion will use good-faith efforts to procure a substitute license for similar software including, without limitation, web-based software, within a period of thirty (30) days after termination. However, ProVizion makes no representation or warranty as to the continued availability of the Proprietary Software and will have no liability whatsoever to Customer in such a termination event.

c. *Rights Upon Termination.* In the event this Agreement is terminated for any reason, Customer shall pay ProVizion, on a pro rata basis, for all Services provided to Customer up to the date of termination.

## **10. General**

a. *Independent Contractors.* The parties and their respective personnel, are and shall be independent contractors and neither party by virtue of this Agreement shall have any right, power or authority to act or create any obligation, express or implied, on behalf of the other party.

b. *Assignment.* Customer may not assign any of its rights, duties or obligations under this Agreement to any person or entity, in whole or in part, and any attempt to do so shall be deemed void and/or a material breach of this Agreement. ProVizion may assign this Agreement or any of its rights, duties or obligations under this Agreement to any person or entity, in whole or in part, without Customer's consent. Upon ProVizion's assignment of this Agreement or any of its rights, duties or obligations hereunder, it will be released from all obligations and liabilities arising or

accruing in connection with this Agreement or such rights, duties or obligations so assigned in the event this Agreement is not assigned in whole, after the date of such transfer or assignment.

c. *Waiver.* No waiver of any Provision hereof or of any right or remedy hereunder shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. No delay in exercising, no course of dealing with respect to, or no partial exercise of any right or remedy hereunder shall constitute a waiver of any other right or remedy, or future exercise thereof.

d. *Severability.* If any Provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

e. *Notice.* All notices shall be in writing and shall be deemed to be delivered when received by certified mail, postage prepaid, return receipt requested. All notices shall be directed to the parties at the respective addresses given above or to such other address as either party may, from time to time, designate by notice to the other party.

f. *Amendment.* No amendment, change, waiver, or discharge hereof shall be valid unless in writing and signed by both parties.

g. *Governing Law, Jurisdiction and Venue.* This Agreement shall be governed in all respects by the laws of the State of Minnesota without regard to its conflict of laws provisions. The parties hereto expressly agree that venue shall be exclusively in the state or federal courts located in Ramsey County, Minnesota. The parties hereto hereby consent to the exclusive jurisdiction of the federal and state courts in Ramsey County, Minnesota and expressly waive any objection to personal jurisdiction, improper venue and/or convenience of such forums.

h. *Survival.* The definitions of this Agreement and the respective rights and obligations of the parties under Sections 1(f), 2(a), 2(d), 3, 4, 5(b), 5(c), 6, 7, 8(c) and 9 shall survive any termination or expiration of this Agreement.

i. *Force Majeure.* If the performance of any part of this Agreement by either party is prevented, hindered, delayed or otherwise made impracticable by reason of any flood, riot, fire, judicial or governmental action, labor disputes, act of God or any other causes beyond the control of either party, that party shall be excused from such to the extent that it is prevented, hindered or delayed by such causes.

j. *Entire Agreement.* This Agreement constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to the subject matter hereof, superseding all prior or contemporaneous proposals, communications and understandings, oral or written.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this Agreement.

CUSTOMER

PV Distribution LLC

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

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

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

WAXING **THE** CITY

**EXHIBIT J**

**ELECTRONIC FUNDS TRANSFER  
AUTHORIZATION**

**ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION**

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

Location: \_\_\_\_\_

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

Attention: Accounting

The undersigned hereby has entered into a Franchise Agreement with Waxing the City Franchisor LLC (the "Franchise Agreement"), and authorizes Waxing the City Franchisor LLC or any of its affiliated entities, including without limitation, PV Distribution LLC (collectively, "WTC Entities"), to initiate one-time, weekly and/or monthly ACH debit and credit entries against the account of the undersigned with you in payment of amount for ongoing weekly royalty fees, monthly general advertising contributions, monthly technology fees, and other amounts that become due and payable by the undersigned to WTC Entities pursuant to the Franchise Agreement or any other agreement between the undersigned and a WTC Entity. The dollar amount to be debited per payment and credited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit and credit entry initiated by the WTC Entities.

