

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **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 spouses marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. ~~**Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.~~

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

Kristin Kidd has served as the Chief Operating Officer of Head to Toe brands since June 2024 in The Colony, Texas. Previously, she served as the Vice President of Operations for The Lash Lounge from December 2021 to June 2024. Prior to being promoted to Vice President, Kristin served as the Director of Operations from 2018 to 2021. Ms. Kidd will be operationally leading DELTA CROWN™.

Executive Vice President of Education and Innovation: Noelle Peter

Noelle Peter has been as the Executive Vice President of Education and Innovation since January 2026. Operations and Training since June 2024. Before stepping into this role, she was the Vice President of Operations and Training for The Lash Lounge from January 2024 to December 2025. Noelle previously served as our Director of Operations from May 2018 to December 2022. Alongside her corporate roles, Noelle has held an ownership interest in a Lash Lounge franchisee located in Pennsylvania since April 2021.

Board Member: Jordan LaJoie

Jordan LaJoie has served as our Board Member since February 2025. Jordan has also served as President of Pinecrest Holdings, Inc., located in Portland, Maine, since July 2020. Prior to that time, Jordan was a Management Consultant for Accenture, located in Boston, Massachusetts, from July 2014 to July 2020.

~~Board Member: Aakeem Andrada~~

~~Aakeem Andrada has served as our Board Member since February 29, 2024. Aakeem has also served as a board member of our affiliate, Bishops, since April 2023 and Frenchies since November 2023. Aakeem has served on the board of our parent, Head to Toe Brands, since April 2023. In addition, Aakeem has served as a board member of Performance Systems Integration, LLC in Portland, Oregon since July 2020. He has served as an Analyst, Associate and Senior Associate at the Riverside Company in Santa Monica, California since June 2018.~~

Advisor to the Board: Jenna Bowden

Jenna Bowden, the Founder of Delta Crown Extension Studio since October 2017. She has served as an advisor to the Board since October 2025. Ms. Bowden has also served as the President of Bowden Consulting, LLC since 2023 and the President of Blush Bridal, LLC since January 2025.

The following individual(s) are employees of our Root and Rise Franchise Development, LLC, an unaffiliated entity.

Fractional Chief Development Officer: Patricia Rother

Ms. Rother is the CEO and Founder of Root and Rise Franchise Development, LLC, and has served as our fractional Chief Development Officer through Root and Rise Franchise Development, LLC since March 2025. She holds this position in Boulder, Colorado. Previously, Ms. Rother served as President of Stay In Your Lane located in Denver, Colorado from November 2022 until May 2025. She served as the fractional Chief Development Officer through Stay In Your Lane from August 2024 to March 2025, in Boulder, Colorado. Previously, Ms. Rother served as the Vice President of Franchise Development for The NOW Massage located in Beverly Hills, California from January 2023 until August 2023. She also served as President of Frios Gourmet Pops located in Mobile, Alabama from December 2021 until January 2023 and Vice President of Franchise Development for Scenthound located in Jupiter, Florida

studios that transfer ownership and includes both virtual training and a 3 day in-person business training session, currently hosted in Dallas, TX and concludes with on-site Studio Opening & Technical Training at the time of studio opening. This Initial Training Fee is due only in connection with your first Studio and does not apply to the subsequent Studios opened under a Development Agreement. Currently, Initial Training for subsequent studios will be offered at the rates provided in Item 6.

**ITEM 6
OTHER FEES**

Franchise Agreement

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Revenue per month. After your second year of operations, a minimum Royalty Fee of \$250 per week will be applied.	Weekly	Payable to us. See Note 2 for the definition of Gross Revenue.
Marketing Fee	2% of Gross Revenue	Weekly	See Item 11. See Note 2 for the definition of “Gross Revenue.”
Local Advertising	Minimum \$2,000 per month, beginning the month prior to opening	As incurred.	You must spend at the required minimum of \$2,000 expenditure amount per month in your local market to promote the Salon. See Item 11.
MarTech Fee	Currently, \$150 per month	Monthly, on date to be determined	The MarTech fee is considered a component of the Local Advertising requirement but is collected by the Home Office in conjunction with Marketing Fee. The MarTech fee is applied directly to digital utilities, hosting and all other central billing initiatives. We reserve the right to increase this fee in relationship to direct expense increases by our third party vendorexpenses with 30 days’ notice, provided it will not exceed \$500 per month. See Item 11.
Membership Marketing	Minimum \$500 per month, if established	Paid Monthly as incurred	If we established a membership marketing program, we may require your participation for a defined period, thereafter participation may be optional. Your fee will be equal to the actual cost charged by a third party. Currently there are no Membership Marketing

