FRANCHISE DISCLOSURE DOCUMENT

BLO BLOW DRY BAR INC.
a Delaware corporation
1867 Yonge Street, Suite 600
Toronto, Ontario, Canada M4S 1Y5
(416) 630-6280
www.blomedry.com
growblo@blomedry.com

The franchise offered is for the operation of a full service blow dry business having a distinctive interior and exterior design and trade dress and offering for sale to the public hair styling and cleansing products and accessories under the name "Blo Blow Dry Bar."

The total investment necessary to begin operation of a Blo Blow Dry Bar franchise is ~~$257,400~~309,031 to ~~$372,958.~~ 379,502. This includes between ~~$61~~66,480 to ~~$69~~74,795 that must be paid to the franchisor and/or its affiliate, as appropriate.

We offer qualified individuals and companies a multi-unit development program, which includes the right to own and operate multiple Blo Blow Dry Bar franchises within a particular geographic area. Each franchise will be operated under a separate Franchise Agreement. The total initial investment under this program will depend on the number of franchises you commit to develop. For example, if you commit to develop two Blo Blow Dry Bar franchises, the total initial investment is $289,500 to $405,058. This includes between ~~$70,000~~101,480 – 109,795 that must be paid to the franchisor.

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 the 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 government 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 Patrick Pantano at 1867 Yonge Street, Suite 600, Toronto, Ontario, Canada M4S 1Y5 and (416) 630-6280.

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, DC 20580. You can also visit the FTC's home page at *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: April ~~29~~18, 2022

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
How much can I earn?	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 G and Exhibit H.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Blo Blow Dry Bar business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit operator agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Blo Blow Dry Bar franchisee?	Item 20, Exhibit G or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive that 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 well, 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 you 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 State 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 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 Addendum. See the Table of Contents for the location of the State Specific Addendum.

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 multi-unit operator agreement require you to resolve disputes with the franchisor by arbitration in Delaware. Out-of-state arbitration 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 Delaware than in your own state.2.

2. Financial Condition The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. 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.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

ITEM 1 ..... **8**
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES 8
ITEM 2 ..... **11**
BUSINESS EXPERIENCE 11
ITEM 3 ..... **12**
LITIGATION 12
ITEM 4 ..... **13**
BANKRUPTCY 13
ITEM 5 ..... **13**
INITIAL FEES 13
ITEM 6 ..... **15**
OTHER FEES 15
ITEM 7 ..... **28**
ESTIMATED INITIAL INVESTMENT 28
ITEM 8 ..... **33**
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 33
ITEM 9 ..... **38**
FRANCHISEE'S OBLIGATIONS 38
ITEM 10 ..... **39**
FINANCING 39
ITEM 11 ..... **40**
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 40
ITEM 12 ..... **50**
TERRITORY 50
ITEM 13 ..... **53**
TRADEMARKS 53
ITEM 14 ..... **55**
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 55
ITEM 15 ..... **56**
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS 56
ITEM 16 ..... **57**
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 57
ITEM 17 ..... **57**
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 57
ITEM 18 ..... **68**

PUBLIC FIGURES 68
ITEM 19 69
FINANCIAL PERFORMANCE REPRESENTATIONS 69
ITEM 20 73
OUTLETS AND FRANCHISEE INFORMATION 73
ITEM 21 87
FINANCIAL STATEMENTS 87
ITEM 22 88
CONTRACTS 88
ITEM 23 88
RECEIPTS 88

EXHIBITS

EXHIBIT A—: List of State Franchise Administrators/ and Agents for Service of Process
EXHIBIT B—: State ~~Specific Addendum~~Addenda
EXHIBIT C—: Financial Statements of Blo Blow Dry Bar Inc
EXHIBIT D—: Franchise Agreement (~~and~~ad Exhibits)
EXHIBIT E—: Multi-Unit Development Agreement (and Exhibits)
EXHIBIT F~~— Table of Contents of the~~: Operations Manual
EXHIBIT G—: List of Franchisees
EXHIBIT H~~— Franchisees Who Have Left the System~~
~~I – General Release~~
~~J –~~: Franchisee ~~Acknowledgment~~Acknowledgement Statement
~~K - Receipts~~
EXHIBIT I: Receipt

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

To simplify the language in this Disclosure Document, the words "we," "our" and "us" refer to Blo Blow Dry Bar Inc., the franchisor of this business. "You", "your" and "franchisee" refer to the person who buys the franchise, whether you are an individual, a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted.

OUR BUSINESS ACTIVITIES

We were incorporated in the State of Delaware on December 1, 2009 for the purposes of offering Blo Blow Dry Bar franchises and owning and operating Blo Blow Dry Bar businesses in the United States. Our principal business address is 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5. We do business under our corporate name and the name "Blo Blow Dry Bar." We have offered Blo Blow Dry Bar franchises in the United States since January 2010. We do not own or operate any businesses of the type being franchised.

Our agents for service of process are listed in Exhibit A.

We grant franchises to qualified persons or business entities in conjunction with the service marks "Blo Blow Dry Bar" and certain associated logos (collectively referred to as the "Marks"). We refer to these businesses as "Blo Blow Dry Bars." We refer to the Blo Blow Dry Bar you will operate as the "Franchised Business."

The franchise offered is for a full service blow dry business having a distinctive interior and exterior design and trade dress and offering for sale to the public hair styling and cleansing products and accessories. Makeup services and products will be offered for sale where space and the lease permits. A Blo Blow Dry Bar requires approximately 500 to 1,000 square feet of space and is typically located in a mall, plaza or free-standing location. You must operate the Franchised Business in accordance with our standards, methods, procedures and specifications, which we refer to as our "System" and which is more particularly described in our Franchise Agreement attached as Exhibit D to this Disclosure Document.

OUR PARENT, PREDECESSORS AND AFFILIATES

We have no predecessor.

Blo Blow Dry Bar Holdings, Inc. ("Blo Holdings") a Delaware corporation with a headquarters at our address, is our sole shareholder after acquiring all of our outstanding shares from 2226143 Ontario Inc. by a transaction dated February 5, 2021. NSF Blo, LLC, a Delaware limited liability company with a principal business address at 1209 Orange Street, Wilmington, Delaware 19801, is the majority shareholder of Blo Holdings. Neither Blo Holdings nor NSF Blo, LLC owns or operates the type of business you will operate.

Blo Holdings is also the sole shareholder of our affiliate, Blo Blow Dry Bar Inc. ("Blo Ontario"), an Ontario corporation formed on November 22, 2012 and headquartered at our address. Blo Ontario has offered Blo Blow Dry Bar franchises similar to your Franchised Business in Canada since its inception. Blo Ontario is also the owner of the Marks, and has exclusively licensed the Marks to us for use in the United States. Blo Ontario has not operated a Blo Blow Dry Bar and has not offered franchises in any other line of business in the United States.

We have a second affiliate, BBDB, LLC, a Delaware limited liability company formed on March 13, 2017 and headquartered at our address ("BBDB Affiliate"). BBDB Affiliate is our wholly-owned subsidiary and was formed to manage and operate franchised locations that we reacquired from our franchisees. BBDB Affiliate does not offer franchises in this or any other line of business.

Affiliated Franchise Programs

Through common control by NSF Blo, LLC, we are affiliated with the below franchise programs. None of these affiliates operates a Blo Blow Dry Bar business, nor have they offered franchises for Blo Blow Dry Bar businesses.

Barkley Ventures Franchising, LLC's ("BVF") principal business address is 3699 N. Dixie Hwy, Oakland Park, Florida 33334. Since February 2022, BVF has offered franchises in the United States for canine care facilities offering day care, boarding services, grooming services, training, specialty retail boutique for dogs, and other products and services operating under the name Central Bark. As of December 31, 2022~~2021~~, there were 34 franchised facilities in the United States.

Duck Donuts Holdings, LLC's ("Duck Donuts") principal business address is 1215 Manor Drive, Suite 302, Mechanicsburg, Pennsylvania 17055. Since April 2021, Duck Donuts has offered franchises for retail businesses offering fresh made to order donuts and other authorized products under the name DUCK DONUTS~~®~~;®; prior to that Duck Donuts' affiliate and predecessor, Duck Donuts Franchising Company, LLC offered Duck Donuts franchises from approximately October 2012 through April 2021. As of December 31, 2022~~2021~~, there were 109 franchised locations in the United States.

Mync Franchise Inc. ("MYNC") has offered Mync Lash and Brow Bar franchises in Canada for full-service lash and brow businesses since December 1, 2022 and has a principal business address of 1867 Yonge Street, Suite 600, Toronto, Ontario, Canada M4S 1Y5.

LASHKIND Franchise, Inc.'s ("Lashkind") principal business address is 1867 Yonge Street, Suite 600, Toronto, Ontario, Canada M4S 1Y5. Since March 2022, Lashkind has offered franchises for a full-service beauty businesses offering products and services related to the face, and in particular to eyelashes and eyebrows under the name LASHKIND®.