This authorization is binding, and will remain in full force and effect until ninety (90) days prior written notice has been given to you by the undersigned, subject to state law. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit and credit entries pursuant to this letter of authorization.

Please honor ACH debit and credit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit and credit entries.

Sincerely yours,

\_\_\_\_\_

\_\_\_\_\_  
Account Name

\_\_\_\_\_  
Bank Name

\_\_\_\_\_  
Customer Street Address

\_\_\_\_\_  
Branch

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Bank Street Address

\_\_\_\_\_  
Customer Telephone Number

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
Customer's Account Number

\_\_\_\_\_  
Bank Telephone Number

\_\_\_\_\_  
Bank's Account Number

\_\_\_\_\_  
Bank Routing/ABA Number

WAXING **THE** CITY

**EXHIBIT K**

**FRANCHISEE QUESTIONNAIRE**

## **5 Key Questions – New Franchisees**

1. Why are you a good fit for Waxing the City? Why will you be an exceptional franchisee?

---

---

---

---

2. Aside from operating your own studio, how will you make the Waxing the City brand and franchise system as a whole stronger?

---

---

---

---

3. Franchisees purposely give up some entrepreneurial freedom in exchange for joining an established system which provides ongoing education and support. You'll be tapping into a network of vendors, corporate staff and fellow franchisees, all of whom will allow you to flatten your learning curve and reduce your chances for error. Are you willing to trade some of your entrepreneurial freedom to work within this system?

---

---

---

---

4. What are you willing to sacrifice to run a successful business? What are you unwilling to sacrifice?

---

---

---

---

5. In your opinion, what are the differences of a successful franchisee vs. a non-successful franchisee? What characteristics does the successful owner have?

---

---

---

---

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. This questionnaire does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**All prospective franchisees applying please sign here:**

FRANCHISE APPLICANT \_\_\_\_\_

FRANCHISE APPLICANT \_\_\_\_\_

FRANCHISE APPLICANT \_\_\_\_\_

FRANCHISE APPLICANT \_\_\_\_\_

DATE: \_\_\_\_\_



**FRANCHISEE QUESTIONNAIRE – PROSPECTIVE FRANCHISEES**

If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

Do not sign this Questionnaire if you are a resident of Hawaii, Maryland, or Washington or if the franchise is to be operated in Hawaii, Maryland, or Washington. If signed or otherwise completed, this Questionnaire will not apply to any Hawaii, Maryland, or Washington franchisee.

As you know, Waxing the City Franchisor LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement and/or Area Development Agreement for the operation of a franchised Waxing the City® business (the “Franchise”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

QUESTION	YES	NO
1. Have you received and personally reviewed the Franchise Disclosure Document provided to you?		
2. Did you sign a receipt (Item 23) for the Franchise Disclosure Document indicating the date you received it?		
3. Have you received and personally reviewed the Franchise Agreement and/or Area Development Agreement and each exhibit or schedule attached to it?		
4. Are you legally eligible to work or own a business in the United States and/or Canada, including the state or province in which the Franchise will be located?		
5. Has any employee or other person speaking on behalf of the Franchisor made any statement or representation regarding the actual, average or projected memberships, revenues, or profits that you, Franchisor, or any of our franchisees have achieved in operating the Franchise, other than what is contained in the Franchise Disclosure Document?		
6. Has any employee or other person speaking on behalf of the Franchisor made any promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance or any other material subject relating to the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?		
7. Has any employee or other person speaking on behalf of the Franchisor made any other oral, written, visual or other promises, agreements, commitments, understandings, rights-of-first refusal or otherwise to you with respect to any matter, except as expressly set forth in the Franchise Agreement and/or Area Development Agreement or in an attached written Amendment signed by you and us?		
8. Are you legally eligible to travel to and attend New Franchisee Training at one of our designated training centers in the United States? If you answer “no”, please provide an explanation here:  _____  _____  _____		