Type of Fee ¹	Amount	Due Date	Remarks
			requirements.
Membership Perks Program	Minimum \$100 per month, if established	Paid Monthly as incurred	If we established a membership perks program, we will require your participation. Your fee will be equal to the actual cost charged by a third party. Currently there are no Membership Perks Programs requirements.
Cooperative Advertising	At least \$1,500 per month, when established	Paid Monthly as relevant	If we require you to participate in an established cooperative advertising campaign for your market area, your \$1,500 minimum monthly cooperative contribution will satisfy your local advertising requirement. Currently there are no cooperatives. <u>Your cooperative may vote to raise your minimum contribution in such case, the increase to your contribution will be equal to the requirements as agreed by your cooperative by majority vote up to a maximum of \$2,500 per month. See Note 3. See Note 3.</u>
Additional Training and Assistance	\$500 per day plus reimbursement of travel, lodging and dining costs (if applicable).	Before assistance	This fee applies to all training onsite or offsite, or hosted virtually, including but not limited to advanced training, opening training, transfer/resale training. The fee of \$500 per day, is payable to us before we provide the applicable training. We may, at our option, send our personnel to your Salon to provide mandatory re-training if we deem it necessary based on performance concerns, a history of customer complaints, are deemed non-compliant or have failed to attend or participate in mandatory training and/or meetings. You will be responsible for all training fees and associated travel costs if such training is required. We reserve the right to adjust the

Type of Fee ¹	Amount	Due Date	Remarks
			systems, intra-net, data sharing, business intelligence, learning management systems and more. We reserve the right to increase this fee <u>equal in relationship to the direct expense increases by our third party provider expenses</u> and provided it will not exceed \$1,000 per month. To be paid in the same manner and time frame as the Royalty Fee. See Item 11.
Point of Sale (POS), VoIP, Text Messaging & Marketing Systems	Currently, \$499 per month	As incurred	This fee is imposed by us but payable to a third party and may increase <u>equal only up to the actual rate increase as rates</u> determined by the third-party provider. This subscription includes technical support provided by the POS supplier.
Bookkeeping Provider & Software	The then-current fee as imposed by the third-party provider, which is currently \$250 per month for services. The software, Quickbooks Online, is separate and currently \$20 per month for Simple Start plan	As incurred	This amount is payable to third parties and subject to third party pricing and the packages required. <u>Any increases in this fee are equal to the increases imposed by the vendor.</u> We reserve the right to charge this fee directly in the future.
Email; Microsoft Office 365	Currently \$8 to \$25 per month for Email and Office 365	As incurred	These amounts are payable Home Office and passed through to our vendor. Any increases in this fee are equal to the increases imposed by the vendor. There is no maximum amount that may be charged. We reserve the right require that these fees be paid directly to the vendor directly in the future.
Music License Fees	\$29 to \$54 per month	As incurred	These amounts are required by us but paid to a third party
Supplier Approval Fee	Our actual costs and expenses incurred in evaluating the proposed supplier, plus a Supplier Approval Fee amounting to \$500 per inspection	Upon demand	You may recommend suppliers to us at any time; however, you must reimburse our costs and expenses in evaluating the proposed supplier and pay our Supplier Approval Fee if you

Note 10. Based on our historical data and experience, landlords typically require security deposits in an amount equal to (one month's rent). We reserve the right to approve your location, and you must construct, remodel, alter and improve the location to our specifications. A typical studio will be located inside of or adjacent to a retail strip mall or shopping center, or, in the alternative, in urban storefronts. The size of a typical salon location will range from 800 to 1000 square feet and the cost of leasehold improvements will vary depending upon factors such as size, condition of premises, and location. Your studio and will be located in a stand-alone building, downtown storefront, or strip center (depending on the market) and should be highly visible from the street and should allow for walk in foot traffic. Monthly lease payments range from \$3,666 to \$6,666; however, many variables contribute to final lease terms such as location, size and type of space. You may be asked to pay your first months' rent in advance.

Note 11. In calculating these amounts, we used estimates based on the experience of the our franchised operating location(s) as well as the experience of our management team. These amounts are the total minimum recommended levels to cover operating expenses including your employees' salaries wages, and local marketing for three months. We do not offer direct or indirect financing. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months.

Note 12. This range represents the total estimated initial investment required to open the initial Salon you agreed to open and operate under the Development Agreement and does not include any of the costs you will incur in opening any additional Salons All amounts are non-refundable unless otherwise noted.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers

Salon Supplies and Salon Retail Products Inventory

The integrity of our brand is directly related to our products and services. You must purchase from us, an affiliate or our designated suppliers, all products and supplies needed to provide Salon services including all service integrity supplies, such as hair extensions, hair beads, hair products, color, adhesives. Currently, we use third-party suppliers for all service related products. We may notify you of changes to our specifications and suppliers by email, updates to the manual or other means of communication.