OUR FRANCHISE PROGRAM

In this Disclosure Document we grant to persons who meet our qualifications, and who are willing to undertake the investment and effort, franchises for the right to own and operate a Blo Blow Dry Bar Franchised Business at a single location that we approve using the Marks, Copyrights and the System. Our current form of Franchise Agreement is attached as Exhibit "D".

We may also offer multi-unit development agreements ("Multi-Unit Development Agreements"), attached to this Disclosure Document as Exhibit "E", to qualified individuals, corporations, partnerships and limited liability companies ("Multi-Unit Developer"). If you sign a Multi-Unit Development Agreement, we will grant you the right, and you will accept the responsibility, to establish an agreed-upon number of Franchised Businesses (a minimum of two) within an agreed-upon designated area (the "Exclusive Area"), under an agreed-upon timetable (the "Development Schedule"). Each Franchised Business will be constructed and operated under a separate Franchise Agreement.

MARKET AND COMPETITION

Our concept is targeted to the general public, but your clients will likely be predominantly female. As a franchisee, you will compete for consumers with a variety of other businesses, including those that only offer hair care services (including blow dry services) and those that offer spa services in general. Your competition may be local, independent businesses or may be part of a regional or national chain or franchise. Demand for the services you offer may be dependent on the local and national economic conditions and their effect on the public's discretionary spending.

REGULATIONS SPECIFIC TO THE INDUSTRY

State, Local, or Federal laws require you to obtain various licenses and/or permits for the operation of your Blo Blow Dry Bar franchise. Each state may differ in licensing and permit requirements for the services you will offer and may have regulations relating to individual license requirements for your employees. You must research the requirements that apply to your specific territory, and to operate your Blo Blow Dry Bar franchise in full compliance with all State, Local and/or Federal laws that apply to your business.

In the state of California, you may need to get a license from the State Board of Barbering and Cosmetology (Division 3, Chapter 10 of the California Business and Professions Code).

You must also comply with employment, workers' compensation, insurance, corporate, taxing and other laws and regulations. Among the licenses and permits you may need are: zoning or land use approvals, sales and use tax permits, special tax stamps, fire department permits, health permits, alarm permits, county occupational permits, retail sales licenses and wastewater discharge permits. There may be other laws, rules or regulations that affect your bar, including minimum wage and labor laws along with ADA, OSHA and EPA considerations. You

must comply with all laws and licensing requirements related to the operation of your Franchised Business. We recommend that you consult with your attorney for an understanding of them.

ITEM 2
BUSINESS EXPERIENCE

DIRECTOR & CHIEF EXECUTIVE OFFICER (CEO): VANESSA MELMAN YAKOBSON

Ms. Yakobson has been our CEO since April 2016 and has been engaged in the line of business associated with the franchise since that time. From March 2014 to March 2016, she worked in marketing, sales and capital introduction on an independent basis. From May 2013 to February 2014, she was Director of Business Development for Triumph Asset Management located in Toronto, Ontario, Canada. ~~***PRESIDENT/CHAIRMAN OF THE BOARD***~~From October 2002 to October 2012, she was Managing Director, Development & Strategy for Pediatric Oncology Group of Ontario located in Toronto, Ontario, Canada.

DIRECTOR: PATRICK SUGRUE

Mr. Sugrue is a Partner at NewSpring Capital. Mr. Sugrue joined NewSpring in 2020 with over 25 years of C-level operating and consulting experience. He focuses his efforts at NewSpring on investments in franchise-focused and company-owned multi-unit concepts with significant growth potential. Prior to joining NewSpring, Mr. Sugrue served in multiple C-level positions at Saladworks, Sofina Foods, Fearmans Pork, Honeybaked Ham, and AHL Services. Throughout these roles, he worked to strategically reposition brands and business models to drive improved sales efficiency and income growth. Mr. Sugrue was also Managing Partner at H&S Investments where he worked with family owned businesses in the lower-middle market to identify key areas of performance improvements, manage succession planning, and identity and qualify acquisitional opportunities with the support of private equity firms.

DIRECTOR: ARI YAKOBSON

Mr. Yakobson is one of our co-founders and ~~has been~~a Director. Mr. Yakobson was previously our President and Chairman of the Board since ~~our~~ inception ~~in December 2009 and our CEO~~ until ~~March 2016. He was President, CEO and Chairman of the Board for Melonhead Corporation located in Toronto, Ontario, Canada since its inception in 2001 to January 2013.~~ 2023. Since 2002, Mr. Yakobson is the Founder and Managing Partner of Neves Inc., a merchant bank located in Toronto, Ontario, Canada. Since 2005 he has been Director, Strategic Advisor and Shareholder of Astley Gilbert Ltd. located in Toronto, Canada.

~~***CHIEF EXECUTIVE OFFICER (CEO): VANESSA MELMAN YAKOBSON***~~

~~Ms. Yakobson has been our CEO since April 2016. From May 2013 to February 2014, she was Director of Business Development for Triumph Asset Management located in Toronto, Ontario, Canada. From October 2002 to October 2012, she was Managing Director, Development &Strategy for Pediatric Oncology Group of Ontario located in Toronto, Ontario, Canada.~~

VICE PRESIDENT~~/SECRETARY~~: PAUL SPINDLER

Mr. Spindler ~~is one of our co-founders and~~ has been our Vice President ~~and Secretary~~ since our inception ~~in December~~. Mr. Spindler is a co-founder and Vice President of our affiliate Blo Blow Dry Bar, Inc. since its inception in 2009.

VICE PRESIDENT OF FRANCHISE DEVELOPMENT: PATRICK PANTANO

Mr. Pantano is our Vice President of Franchise Development and has held this position since ~~January~~ our inception.~~2021.~~ Before joining us, Mr. Pantano served as: (a) Vice President of Franchise Development for RetroFitness, LLC from October 2019 through January 2021; and (b) Director of Franchise Development for RetroFitness, LLC from March 2013 through October 2019.

VICE PRESIDENT OF FRANCHISE OPERATIONS: KIM WOLFE

Ms. Kim Wolfe is our Vice President of Franchise Operations and has held this position since ~~April 2021.~~our inception. Ms. Wolfe ~~previously served as our~~ is the Director of Franchise Operations ~~from~~at our affiliate, Blo Blow Dry Bar, Inc., and has served with the company since March 2015 ~~through March 2021~~.

VICE PRESIDENT OF MARKETING: SHAUNA STALKER

Ms. Shauna Stalker is our Vice President of Marketing, based out of Toronto, Ontario, and has held this position since ~~April~~ our inception.~~2021.~~ Ms. Stalker ~~previously served as our~~ is Director of Marketing at our affiliate, Blo Blow Dry Bar, Inc. and has served with the company since from January 2018 ~~through March 2021~~. Before joining us, Ms. Stalker served as Manager for Brampton Golf & Country Club based out of Brampton, Ontario from September 2013 to December 2017.

ITEM 3
LITIGATION

~~*Annette Lindsey Gartner, et al*. vs. *Blo Blow Dry Bar, Inc., et al* (Superior Court of California, County of LA, Case No. BC 490979). Plaintiffs ("Gartner"), who are franchisees of the franchisor, brought an action in late 2012 alleging breach of written contracts, fraud and deceit, and violation of the Unfair Trade Practices Act (Cal. Business and Professions Code 17200). The case was settled prior to defendants ("BBDB") interposing an answer. The settlement terms for the franchise agreement were that Gartner would not have to pay royalties for the remainder of the term and for any renewals of their franchise agreement; Gartner will be permitted to sell cosmetics and if they wish, Gartner can terminate their franchise agreement on 30 days' notice. Under the terms of the settlement all obligations between the parties under the Development Agent Agreement and Distribution Agreement were terminated.~~

~~Other than this settlement, no~~ No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

FRANCHISE AGREEMENT

Initial Franchise Fee

The initial franchise fee is $~~40~~45,000. You will pay this fee in a lump sum to us when you sign the Franchise Agreement and is fully earned by us. -The initial franchise fee is imposed uniformly on all franchisees and it is not refundable.- The initial franchise fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

If you are a qualified United States Veteran, then we will discount the initial franchise fee by 10% (currently, $4,~~000~~500 for your first franchise).

Training

Prior to opening you will attend 2 to 3 days of training at our headquarters and you are responsible for your costs to attend this training. We estimate these costs will be between $1,017 and $1,636. This is not refundable.

Trainers will conduct staff training at your location prior to opening (we refer to this as "Blo U"), including franchise partner training and software training. You must pay the trainers' expenses including travel, lodging and per diem. We estimate these costs will be between $8,~~980~~720 and $~~14,795~~13,790. This is not refundable.

Grand Opening Advertising

You must, unless we designate otherwise, pay to us an amount ranging from $12,500 to $15,000, as we designate, for grand opening advertising and marketing (the "Grand Opening Advertising Expenditure") for your Franchised Business. You must pay us the Grand Opening Advertising Expenditure on the date we designate, which date will be after you sign your Franchise Agreement, but before the grand opening campaign commences (which is typically about two months before you are scheduled to open). We use the Grand Opening Advertising Expenditure to pay marketing and advertising service providers and for other grand opening marketing related expenditures. We have the right to retain an administrative fee of up to 15% of the Grand Opening Advertising Expenditure.