QUESTION	YES	NO
<p>9. Are you currently involved in any other businesses/franchises that may interfere with the non-compete obligations outlined in the Waxing the City Franchise Agreement, or any other agreements you may have with other businesses/franchises? If yes, please describe the businesses/franchises here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>10. Are there any contingencies, prerequisites, or other reservations existing (excluding obtaining financing for equipment or build-out of your Waxing Studio) that will affect your ability to sign or perform your obligations under the Franchise Agreement and/or Area Development Agreement?</p>		
<p>11. Have there been any changes in any of the information you have provided to us or our affiliates in connection with any application for the Franchise, or in any application, statement or report you have provided to us? If yes, please describe the changes here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>12. Have you been proven to have engaged in fraudulent conduct, or been convicted of, or plead guilty or no contest to, a felony or misdemeanor involving dishonesty or fraudulent conduct, or do you have any such charges pending? If yes, please describe all relevant facts here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>13. Have you, in the past 10 years, declared bankruptcy, or taken any action, or had any action taken against you, under any insolvency, bankruptcy, or reorganization act? If yes, please describe all relevant facts here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>14. Have you brought, been named in, or been directly involved in any past or pending litigation or formal dispute resolution process? If yes, please describe all relevant facts here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>15. Is there any information that might appear on a credit or criminal history report that you wish to disclose and/or address, knowing that failure to disclose such information may be considered grounds for denial of a franchise? If yes, please describe all relevant facts here:</p> <p>_____</p> <p>_____</p> <p>_____</p>		

Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: \_\_\_\_\_

Please insert the date on which you received a copy of the Area Development Agreement with all material blanks fully completed: \_\_\_\_\_

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully, completely and correctly to the above questions. No representations contained herein are intended to or will act as a release, estoppel or waiver of any liability incurred under any applicable franchise law.

**All prospective franchisees applying please sign here:**

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

DATE: \_\_\_\_\_

# WAXING THE CITY

## FRANCHISEE QUESTIONNAIRE – EXISTING FRANCHISEES

If you are a resident of the State of California or your franchise is located in California you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.

Do not sign this Questionnaire if you are a resident of Hawaii, Maryland, or Washington or if the franchise is to be operated in Hawaii, Maryland, or Washington. If signed or otherwise completed, this Questionnaire will not apply to any Hawaii, Maryland, or Washington franchisee.

As you know, Waxing The City Franchisor LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement and/or Area Development Agreement for the operation of a franchised Waxing the City® studio (the “Franchise”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

QUESTION	YES	NO
1. Have you received and personally reviewed the Franchise Disclosure Document provided to you?		
2. Did you sign a receipt (Item 23) for the Franchise Disclosure Document indicating the date you received it?		
3. Have you received and personally reviewed the Franchise Agreement and/or Area Development Agreement and each exhibit or schedule attached to it?		
4. Are you legally eligible to work or own a business in the United States and/or Canada, including the state or province in which the Franchise will be located?		
5. Has any employee or other person speaking on behalf of the Franchisor made any statement or representation regarding the actual, average or projected services, revenues, or profits that you, Franchisor, or any of our franchisees have achieved in operating the Franchise, other than what is contained in the Franchise Disclosure Document?		
6. Has any employee or other person speaking on behalf of the Franchisor made any promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance or any other material subject relating to the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?		
7. Has any employee or other person speaking on behalf of the Franchisor made any other oral, written, visual or other promises, agreements, commitments, understandings, rights-of-first refusal or otherwise to you with respect to any matter, except as expressly set forth in the Franchise Agreement and/or Area Development Agreement or in an attached written Amendment signed by you and us?		
8. Are there any contingencies, prerequisites, or other reservations existing (excluding obtaining financing for equipment or build-out of your Waxing the City Studio) that will affect your ability to sign or perform your obligations under the Franchise Agreement and/or Area Development Agreement?		

**Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed:** \_\_\_\_\_

**Please insert the date on which you received a copy of the Area Development Agreement with all material blanks fully completed:** \_\_\_\_\_

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully, completely and correctly to the above questions. No representations contained herein are intended to or will act as a release, estoppel or waiver of any liability incurred under any applicable franchise law.

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_  
FRANCHISE APPLICANT

DATE: \_\_\_\_\_

### **State Effective Dates**

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

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

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	March 31, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	March 31, 2026

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.

**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 Waxing the City Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

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

If Waxing the City Franchisor LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The franchisor is Waxing the City Franchisor LLC, 111 Weir Drive, Woodbury, MN 55125. Its telephone number is 866-956-4612.