You must also purchase from us or from designated suppliers all branded and private label retail hair care lines. Additional purchases you must make from us or from designated suppliers include any products or materials developed by or for us and/or which bear our trademarks, including branded brushes, branded new-member kits or other possible retail such as branded hair tools ("Proprietary Products"). You must purchase and maintain the minimum level of inventory of our Proprietary Products as needed to meet the Salon's reasonably anticipated consumer demand. You must purchase all products and materials which bear any of our trademarks solely and exclusively from us, our affiliates, or from a producer, manufacturer, distributor or supplier we designate or approve.

If you purchase any items from us or our affiliates, we may derive profits from these purchases. None of our officers has an interest in any third-party suppliers, or a material interest in any publicly held suppliers of DELTA CROWN™ franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Salon Layout Design and Fixtures, Furniture, and Additional Materials, Supplies, and Products

You will engage our designated supplier for the layout design of your Salon. Currently, we require the use of a designated supplier for much of the Salon's furniture and fixtures. In general, we may designate suppliers from whom you will be required to purchase certain non-proprietary fixtures, furnishings,

Table 1 discloses the historical performance of each our formerly affiliate-owned location (which remains operated by our founder) and that was open for the entire 2025 calendar year (the “2025 Measurement Period”).- The disclosed salon operated for 3.5 days per week and previously operated under the mark CROWN rather than DELTA CROWN during the Measurement Period. Given the similarity of the marks and since it has the same financial and operational characteristics as those being offered pursuant to this disclosure document and since it does not otherwise materially differ from what you would operate as a franchisee it is being disclosed to you. You will be required to operate for not less than five days per week.

	ANNUAL		MONTHLY	
	TOTAL	%	TOTAL	%
Revenue				
Total Membership Sales	\$598,357	59.8%	\$49,863	59.8%
Total Package Revenue	\$5,502	0.6%	\$458	0.6%
Total Product Revenue	\$118,101	11.8%	\$9,842	11.8%
Total Service Revenue	\$278,174	27.8%	\$23,181	27.8%
Total Revenue	\$1,000,134	100.0%	\$83,344	100.0%
Cost of Goods Sold				
Backbar	\$178,972	17.9%	\$14,914	17.9%
Retail	\$13,947	1.4%	\$1,162	1.4%
CC Fees/Merchant Charges	\$33,024	3.3%	\$2,752	3.3%
Estimated Royalty Fee	\$60,008	6.0%	\$5,001	6.0%
Estimated Marketing Fee	\$20,003	2.0%	\$1,667	2.0%
Total Cost of Goods Sold	\$305,953	30.6%	\$25,496	30.6%
Gross Profit	\$694,181	69.4%	\$57,848	69.4%
Operating Expenses				
Direct Payroll Expenses	\$202,154	20.2%	\$16,846	20.2%
Manager Payroll	\$129,843	13.0%	\$10,820	13.0%
Staff Education & Training	\$3,634	0.4%	\$303	0.4%
Marketing	\$54,581	5.5%	\$4,548	5.5%
General Operating Expenses	\$8,309	0.8%	\$692	0.8%
Software & Dues	\$12,396	1.2%	\$1,033	1.2%
Rent & Lease	\$103,535	10.4%	\$8,628	10.4%
Accounting Fees	\$30,072	3.0%	\$2,506	3.0%
Total Expenses	\$544,525	54.4%	\$45,377	54.4%
Net Operating Income	\$149,656	15.0%	\$12,471	15.0%

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
	2025	0	1	0	0	0	0	1

Table No. 4
Status of Company-Owned Outlets
For Years 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
CO	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	1	0
Totals	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	1	0

Table No. 5
Projected Openings
As of December 31, 2025

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Totals	0	0	0

The list of the names and addresses of our current franchisees is located in [Exhibit G](#). Any franchisee who has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document is listed in [Exhibit G](#). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, former franchisees signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with former franchisees but be aware that not all such franchisees will be able to communicate with you. There are no franchisee organizations sponsored or endorsed by us.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

~~such provision, that the jurisdictional requirements of the Minnesota franchise statutes are met independently without reference to these Additional Disclosures.~~

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

8. THESE FRANCHISES HAVE 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

9. 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.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota franchise statutes are met independently without reference to these Additional Disclosures.

FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISOR IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT H 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 to be added at the end of Item 3:

Document and Franchise Agreement.