The Grand Opening Advertising campaign will generally begin approximately two months before the scheduled opening date and continue for approximately three months following the

opening of the Franchised Business. The Grand Opening Advertising Expenditure is non-refundable. You are not permitted to use any advertising materials, including grand opening advertising materials, unless you have submitted the materials first to us for our review and approval, and you have received our written approval of the materials. If we do not respond within 15 days of your submission, the materials are deemed disapproved.

MULTI-UNIT DEVELOPMENT AGREEMENT

In the event that we sell you an area to be developed containing multiple Franchised Businesses, we will charge a multi-unit developer fee that is based on the number of Franchised Businesses that you commit to open within your Exclusive Area. The multi-unit developer fee is equal to 100% of the initial franchise fee for each Franchised Business to be developed under the Multi-Unit Development Agreement. You will pay this total amount in a lump sum when you sign the Multi-Unit Development Agreement, and it is not refundable under any circumstances, regardless of whether you open any Franchised Business in the Exclusive Area.

For the first Franchised Business to be developed, the initial franchise fee is $~~40~~45,000. For the second Franchised Business to be developed, the initial franchise fee is $30,000. For the third and any additional Franchised Businesses to be developed, the initial franchise fee is $15,000. Only multi-unit developers signing a Multi-Unit Development Agreement with us are eligible for these reduced fees.

For example, if you commit to develop two Franchised Businesses within the Exclusive Area, your multi-unit developer fee is $~~70~~75,000 calculated as follows: $~~40~~45,000 plus $30,000. If you wish to develop more than two Franchised Businesses, the multi-unit developer fee will increase by $15,000 for each additional Franchised Business you commit to develop.

You will sign a Franchise Agreement for each Franchise Agreement you agree to develop as part of your Multi-Unit Development Agreement. It is expected that you will sign the Franchise Agreement for your first Franchised Business at the same time the Multi-Unit Development Agreement is signed. For each Franchised Business developed after the first one, you will sign the Franchise Agreement when you sign a lease or purchase agreement for the Franchised Business. You may not open any of your Franchised Businesses unless and until a fully executed Franchise Agreement is in place for that Franchised Business.

There are no other payments to or purchases from us or our affiliates that you are required to make before your Franchised Business opens.

ITEM 6
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales	Payable on the 20th day of each month for the prior calendar month (See Note 1). If the 20th of any month is not a business day, then the Royalty Fee is due on the next business day	See definition of Gross Sales (See Note 1). Payments are made by electronic funds transfer.
Advertising Fund Contribution	The greater of 2% of Gross Sales or $250 each month	Payable at the same time and in the same manner as the Royalty Fee (See Note 1)	The Advertising Fund is described in Item 11. ~~With 30 days prior written notice to you, we can increase the Advertising Fund Contribution up to 2% of Gross Sales.~~
Brand Maintenance Fee	Our then-current Brand Maintenance Fee, currently $150 per month	Payable at the same time and in the same manner as the Royalty Fee (See Note 1)	This fee covers social media, web, public relations, best practices coaching, and corporate direction and collaboration around event planning and management.

Name of Fee	Amount	Due Date	Remarks
Technology Fee	Our then-current Technology Fee (Currently $50 per month)	Payable to us at the same time and in the same manner as the Royalty Fee	You must begin paying us the monthly Technology Fee on the earlier to occur of: (a) the date we designate; (b) the date you begin using the technology we designate, or (c) when you open the Franchised Business. You agree to pay all fees assessed by us, including pass-through fees paid to designated or approved suppliers in connection with technology used in connection with the Franchised Business, including, without limitation for (a) the development, administration and maintenance of websites and mobile applications, and (b) the development, installation, maintenance and/or licensing of current and future developed technology and/or software programs and platforms.

Name of Fee	Amount	Due Date	Remarks
Local Advertising	The greater of $1,500 or 1% of Gross Sales per month (commencing after your Grand Opening Advertising campaign in the fourth month of operations). After the expiration of the 12-month anniversary of the opening date, we may, in our discretion, lower the expenditure requirement to $1,000 or such lower amount as we designate.	Must be spent monthly	You pay directly to your local suppliers, unless we designate otherwise, but all advertising you want to use is subject to our approval. If you do not expend the required amount, we have the right to require you to pay to us the deficiency amount, or to require you to expend the deficiency amount directly on local advertising in accordance with our designated specifications. We reserve the right to require you to use our designated and approved suppliers for local advertising expenditures (which suppliers may include us and/or our affiliates).
Cooperative Advertising	As determined by the members	As determined by the members	We may form (or approve the formation of) advertising cooperatives where there are multiple franchises in a geographical area. Any amounts you contribute to an advertising cooperative will count toward your local advertising requirement.
On Site Coaching Visit	Between $830 to $1,520	Upon Invoice	This training is mandatory within the first year of operation, but it must be between the fourth (4th) and twelfth (12th) months of operation. This range covers the cost of the On Site Coaching Team visit (including travel, accommodation, etc.).

Name of Fee	Amount	Due Date	Remarks
Additional On-Site Training	As of the issuance date of this Disclosure Document: $300 per trainer per day, plus per diem charges (currently, $80 per day), travel and lodging expenses.	Upon invoice	If you request that we provide additional training at your Franchised Business to you and/or your employees. You must pay the additional on-site training fee, plus reimbursement for our representatives' expenses in providing on-site training, including travel, lodging and per diem.
Transfer Fee (Franchise Agreement)	50% of our then-current initial franchise fee, plus any applicable broker or commission fees	On execution of Consent to Transfer Agreement, prior to closing as a condition of our consent	No fee is imposed for a one-time transfer to a corporate entity formed by you for the convenience of ownership during the first six months of the Term. If you wish to effectuate this type of transfer after the six-month period, you must pay a $1,500 transfer fee at the time you submit your request. The transfer fee may be paid by you or the transferee, but will be required to be paid in advance of closing as a condition of our consent. See Note 2

Name of Fee	Amount	Due Date	Remarks
Minority Interest Transfer Fee	$750	Upon submission of request to add additional owner	If you are a legal entity and you request consent to bring on a minority owner in the legal entity after signing the Franchise Agreement, you must pay to us the "Minority Owner Transfer Fee" of $750, due and payable to us when you submit your request. Note, if your change in ownership results in a change in control of the franchisee entity, we may charge you the full Transfer Fee.
Transfer Fee (Multi-Unit Development Agreement)	$25,000, plus any applicable broker or commission fees	On execution of Consent to Transfer Agreement, prior to closing as a condition of our consent	No fee is imposed for a one-time transfer to a corporate entity formed by you for the convenience of ownership. The transfer fee may be paid by you or the transferee, but will be required to be paid in advance of closing as a condition of our consent. See Note 2.
~~Renewal~~Successor Agreement Fee	25% of our then-current initial franchise fee	Prior to ~~renewal~~entering into Successor Franchise Agreement	You must satisfy all ~~renewal~~successor agreement requirements; payable before ~~renewal~~execution of ~~the~~Successor Franchise Agreement.
Relocation of Your Franchised Business	Reimbursement of our expenses	Upon demand	If you request permission to relocate your Franchised Business, you must reimburse our costs and expenses related to reviewing your request and any proposed new location.

Name of Fee	Amount	Due Date	Remarks
Interest on overdue amounts	18% per year or the highest rate allowed by law, whichever is less	Upon demand	Applies to all overdue Royalty Fees, Advertising Fund Contributions and other amounts due to us that are not received within five days of their due date. Also applies to any understatement in amounts due revealed by an audit.
Audit Expenses	All costs and expenses associated with audit	Upon demand	Audit costs payable only if the audit is required due to your failure to provide required reports, or if the audit shows an understatement in amounts due of at least 2%.
Approval of Products or Suppliers	All reasonable costs of evaluation (not to exceed $500)	Time of evaluation	Applies to new suppliers you wish to purchase from or products you wish to purchase that we have not previously approved. We are not required to approve any additional products or suppliers.
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	Upon demand	Payable only if you fail to maintain required insurance coverage and we obtain coverage for you.
System Modifications	All costs and expenses of modifications	As required	If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense and we may require you to make additional purchases of any item and/or service from us or our designated suppliers (as we designate).

Name of Fee	Amount	Due Date	Remarks
Remodeling and Refurbishment	All costs and expenses for remodeling or refurbishment	As required	We may require you to remodel and/or refurbish your Bar to meet our then-current image for Blo Blow Dry Bars. We will not make this request more frequently than every five years.
Fees, Costs and Attorneys' Fees	Will vary under circumstances	Upon demand	Payable upon your failure to comply with the Franchise Agreement and also if we are the prevailing party in litigation or arbitration (as applicable).
Indemnification	Will vary under circumstances	Upon demand	You are required to defend and indemnify us for any third-party claims based on your acts, your operation of the Franchised Business, and/or breaches of the Franchise Agreement.
Gift Card Program	Will vary	As required	You must participate in our gift card program. Gift cards are available for sale through our website and at all Blo Blow Dry Bars in the System, and may be redeemed at any Blo Blow Dry Bar in the System, regardless of where they were purchased. Gift cards may be physical or virtual and may be for series or prepaid services (including memberships).