The name, principal business address and telephone number of each franchise seller offering the franchise:

Franchise Seller Name	Business Address	Telephone Number
	111 Weir Drive, Woodbury, MN 55125	(651) 438-5000

ISSUANCE DATE: March 31, 2026.

Waxing the City Franchisor LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state, except in the State of Minnesota, where any of our officers are authorized to receive service of process on our behalf.

I have received a Disclosure Document with an Issuance Date of March 31, 2026, that included the following Exhibits:

- EXHIBIT A: LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
- EXHIBIT B: TABLE OF CONTENTS OF OPERATIONS MANUAL
- EXHIBIT C: LIST OF FRANCHISEES
- EXHIBIT D: FINANCIAL STATEMENTS AND GUARANTY
- EXHIBIT E: FRANCHISE AGREEMENT, GUARANTY, GENERAL RELEASE AND STATE SPECIFIC ADDENDA
- EXHIBIT F: AREA DEVELOPMENT AGREEMENT, GUARANTY AND STATE SPECIFIC ADDENDA
- EXHIBIT G: STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT
- EXHIBIT H: FINANCING AND LEASING DOCUMENTS
- EXHIBIT I: PROVISION SERVICES AGREEMENT
- EXHIBIT J: ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION
- EXHIBIT K: FRANCHISEE QUESTIONNAIRE

Please indicate the date on which you received this Disclosure Document, and then sign and print your name below, indicate the date you sign this receipt, and promptly return one completed copy of the Receipt to Waxing the City Franchisor LLC, at 111 Weir Drive, Woodbury, Minnesota 55125. The second copy of the Receipt is for your records.

Date Disclosure Document Received:

\_\_\_\_\_

\_\_\_\_\_  
Prospective Franchisee's Signature

Date Receipt Signed:

\_\_\_\_\_

\_\_\_\_\_  
Print Name

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

\_\_\_\_\_

**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 Waxing the City Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

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

If Waxing the City Franchisor LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The franchisor is Waxing the City Franchisor LLC, 111 Weir Drive, Woodbury, MN 55125. Its telephone number is 866-956-4612.

The name, principal business address and telephone number of each franchise seller offering the franchise:

Franchise Seller Name	Business Address	Telephone Number
	111 Weir Drive, Woodbury, MN 55125	(651) 438-5000

ISSUANCE DATE: March 31, 2026.

Waxing the City Franchisor LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state, except in the State of Minnesota, where any of our officers are authorized to receive service of process on our behalf.

I have received a Disclosure Document with an Issuance Date of March 31, 2026, that included the following Exhibits:

- |   |  |
|---|--|
| <p>EXHIBIT A: LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS</p> <p>EXHIBIT B: TABLE OF CONTENTS OF OPERATIONS MANUAL</p> <p>EXHIBIT C: LIST OF FRANCHISEES</p> <p>EXHIBIT D: FINANCIAL STATEMENTS AND GUARANTY</p> <p>EXHIBIT E: FRANCHISE AGREEMENT, GUARANTY, GENERAL RELEASE AND STATE SPECIFIC ADDENDA</p> <p>EXHIBIT F: AREA DEVELOPMENT AGREEMENT, GUARANTY AND STATE SPECIFIC ADDENDA</p> | <p>EXHIBIT G: STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT</p> <p>EXHIBIT H: FINANCING AND LEASING DOCUMENTS</p> <p>EXHIBIT I: PROVISION SERVICES AGREEMENT</p> <p>EXHIBIT J: ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION</p> <p>EXHIBIT K: FRANCHISEE QUESTIONNAIRE</p> |
|---|--|

Please indicate the date on which you received this Disclosure Document, and then sign and print your name below, indicate the date you sign this receipt, and promptly return one completed copy of the Receipt to Waxing the City Franchisor LLC, at 111 Weir Drive, Woodbury, Minnesota 55125. The second copy of the Receipt is for your records.

Date Disclosure Document Received:

\_\_\_\_\_

\_\_\_\_\_  
Prospective Franchisee's Signature

Date Receipt Signed:

\_\_\_\_\_

\_\_\_\_\_  
Print Name

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

\_\_\_\_\_