The Franchise Agreement requires franchisees to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead, the statute of limitations under North Dakota law will apply.

For North Dakota franchisees, the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

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.

Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

FOR THE STATE OF RHODE ISLAND

1. Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to these Additional Disclosures.

FOR THE COMMONWEALTH OF VIRGINIA

1. ~~4.~~ In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for Crown Extension Bar, LLC for use in the Commonwealth of Virginia shall be amended as follows:

"Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

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.

FOR THE STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise

- 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. Item 5 of the Disclosure Document is supplemented by the following: In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Development Agreement, payment of the franchise fee will be ~~prorated as released proportionally with respect to each unit opens franchise outlet opened and until Franchisor has met all its pre-opening obligations under the agreement and Franchisee is open for business with respect to each such location.~~

2.2.4. You have renovated and refurbished the Salon premises so that they reflect Franchisor's then-current image, trade dress, equipment, and furnishings requirements;

2.2.5. You have demonstrated to Franchisor's satisfaction that you have the right to remain in possession of the Salon premises, or you have secured an alternate site with Franchisor's prior approval;

2.2.6. You comply with the then-current qualifications and training requirements;

2.2.7. You sign Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement, and each Owner executes a personal guaranty and undertaking in the form Franchisor prescribes;

2.2.8. You and each Owner sign a general and full release in favor of Franchisor and its Affiliates, and their respective, officers, directors, shareholders, members, managers, employees, and agents, of any claims arising out of or related to the franchise relationship including the offer and sale of DELTA CROWN™ franchise opportunity; and

2.2.9. You have paid the Renewal Fee in the amount specified in the Summary Pages.

3. SITE SELECTION; CONSTRUCTION; STORE LOCATION

3.1. Site Selection. You must identify, acquire, and open a site for the Salon by the Control Date (the "**Control Date**") specified in the Summary Pages and Attachment B. You must agree to use our designated real-estate supplier to assist you in locating a site. Our designated real-estate supplier will assist with identifying sites that meet our criteria and adhere to "Protected Area" boundaries. The site must be located within the Site Selection Area (the "**Site Selection Area**") identified in Attachment B, must meet Franchisor's then-current site selection criteria, and must otherwise be mutually acceptable to you and to Franchisor. If you are opening a subsequent salon, you may apply for an exception electing not to use the designated real-estate supplier. If Franchisor approves your exception in its sole discretion, you must agree to all self-managed real-estate requirements. Ultimately, site selection and decision to sign a lease is solely your responsibility. Once you have acquired the site for the Salon, Franchisor will apply and define the "Protected Area" and Attachment B will be executed and supplemented accordingly.

3.2. Franchise Site Application. For each proposed site that you identify, you must deliver to Franchisor a completed franchise site application in a form Franchisor prescribes, including such information about the site as Franchisor may reasonably request to perform its evaluation. This information may include, among other things, a description of the proposed site, demographic and psychographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations, and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises. Franchisor will approve or refuse to approve a proposed site within 30 days after the receipt of these documents and any additional information as Franchisor may reasonably require. Franchisor's failure to provide notification within this time period shall not be considered either approval or disapproval. ~~The parties acknowledge and agree that Franchisor's site approval is not an assurance that the Salon will achieve a certain sales volume or level of profitability; it means only that the proposed site meets Franchisor's minimum criteria for DELTA CROWN™ Salons.~~

3.3. Lease. If you will occupy the Franchised Location under a lease with a third-party landlord, Franchisor shall have the right to approve the lease terms, and the lease shall not be signed until it has been reviewed and approved by Franchisor. **The parties acknowledge and agree that Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable, it means only that the lease contains the lease terms that Franchisor requires.** The lease must also contain the terms reflected in Attachment F, including Franchisor's option to assume the lease in the event of expiration or termination of this Agreement. The lease must be executed within nine-months of the Franchise Agreement Effective

EXHIBIT I

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:

State	Effective Date
California	<u>April 2, 2026</u> <i>Pending</i>
Illinois	<i>Pending</i>
Indiana	<u>March 30, 2026</u> <i>Pending</i>
Maryland	<i>Pending</i>
Michigan	<i>Pending</i>
Minnesota	<i>Pending</i>
New York	<i>Pending</i>
North Dakota	<u>March 28, 2026</u> <i>Pending</i>
South Dakota	<u>March 28, 2026</u> <i>Pending</i>
Rhode Island	<u>March 30, 2026</u> <i>Pending</i>
Virginia	<i>Pending</i>
Washington	<i>Pending</i>
Wisconsin	<u>March 28, 2026</u> <i>Pending</i>

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.