Name of Fee	Amount	Due Date	Remarks
Liquidated Damages	The average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.	On demand	Liquidated damages are equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. See Note 3.
Securities Offering	Reimbursement of our expenses	On demand	If you request our consent to your private or public offering of securities
Charges for "secret shopper" quality control evaluation	Currently $150 to $175 per visit	Upon demand, if incurred	See Note 4. The secret shopper program will be separate from our programs for customer surveys and customer satisfaction audits (which may require you to accept coupons from participating customers for discounted or complimentary items). We reserve the right to increase this fee, including due to vendor fee increases, effective on notice to you.

Name of Fee	Amount	Due Date	Remarks
Annual Meeting/ Convention	Our then-current non-refundable per person fee Current per person fee = $300 to $400	Upon demand	If we choose to hold an annual meeting or convention, attendance will be mandatory for you (or if you are a legal entity, an owner with operational responsibilities). We reserve the right to charge a registration fee for attendance (regardless of whether you actually attend). The cost of the annual meeting does not include travel, lodging, meals or wages for the attendee. You will also be responsible for these costs and expenses.
Yelp	Yelp's then-current fee; Currently $28 per month	Monthly	You must participate on Yelp in the Beauty & Spas section. This monthly fee is currently payable to us. We reserve the right to require you to pay this fee directly to the designated vendor and this fee is subject to increase if the designated vendor increases rates, effective on notice to you.

Name of Fee	Amount	Due Date	Remarks
Peer Compliance Committee Default Fee	Up to $500 per violation	Immediately upon receiving notice from us	If you breach certain provisions of your Franchise Agreement, we can submit the default to a "Peer Compliance Committee" made up of other franchisees. If they determine a breach occurred, they may levy a fine against you of up to $250. If you do not timely cure the default, or breach the provision again, the next fine can be up to $500. We donate all fines to a charity. Any fines the Peer Compliance Committee may assess are in addition to the standard default fee.
Email ~~Set Up~~ and Maintenance Fee	The then-current Email ~~Set Up and~~ Maintenance Fee Currently, $~~5~~9.99 per Franchisee email and $6.49 per Location and Staff email per month	Monthly	You must maintain a System email account and you must pay all fees associated with the email account. As of the issuance date of this Disclosure Document, we require you to pay the fee directly to our designated vendor, but we reserve the right to require you to pay the then-current fee to us, our affiliate or other third party designee effective on notice to you.

Name of Fee	Amount	Due Date	Remarks
Add-On /Ancillary Services Training Fee	Our then-current training fee (currently $0)	Before attendance, upon invoice	If you qualify to incorporate certain "add-on" or "ancillary services" (which are in addition to and different from the services you are required to offer in connection with the operation of the Franchised Business (e.g. hair extension services) (as we designate in our sole discretion), you must sign our then-current form of Add-On/Ancillary Services Addendum. We reserve the right to charge you an additional training fee and/or to require you to pay third-party service providers training fees in connection with add-on/ancillary services training. You may also be required to purchase an initial and ongoing inventory of products and supplies for use in connection with the provision of the add-on services (e.g., hair extension services).

Name of Fee	Amount	Due Date	Remarks
Development Agreement Extension Fee (multi-unit development agreement)	$2,500 per quarter	Upon invoice	If, despite using your best efforts, you fail to meet an opening deadline under your Multi-Unit Development Agreement, you may apply for a 6-month extension to the opening deadline by submitting a written extension request detailing the efforts you have undertaken to meet the development deadline and the reason for the delayed opening. If we grant the 6-month extension, you must pay an extension fee of $2,500 per quarter.

All fees are uniformly imposed by and payable to us, unless otherwise noted, and are non-refundable.

NOTES:

1. "Gross Sales" means the aggregate of all revenue from the sale of products, gift cards, barter or exchange, complimentary services and services from all sources in connection with the Franchised Business whether for check, cash, credit or otherwise, including all proceeds from any business interruption insurance, but excluding all refunds made in good faith, any sales and equivalent taxes that you collect and pay to any governmental taxing authority, and the value of any allowance issued or granted to any of your customers that you credit in full or partial satisfaction of the price of any products and services offered by the Franchised Business.

   If you do not report the Gross Sales, we may debit your account for 120% of the last Royalty and Advertising Fund Contribution that we debited. –If the Royalty and Advertising Fund Contribution we debit are less than the Royalty and Advertising Fund Contribution you actually owe us, once we have been able to determine your true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty and Advertising Fund Contribution we debit are greater than the Royalty and Advertising Fund Contribution you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month.

   You must use the commercial billing service and the computer program associated with this service, as we designate, to process payments from customers and other payments and fees. You must allow the commercial billing service to allow us the unrestricted right

to access and review all of your records and reports related to your Franchised Business operations, including, without limitation, all Gross Sales information and financial reports. If we require, you must send us monthly, signed Gross Sales reports ("Monthly Reports") within 15 days of the conclusion of each month for the Gross Sales generated in the immediately preceding month. The Monthly Reports must set forth your monthly Gross Sales generated during the previous month, and any other information we may require. We may change the form and content of the Monthly Reports periodically. The royalty must be paid on a monthly basis (unless we specify otherwise), via EFT, under which we automatically deduct all payments owed to us under the Franchise Agreement, and any other agreement between you and us, from your bank account. Upon written notice to you, we may designate another method of payment through which you must pay one or more recurring fees to us or our designee. Additionally, we reserve the right to require you to pay the Royalty Fee, Ad Fund Contribution, Brand Maintenance Fee, Technology Fee and any other recurring fee on a different recurring basis, including on a weekly, bi-monthly or other recurring basis, effective on notice to you.

If any state imposes a sales or other tax on the Royalty fees, then we have the right to collect this tax from you.

2. If you are selling your Franchised Business and the purchaser is an individual or company that has previously been referred to us by a franchise broker or is otherwise current in our franchise sales process, then you must pay the applicable franchise broker fees (or any other applicable fees) if the sale to that individual/company is completed as a condition to our approving the sale and transfer.

3. If we terminate your Franchise Agreement for cause, you agree to pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.

4. We may use an independent service to conduct a "secret shopper" quality control and evaluation program. You must participate in this program, and we may require that you pay the then-current charges imposed by the evaluation service (as we direct, either directly to the evaluation service provider or to us as a reimbursement).

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Franchise Fee[1]	$~~40~~45,000	Lump Sum	Upon Signing Franchise Agreement	Us
Real Estate/Rent 1st month's rent)[2]	$3,000 to $7,500	As Arranged	Before Beginning Operations	Lessor
Security Deposits[3]	$5,000 to $9,500	As Arranged	Before Beginning Operations	Lessor, Utilities
Drawings & Permits[4]	$~~9,500~~6,000 to $~~15,000~~10,800	As Arranged	Before Beginning Operations	Third Parties
Leasehold Improvements[5]	$~~93,350~~130,000 to $~~152,500~~151,000	As Arranged	Before Beginning Operations	Third Parties
Interior Signage & Art	$6,200	As Arranged	Before Beginning Operations	Third Parties
Furniture, Fixtures & Equipment[6]	$~~46~~53,000 to $55,~~500~~000	As Arranged	Before Beginning Operations	Third Parties
Computer System and Software and Training[7]	$1,900 to $2,012	As Arranged	Before Beginning Operations	Third Parties
Insurance [8]	$600 to $750	As Arranged	Before Beginning Operations	Third Parties
Bar Supplies[9]	$~~14,788~~15,015 to $16,~~530~~999	As Arranged	Before Beginning Operations	Approved Suppliers
Initial Inventory[10]	$12,~~525~~579 to $13,~~760~~815	As Arranged	Before Beginning Operations	Approved Suppliers
Training[11]	$9,737 to $~~14,406~~15,426	As Arranged	Before Beginning Operations	Us
Grand Opening Promotions, Advertising and Events[12]	$12,500 to $15,000	As Arranged	One to two months prior to opening and the first three months of operation	Approved Suppliers and Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Licenses and Permits[13]	$500	As Arranged	Before Beginning Operations	Licensing Authority
Legal & Accounting[14]	$2,000 to $5,000	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds[15] (3 months)	$6,000 to $25,000	As Arranged	As Necessary	You Determine
TOTAL[16]	~~$257,400~~309,031 to ~~$372,958~~379,502			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. We do not finance any portion of your initial investment.

NOTES

1. ***Franchise Fee***. The Franchise Fee is described in greater detail in Item 5 of this Disclosure Document.

