

m. Conditions for franchisor's approval of transfer	14.C.	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your Shop or the Corporate Entity operating your Shop.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants. <u>Subject to applicable state law.</u>

r. Non-competition covenants after the franchise is terminated or expires	6, 17.E.	No involvement, ownership, or interest whatsoever for 24 months in any competing business in: your Designated Territory; a 25-mile radius of your Designated Territory; a 10-mile radius of the Designated Territory of any other Shop; and you must comply with confidentiality, non-disclosure and non-solicitation covenants. <u>Subject to applicable state law.</u>
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Operations Manual or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation within Maricopa County, Arizona or the nearest suitable location to our corporate headquarters at the time such mediation is conducted as chosen by the mediator and, if mediation is unsuccessful, then to binding arbitration in Maricopa County, Arizona or the nearest suitable location to our corporate headquarters at the time such arbitration is conducted as chosen by the arbitrator. This provision is subject to applicable state law.
v. Choice of forum	18.G.	Except for certain claims for injunctive relief, all litigation proceedings must be conducted in, the appropriate State or Federal Court within or closest to either Maricopa County, Arizona or the State or Federal Court nearest to our corporate headquarters at the time such action is commenced. This provision is subject to applicable state law.
w. Choice of law	18.F.	Arizona law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.

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