2. ***Real Estate/Rent***. You must lease or otherwise provide a suitable facility for the operation of the Franchised Business. Typically, a Blo Blow Dry Bar will be located within a mall, plaza or free-standing location and should have approximately 700 to 1,000 square feet of space. Lease costs will vary based upon the square footage leased, the cost per square foot and the required maintenance costs.

If you choose to purchase real estate for your Franchised Business, we cannot estimate how this would increase your initial investment. Our estimates assume that you will lease an existing building and build it out to our specifications.

3. ***Security Deposits***. We assume you will have to pay your landlord a security deposit equal to one month's rent in advance but in some instances may be higher. If you are a new customer of your local utilities, you will generally have to pay deposits in connection with services such as electric, telephone, gas and water. The amount of deposit will vary depending upon the policies of the local utilities.

4. ***Drawings and Permits.*** The range in the chart provides an estimate of the costs and expense you will incur in connection with securing drawings and permits for the build-out and construction of the premises for Franchised Business with one of our approved Architectural design firms.

5. ***Leasehold Improvements***. The facility must be renovated according to our standards and specifications. This estimate is based on our experience in renovating/constructing a Blo

Blow Dry Bar Business. The costs are approximate estimates and will vary according to locality. The estimate is for the total construction/renovation cost of a Franchised Business, excluding the cost of building permits which may vary due to wide variations in building and site conditions. The estimate includes a $3,000 Construction Management Fee payable directly to us. The estimate also excludes financing costs, which may vary widely based on factors like the type of loan, the size and location of the Franchised Business and your creditworthiness. Building construction and renovation costs vary greatly from region to region depending on material, labor costs, union or non-union practices, your ability to negotiate with the landlord, and other variables. You will incur costs to bring the property into conformity with the System. These costs necessarily vary in each individual situation based on the physical condition of the property, equipment, signage, and items already present on the property. The signage requirements and costs will vary based upon the size and location of the Franchised Business, local zoning requirements and local wage rates for installation, among other things. Our ~~low~~ estimate includes a tenant improvement allowance of $25,000 - $75,000 that was negotiated with the landlord. We reserve the right to require you to use our designated vendor for construction management services.

6. ***Furniture, Fixtures & Equipment***. You must purchase, décor items, and our proprietary millwork, styling chairs, hair washing stations and chairs, and reception furniture for use in the salon.

7. ***Computer System and Software***. You must purchase a computer system with the peripheral equipment and software that we require. On-site computer training will be supplied by the software provider at your expense. The computer system is described in Item 11. The current cost to set up and maintain your Blo Blow Dry Bar email account is $5 per month.

8. ***Insurance***. You must purchase the type and amount of insurance specified in Section 15 of the Franchise Agreement in addition to any other insurance that may be required by applicable law, any lender or your landlord.

9. ***Bar Supplies***. Will include office and reception supplies, storage and organizational items as well as styling items such as combs, brushes and hot tools.

10. ***Initial Inventory***. You must carry an inventory from our approved suppliers which may include hair care products, styling tools, accessories, make-up and other designated inventory items.

11. ***Training***. Prior to opening you will attend 2 to 3 days of training at our headquarters and you are responsible for your costs to attend this training. Trainers will attend at your location prior to opening to conduct staff training, ~~franchise partner~~franchisee training and software training. We reserve the right to conduct training entirely remotely, which may include the use of video-conferencing technologies (e.g., Zoom) and other currently existing and/or future developed technology platforms and programs. You must pay the

trainers' expenses including travel, accommodations and per diem plus the Blo U trainer's salary.

12. ***Grand Opening Promotions, Advertising and Events***. You must conduct a grand opening advertising campaign two months prior to opening and for the first three months of operation. You must, unless we designate otherwise, pay to us the Grand Opening Advertising Expenditure (ranging from $12,500 to $15,000, as we designate). We may require you to pay a portion of the Grand Opening Advertising Expenditure directly to designated vendors. We collect the Grand Opening Advertising Expenditure and pay service providers directly for grand opening advertising and marketing related purposes. We have the right to retain an administrative fee of up to 15% of the Grand Opening Advertising Expenditure. You must also purchase certain collateral items, including promotional items, menus, bags and other printed materials used in the operation and promotion of your Franchised Business. As of the issuance date of this Disclosure Document, we require you to participate on Yelp in the Beauty & Spas section and you must pay us $28 per month (unless we designate otherwise) for this service. We remit payment directly to Yelp. We reserve the right to modify the payment structure for Yelp services effective on notice to you.

13. ***Licenses and Permits***. Local government agencies typically charge fees for occupancy permits, operating licenses and sales tax licenses, among other things. Your actual costs may vary based on the requirements of local government agencies. State licenses for barbering and/or cosmetology typically range from $25 to $80 annually.

14. ***Legal & Accounting***. We strongly recommend that you engage an attorney or accountant to assist you in your review of this offering and to advise you as to laws, rules and regulations applicable to the development and operation of your Franchised Business. You will need to employ or engage an attorney, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rates of local attorneys, accountants and consultants.

15. ***Additional Funds***. We recommend that you have a minimum amount of working capital available to cover operating expenses, including employees' salaries, for the first three months that the Franchised Business is open. However, we cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high.

16. ***Total***. In compiling this chart, we relied on our and our Parent's combined industry experience and experience in operating Blo Blow Dry Bars. The amounts shown are estimates only and may vary for many reasons including the size of the facility you lease, the capabilities of your management team, where you locate your Franchised Business and your business experience and acumen. The amounts showing do not include shipping or taxes where applicable. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have

additional expenses in starting the Franchised Business. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

YOUR ESTIMATED INITIAL INVESTMENT – MULTI-UNIT DEVELOPER

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To whom payment is to be made**
Multi-Unit Developer Fee (1)	$~~70~~75,000	Lump Sum	When Multi-Unit Development Agreement is signed	Us
Vehicle (3 months) (2)	$2,100	As incurred	As arranged	Third Parties
Other Expenditures for first Bar (3)	$~~217,400~~264,031 to $~~332,958~~334,502	As Disclosed in First Table		
Total	$~~289,500~~346,131 to $~~405,058~~416,602	In addition to the Multi-Unit Development Fee, you will incur initial investment expenses for the development and opening of each Salon you are obligated to open under the multi-unit development schedule. The current estimated initial investment range for the development of a Salon is disclosed in the above tables and is subject to adjustment and increase in the future.		

Notes:

1. The multi-unit developer fee is calculated as $~~40~~45,000 for the first Franchised Business you commit to develop, plus $30,000 for the second Franchised Business, plus $15,000 for each additional Franchised Business you commit to develop. Our estimate assumes you will develop two Franchised Businesses ($~~40~~45,000 plus $30,000 equals $~~70~~75,000).

2. The approximate cost for a vehicle to view potential sites, oversee the build-outs, supervise multiple locations, etc. will be $2,100 for 3 months.

3. The estimated initial investment for each Franchised Business you must develop under the multi-unit development agreement is subject to change for future Salons, based on our then-current offer at the time and the costs associated with the types of expenditures listed in the first table presented in this Item 7. As stated in the table, the estimate included only covers the multi-unit developer fee and the estimated initial investment for the first Franchised Business you are required to open under the multi-unit development agreement. You will incur initial investment expenses for each Franchised Business you are obligated to open under the multi-unit development agreement, and that initial investment estimate may increase in the future.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as indicated below, you do not need to purchase or lease any goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of the Franchised Business from us or our designees.

Generally

The Franchise Agreement includes restrictions on (a) the types of products and services you are permitted to offer in connection with the operation of the Franchised Business, and (b) the sources of products, services, inventory, equipment and other items. We may require you to buy some or all products, services and items from us, our affiliates, and/or our designated suppliers. We may change our designations, including our lists of approved and designated sources of supply, at any time on notice to you. We may, in certain instances, permit you to select a vendor or supplier for certain goods or services, but in such an event, the goods or services you purchase must comply with specifications that we establish. We may communicate these obligations to you in any way we determine, including through the Manual (as defined below) or other written communications.

You must operate your Franchised Business in strict conformance with the Franchise Agreement and our methods, standards, and specifications which we prescribe in our confidential operating manual and various other confidential manuals and writings, any or all of which may be in electronic format (collectively the "Manual"). We have the unrestricted right to change the Manual over time. You are expected to review and comply with all such changes at your sole cost and expense. The Manual may include, among other provisions, service specifications, pricing requirements (to the fullest extent permissible under applicable law), minimum advertised pricing requirements, branding (including design, layout, décor, appearance, lighting and cleanliness standards and specifications), standards of customer service, safety, cleanliness, maintenance, remodeling, replacement of outdated, obsolete or worn out equipment, signage specifications, graphics and artwork specifications and standards, dress and uniform requirements, environmental care, consistency, training services, brand image, advertising, and promotion among other subjects and areas. We may require you to participate in in-house certification, videos and instruction that you must use in connection with the operation of the Franchised Business.

You may only offer approved services and products ("Approved Services and Products") at your Franchised Business. You are not permitted to offer or sell any other services, products, classes or items in connection with the operation of your Franchised Business. We may provide you with a list of the Approved Services and Products upon signing your Franchise Agreement or in the Manual. All Approved Services and Products must meet our standards and specifications. To: (i) better assure the quality of the Approved Services and Products; (ii) assure the supply of the Approved Services and Products; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies, we have the right to require you to purchase any and all items from us, our affiliates, and/or other suppliers or distributors approved or designated by us. Your purchase or lease of goods or services as required is an essential element of your compliance with the Franchise Agreement and the Manual, and your failure to do so will be a breach of the Franchise Agreement and may result in your loss of material benefits, including the termination of the Franchise Agreement. We may also develop certain equipment, products, marketing services and items which you must purchase from us and/or our affiliates and use and/or offer for sale, as applicable, at or in connection with the operation of your Center.

We may formulate and modify our standards and specifications for products and services at any time as we deem appropriate, including based upon the collective experience of our franchisees and our principals. Our standards and specifications are described in the Franchise Agreement, the Manual, and/or other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the Franchised Business, including standards and specifications for services, suppliers, products, inventory, signs, furnishings, supplies, fixtures and equipment by written notice to you or through changes in the Manual. You may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement. We will notify you of any change to our standards and specifications by way of written amendments to the Manual or otherwise in writing.

Specifications

Without limiting the foregoing, you must build out, furnish and equip the Franchised Business according to our standards and specifications as described in our Manual. Many of the products, supplies and services needed in connection with establishing your Franchised Business, such as stylist chairs, fixtures, décor, paper goods and retail products inventory, computer hardware and software and signs, must meet our specifications for appearance, quality, performance and functionality, among other things. We reserve the right to require you to purchase any or all of these items from designated or approved suppliers (which may include us and/or our affiliates). As of the issuance date of this Disclosure Document, our millwork (which includes the styling bar, reception desk and retail display units) and styling chairs, which are proprietary to us, may only be purchased from approved suppliers. We list the specifications for these items and services in the Manual or in other written or electronic communications provided to you. We formulate and modify our specifications for products, supplies and services based upon our and our Parent's industry knowledge and our experience in developing and operating Blo Blow Dry Bars.

Approved Suppliers

As of the issuance date of this Disclosure Document, you must purchase the following products, supplies and services from our designated or approved suppliers: millwork, stylist chairs, fixtures, décor, signage, paper goods, retail products, hair-care inventory, make-up products, computer hardware and software, salon account management tools and software services, candidate recruitment management services, accounting software, local advertising services (e.g. Yelp), and Booker marketing suite software and services. As of the issuance date of this Disclosure Document, we require you to use ADP for your first year of operations for certain designated payroll and other human resource management services. We reserve the right to modify this requirement and to designate a different vendor for such services, effective on notice to you. We will provide you with a list of required purchases and designated suppliers in our Manual and/or other written or electronic communications. We anticipate that the required purchases and designated suppliers may change over time. Other than as disclosed in this Item, as of the issuance date of this Disclosure Document, neither we nor our affiliates are currently an approved supplier for any item. As of the issuance date of this Disclosure Document, other than the franchisor entity, none of our officers has an ownership interest in any Approved Supplier.

You may request our approval of an alternate supplier or vendor for items or services that require supplier approval, however we are not obligated to review or consider any such request. If we elect to consider your request, we may require you to send us the information and samples that we designate or request, including items and/or information we deem appropriate to determine whether an item or service complies with our standards and specifications, and/or whether the proposed supplier meets our criteria. You must reimburse us for all of our reasonable expenses in connection with determining whether we will approve an item, service or supplier (currently estimated at $500 per request). If we do not communicate our approval or disapproval of the alternate item, service or supplier, as applicable, within 60 days, your request will be considered disapproved. Our approval process may focus on, among other criteria, the supplier's dependability, general reputation and ability to provide sufficient quantity of product or services, the products' or services' prices and quality, arrangements we already have in place with other designated or approved suppliers, and/or impact on the system. We are not required to approve or authorize any additional products, items or suppliers. We grant and revoke approval of suppliers through notice to our suppliers and franchisees.

Right to Derive Revenue and Material Consideration

We and our affiliates reserve the right to derive revenue and to receive consideration, including monetary payments and other benefits, from franchisees for goods or services that we and/or our affiliates sell or lease to them, and also from vendors who sell or lease products and/or services to our franchisees. During our fiscal year ended December 31, 2022~~2021~~, we derived $~~99,846.92~~221,610 in revenue, or ~~6.2~~9.3% of our total revenue of $~~1,611,722.31~~2,387,597 on account of our franchisees' required purchases. We and our affiliates reserve the right to derive revenue from the sale and/or lease of any and all goods, products, items and/or services to franchisees without restriction. We and our affiliates may impose mark-ups on any and all purchases and leases from us or our affiliates.

As of the issuance date of this Disclosure Document, some approved suppliers and/or distributors of hair care products, make-up products, store fixtures, merchant processor services, payroll and human resource management services, printing services pay us a percentage (currently ranging from 3% to ~~15~~10% of purchases by franchisees). These amounts are subject to change (including increase) at any time in the future.

Except as disclosed in this Item 8, as of the issuance date of this Disclosure Document, we do not currently have any third-party vendors or suppliers that pay us a rebate or any other consideration in connection with required franchisee purchases, but we reserve the right to collect these types of rebates or other consideration at any time in the future without restriction. We and our affiliates also reserve the right to receive compensation from suppliers for creating or maintaining purchasing relationships. If we and/or our affiliates receive these rebates and/or payments, there will be no restriction on our and/or our affiliate's use of these monies. We have negotiated price discounts on items you are required to purchase from designated vendors, although we are not contractually required to do so. We reserve the right to enter into and to modify vendor arrangements at any time and are not under any obligation to ensure future price discounts on any item. Except as expressly disclosed in this Item, as of the issuance date of this Disclosure Document, we have not negotiated any purchase agreements with suppliers for the benefit of franchisees, but we reserve the right to do so at any time in the future.

As of the issuance date of this Disclosure Document, none of our officers currently own any interest in an approved supplier (other than the franchisor entity).

Miscellaneous

We may negotiate group rates, including price terms, for the purchase of equipment, inventory and supplies necessary for the operation of the Franchised Business. Presently, there are no purchasing or distribution cooperatives that you must join. We may receive rebates, discounts or other financial benefits from Approved Suppliers or any other suppliers based on our franchisees' purchase of goods or services. If we receive rebates or other payments, there are no restrictions on our use of those funds.

We estimate that approximately between 25% and 30% of your expenditures in establishing your Franchised Business will be for goods and services that must be purchased

from an Approved Supplier or in accordance with our standards and specifications. We estimate that approximately between 90% and 95% of your expenditures on an ongoing basis will be for goods and services that must be purchased from an Approved Supplier, or in accordance with our standards and specifications.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Blo Blow Dry Bars) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us to terminate the Franchise Agreement.

INSURANCE

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require; our insurance requirements will be contained in the Manual. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You currently must maintain the following insurance coverages: (1) commercial general liability with limits of not less than $1,000,000; (2) professional liability with limits of not less than $1,000,000; (3) business interruption insurance; (4) contents coverage, including tenant's improvements value, at replacement cost; (5) sewer back-up insurance; (6) workers' compensation, employer's liability and other insurance required by applicable state laws; and (7) any other insurance that may be required according to the terms of the lease for the premises or as may be required by us in the future. Unless we designate otherwise, there is no designated premises endorsement or limitation to the location of the Franchised Business physical address permitted. You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds, include a waiver of subrogation in our favor, be primary and non-contributory and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. We require that you carry a bond in the amount of $25,000 to cover the prepaid liabilities that accrue from the sale of among, other things, Gift Cards, Series and Memberships. We may periodically increase or decrease the amount of bond coverage required at any time to reflect inflation, identification of new risks, changes in law or standards of liability, or other relevant changes in circumstances.

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 disclosure document.

The following abbreviations appear in this Item 9 table: **FA** – Franchise Agreement; **MUDA** – Multi-Unit Development Agreement;

Obligation	Section in the Agreement	Item in the Disclosure Document
a. Site selection and acquisition of lease	**FA**: Sections 2 and 5 **MUDA**: Article I	Items 11 and 12
b. Pre-opening Purchases/leases	**FA**: Sections 5, 13 and 15 **MUDA**: Article I	Items 7 and 8
c. Site development and other pre-opening requirements	**FA**: Sections 5 and 8 **MUDA**: Article II	Items 7, 8 and 11
d. Initial and ongoing training	**FA**: Section 8	Items 6, 7 and 11
e. Opening	**FA**: Sections 5, 8, and 11 **MUDA**: Article I	Item 11
f. Fees	**FA**: Sections 2.5, 5, 8, 10, 11, 12, 13, 15, 18 and 21 **MUDA**: Article III	Items 5, 6 and 7
g. Compliance with standards & policies/Operating Manual.	**FA**: Sections 5, 6, 9, 10, and 13	Items 8 and 16
h. Trademarks and Proprietary information	**FA**: Sections 6, 7, and 9	Items 13 and 14
i. Restrictions on sources of product and services	**FA**: Sections 5, 6, 9 and 13	Items 8 and 16
j. Warranty and customer service requirements	**FA**: Section 13	Item 16
k. Territorial development	**FA**: None **MUDA**: Article I	Item 12
l. Ongoing product/service purchases	**FA**: Section 13	Items 8 and 11

Obligation	Section in the Agreement	Item in the Disclosure Document
m. Maintenance, appearance & remodeling requirements	**FA**: Sections 5, 10 and 13	Item 6
n. Insurance	**FA**: Section 15	Items 6, 7 and 8
o. Advertising	**FA**: Section 11	Items 6 and 11
p. Indemnification	**FA**: Section 21 **MUDA**: Article IX	Item 6
q. Owner's participation/ management/staffing	**FA**: Section 13	Item 15
r. Records/reports	**FA**: Section 12	Item 11
s. Inspections/audits	**FA**: Sections 6 and 12	Item 6, 11 and 13
t. Transfer	**FA**: Section 18 **MUDA**: Article VI	Item 17
u. Renewal	**FA**: Section 4 **MUDA**: Article II	Item 17
v. Post-termination obligations	**FA**: Section 17 **MUDA**: Article V	Item 17
w. Non-competition	**FA**: Sections 7 and 17 **MUDA**: Article II	Item 17
x. Dispute resolution	**FA**: Section 23 **MUDA**: Article VIII	Item 17
y. Liquidated damages	**FA**: Section 17	Item 6
z. Owners/shareholders guaranty	**FA**: Section 18	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. We may provide names of financing sources upon request. We will not guarantee your obligations to third parties. We do not receive payment from any person for the placement of financing with such person.

We have been accepted by SBA Franchise Registry. It is our understanding that this acceptance may expedite the loan process if you wish to obtain outside financing.

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

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

PRE-OPENING OBLIGATIONS

Multi-Unit Development Agreement: The pre-opening and continuing services we provide under the Franchise Agreement will be provided to each Multi-Unit Developer for each Franchised Business that they open, however the Multi-Unit Developer will not be trained for each unit opened after the first unit.

Franchise Agreement: Before you open your Franchised Business, we will:

1. designate your Protected Territory, as further described in Item 12. (Franchise Agreement – Section 2.5)

2. if we have not already approved a site that you have selected before you sign the Franchise Agreement, provide you with our criteria for site selection and review the site you have selected for the location of the Franchised Business. (Franchise Agreement – Sections 2.5 and 5.1)

3. review and approve your lease or purchase agreement for the site for the Approved Location. (Franchise Agreement – Section 5.2)

4. We will assist you with the build-out of your Franchised Business. (Franchise Agreement – Section 5.3) You must engage the services of and contract with our designer to develop plans for the build-out of your Franchised Business that are specific to the location we have approved. You must engage mechanical and electrical engineers and a local architect to prepare the drawings for any and all permits required for construction of your Franchised Business.

5. provide you with an initial orientation and training program to be held at your location. You will be responsible for all costs associated with training and orientation. (Franchise Agreement – Section 8.1)

6. provide to you, on loan, one copy of our Manual, or grant you access to an electronic copy of the Manual. (Franchise Agreement – Section 9.1)

7. Review of your Grand Opening Advertising campaign to promote the opening of your Franchised Business. As of the issuance date of this Disclosure Document, we require you to pay to us the Grand Opening Advertising Expenditure and we will allocate and expend the funds on your behalf as we determine appropriate in our sole and absolute discretion, and we may retain an administrative fee of up to 15% of the Grand Opening Advertising Expenditure. We may require you to pay a portion of the Grand Opening Advertising Expenditure directly to designated vendors. (Franchise Agreement – Section 11.1)

CONTINUING OBLIGATIONS

Franchise Agreement: During the operation of your Blo Blow Dry Bar, we will:

1. periodically advise you and offer you general guidance by telephone, e-mail, facsimile, newsletters and other methods. Our guidance is based on our industry experience and our experience in operating Blo Blow Dry Bars. Our advice and guidance may consist of knowledge and experience relating to the authorized services or products, as well as operational methods, accounting procedures, and marketing and sales strategies. (Franchise Agreement – Section 14.1)

2. at our discretion, periodically visit the Franchised Business to advise, assist and guide you in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of any visit. If we prepare a report, you may request a copy from us. If we use a secret shopper, you will pay for the report (currently $150 to $175 per visit). (Franchise Agreement – Section 14.2)

3. make available to you operations assistance and ongoing training as we deem necessary. (Franchise Agreement – Sections 8.2 and 8.5)

4. make available to you changes and additions to the System as generally made available to all franchisees. (Franchise Agreement – Section 14.3)

5. periodically provide formats for advertising and promotional materials including ad-slicks, brochures, flyers and other materials for you to produce and use. (Franchise Agreement – Section 14.4)

6. approve forms of advertising materials you will use for Local Advertising, Grand Opening Advertising and Cooperative Advertising. (Franchise Agreement – Section 11)

7. provide you with modifications to the Manual as they are made available to franchisees. (Franchise Agreement – Section 9.2)

8. establish the minimum and/or maximum prices that you may charge, as permitted by applicable law. (Franchise Agreement – Section 14.1)

PROMOTION, ADVERTISING AND BRAND MAINTENANCE

Advertising Fund

We established a System-wide Advertising Fund, and you must contribute to the Advertising Fund an amount equal to the greater of 2% of Gross Sales or $250 per month. ~~As of the issuance date of this Disclosure Document, we require you to pay 2% of Gross Sales per month to the Advertising Fund. We may increase your contribution requirement up to an amount~~

~~not to exceed the greater of $250 per month or 2% of Gross Sales, effective on notice to you.~~ (Franchise Agreement – Section 11.3). We will administer the Advertising Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We will not be obligated to spend any amount on advertising in any franchisee's area that will benefit directly or in proportion to their contribution from the placement of advertising by the Advertising Fund.

2. We may use your contributions to meet any cost of, or reimburse us for our cost of, producing, maintaining, administering and directing consumer advertising, public relations and the brand's digital presence (including the cost of developing, supporting and/or administering mobile applications; preparing and conducting television, radio, digital marketing/internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet website or similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; attending franchise and industry conventions; salaries and compensation for employees performing marketing and promotional related duties or functions, and providing other marketing materials to franchisees). We may conduct all advertising and public relations in-house, or we may use a national or regional advertising or public relations agency. We will maintain your contributions in a separate account from our funds and we will not use them for any of our general operating expenses, except we may use Advertising Fund Contributions for administrative costs and fees of up to 15% of Advertising Fund Contributions, in addition to salaries and overhead related to the administration of the Advertising Fund. We will not use Advertising Fund Contributions principally for the purpose of soliciting franchise sales, however, we may include statements about the availability of information regarding the franchise opportunity and the purchase of a franchise in any advertising, promotional or other items produced, circulated and/or distributed using Advertising Fund Contributions. Vendors and suppliers may, if we permit, contribute to the Advertising Fund.

3. We expect to use all contributions in the fiscal year they are made, but any monies remaining in the Advertising Fund at the end of any year will carry over to the next year. We will use any interest or other earnings of the Advertising Fund before using current contributions. We intend for the Advertising Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the Advertising Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our franchisees on a *pro rata* basis. ~~–~~For the fiscal year ending December 31, 2022: 29% Content~~2021: 26% went to Social Media/Local Listings/Reputation Management Platforms,28% went to Photo/Video~~ Creation, ~~15~~19% went to SEO, 17% went to Carryover to ~~Paid~~2024, 13% to Digital Marketing~~ (platform management fee and media spend), 9% went~~, 8% to Email Marketing, ~~17% went to staff recruitment marketing~~6% to Program Pilot tests, 5% to Partnership and Giveaways, and ~~5 went~~3% to ~~Training Videos.~~ Miscellaneous + Admin Fees.

4. All Blo Blow Dry Bars owned by us or our affiliates will make similar contributions to the Advertising Fund as required of franchisees.

5. We will have an unaudited statement of the Advertising Fund prepared each year and we will provide you with a copy within a reasonable time after the statement's issuance if you request a copy on or before March 31st of the following year. You will not be entitled to receive the statement if you fail to timely submit the written request to us. We may require that the annual accounting be audited by an independent certified public accountant at the expense of the Advertising Fund.

6. The Advertising Fund is not a trust and we assume no fiduciary duty in administering the Advertising Fund.

Brand Maintenance Fee

In addition to the Advertising Fund, you must pay to us a monthly Brand Maintenance Fee in the amount we designate (currently $150 per month). The Brand Maintenance Fee currently covers social media, web, public relations, best practices coaching, and corporate direction and collaboration around event planning and management.

Local Advertising

You must conduct advertising, promotions and public relations in the local area surrounding the Franchised Business each month, and you must spend the greater of $1,500 or 1% of Gross Sales each month on your local advertising. Your obligation to expend the monthly Local Advertising Expenditure begins after your Grand Opening Advertising campaign, in the fourth month of operations. After the expiration of the 12-month anniversary of the opening date, we may, in our discretion and on a location-by-location basis, lower the expenditure requirement to $1,000 or such lower amount as we designate. You will pay for your ads and promotions directly to your local advertising suppliers. You must comply with our brand marketing guidelines and specifications. We reserve the right to designate mandated suppliers for local marketing and advertising services (including online and social media marketing service providers). We reserve the right to require you to pay the Local Advertising Expenditure directly to us or our affiliate, in which event we and/or our affiliate will expend the Local Advertising Expenditure amount for advertising, promotions and public relations in the local area surrounding the Franchised Business. You must submit any and all materials incorporating any of the Marks to us for review and approval prior to use or circulation. Within 30 days of our request, you must give us an accounting of your advertising activities, including verification copies of the ads and receipts or proof of expenditures. (Franchise Agreement – Section 11.2). You must also prominently display franchise brochures and other materials that we provide, at our cost, in your location to solicit prospective franchisees. Unless we designate otherwise, you must participate on Yelp in the Beauty & Spas section, currently $28 per month (payable to us).

Any advertising that has not been furnished by us or that we have not approved within the preceding 12 months must be submitted to us for our review. We will have 15 days after our receipt of the materials to advise you whether they are approved or not. If we do not provide you with oral or written approval within this 15-day period, the materials are deemed not approved. Any advertising or promotional materials you provide to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. The

approval process described in this paragraph also applies to proposed advertising to be used by an advertising cooperative. We may require you to include certain language in your advertising, such as "franchises available" and our website address and telephone number.

Cooperative Advertising

Although we are not obligated to do so, we may create an advertising cooperative for the benefit of all Blo Blow Dry Bars located within a particular region, or we may approve of an advertising cooperative formed by our franchisees within a particular region. You must participate in any advertising cooperative established in your region. The members of the cooperative will determine the amount and frequency of contributions you must make to the cooperative. If we form the cooperative, we will determine the amount and frequency of contributions you must make to the cooperative. Any amounts you contribute to an advertising cooperative will count toward your local advertising requirement, but if the amount you contribute to a cooperative is less than the amount you must spend on local advertising, you must still spend the difference locally. We will have the authority to create, change, merge or dissolve any advertising cooperative.

Any Blo Blow Dry Bars owned and operated by us or our affiliates will participate in advertising cooperatives on the same basis as our franchisees, and will have the same voting rights as franchisees. In no event will any one franchisee (or any group of commonly controlled franchisees) have more than 25% of the total vote on any cooperative matter.

Grand Opening Advertising

Unless we designate otherwise, you must pay the Grand Opening Advertising Expenditure (ranging from $12,500 to $15,000, as we designate) to us to promote the initial opening of the Franchised Business. We may require you to pay a portion of the Grand Opening Advertising Expenditure directly to designated suppliers. The Grand Opening Advertising campaign typically begins two months before your scheduled opening date and continues for typically three months following the opening date. We or our designee will expend such amount on local advertisements, marketing and promotion of the initial opening of the Franchised Business as we determine appropriate in our sole and absolute discretion. We may also retain an administrative fee of up to 15% of the Grand Opening Advertising Expenditure. The Grand Opening Advertising Expenditure is not refundable under any circumstances.

If we elect not to require you to pay the Grand Opening Advertising Expenditure to us, we may require you to (a) prepare and submit to us your proposed plan for the Grand Opening Advertising Campaign and expenditures within the time period we designate, (b) to expend such amounts in accordance with the approved plan, and (c) provide us with proof of your expenditures. We reserve the right to require you to use our designated vendors and suppliers for marketing, advertising and promotional services. You must submit your grand opening advertising materials to us for review prior to their use. We will have 15 days to complete our review. –Your Grand Opening Advertising campaign must include the elements that we require, including a marketing mix of paid digital ads, public relations, local events, social media

giveaways, print or news media and direct mail advertising, or other solicitation and promotional efforts.

ADVISORY COUNCILS

We have formed advisory councils to work with us to improve various aspects of the System, including advertising campaigns, new products and services, and other matters. Its members are made up of franchisees and our representatives. The franchisee representatives may be chosen by us or elected by other franchisees. The advisory councils will act in an advisory capacity only and will not have decision making authority. We will have the power to form, merge, change or dissolve any advisory council, in our discretion.

WEBSITE / EXTRANET

Websites (as defined below) are considered as "advertising" under the Franchise Agreement and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "Website" means an interactive electronic document contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to your Franchised Business, the Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

In connection with any Website, the Franchise Agreement provides that you may not establish a Website, nor may you offer, promote, or sell any products or services, or make any use of Marks, through the Internet without our prior written approval, which we do not have to provide. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website.

We will have the right to establish a website or other electronic system providing private and secure communications (*e.g.*, an extranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the extranet that you must acknowledge and/or sign.

You must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including on Facebook, TikTok, Snapchat, Instagram, Twitter, LinkedIn, YouTube or any other social media and/or networking site ("Social Media Site") unless we expressly authorize you to do so, and if authorized, in strict accordance with our designated rules, guidelines, specifications, policies and procedures (our "Social Media Policies and Procedures"), which we may change, revoke or otherwise modify at any time on notice to you. As of the issuance date of this Disclosure Document, as more specifically set forth in our Manual, we permit you to use certain Social Media Sites provided that you strictly comply with the Social Media Policies and Procedures. Except as expressly

authorized by us in writing, you may not establish or maintain any social media sites and/or mobile or internet-based applications (or any comparable future developed technology). You are responsible for ensuring that your directors, coaches, managers and employees comply with the guidelines and procedures. We have the right to modify our Social Media Policies and Procedures, our policies governing media and Internet usage at any time in writing, whether in the Manual or otherwise. You must comply with all modifications.

COMPUTER/POINT-OF SALE SYSTEM

You must purchase an Apple Macintosh computer and use the Booker web-based salon management software program and the hardware for your Point of Sale System. You must purchase and use the software programs we designate. We may also require you to use mobile applications we designate, which may include proprietary mobile apps and / or mobile apps created or designed for the System. You may purchase the computer from any authorized dealer. Your computer system and the required software provide you with the following functions: point of sale, appointment book, inventory management and staff reporting. –The current estimated maintenance cost is $88 per month, payable monthly, quarterly or annually as required by the approved supplier. We estimate that the computer hardware will initially cost approximately $2,000.

The current cost to set up and maintain your Blo Blow Dry Bar email account is $5 per month (which fee is subject to increase effective on notice to you), which you are currently required to pay to us (and we remit payment to the vendor). Ongoing technical support will be provided to you by our approved supplier, unless we designate otherwise. As of the issuance date of this Disclosure Document, you will be invoiced by the approved supplier at the rates negotiated by us. This process is subject to modification in the future, as we may designate in our sole discretion.

You must purchase ongoing technical support and maintenance for your computer equipment. You must maintain, at all times during your Franchise Agreement, an on-site maintenance contract. You must also have a high-speed internet connection at all times for your computer system. Neither we nor any affiliate of ours will provide you with any maintenance, updates or upgrades for your computer system or software.

You must update or upgrade computer hardware and software as we deem necessary or appropriate. There are no contractual limitations on either our right to require you to obtain updates and/or upgrades, or the cost of any updates and/or upgrades. As disclosed above, you must use all software we designate, which may include proprietary software that we develop or which is developed for us, and software allowing us independent access to your financial statements and benchmarking data. We have the right to independently access all information you collect or compile at any time without first notifying you. You must make sure that we have electronic access to your computer system at all times, at your expense. (Franchise Agreement – Section 5)

SITE SELECTION

If you have a potential site for the Franchised Business, you may propose the location for our consideration. If you do not have a proposed site, you must find one within the "Designated Area" specified in your Franchise Agreement. You will not receive any territorial rights or protections in the Designated Area. You will have 90 days after you sign the Franchise Agreement to provide us with the information we require to evaluate your proposed site. We will notify you within 10 days after we receive all required information whether the site is approved. If we do not provide our specific approval of the site, it is deemed not approved. If we do not approve your site, we will provide you with an additional 30 days to find another location. If you are still unable to secure an accepted site within the additional 30 days, we have the right to terminate the Franchise Agreement and keep the initial franchise fee. We will furnish you with our general site selection criteria, but it is entirely your responsibility to locate and obtain a site that meets our standards and criteria and that is acceptable to us. (Franchise Agreement – Sections 2.3 and 5.1)

The general site selection and evaluation criteria which we consider in approving your site includes the condition of the premises, demographics and population density of the surrounding area, proximity to other Blo Blow Dry Bars, lease or purchase requirements, visibility, ease of access, available parking and overall suitability. You may not relocate the Franchised Business without our consent.

TYPICAL LENGTH OF TIME BEFORE OPENING

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Blo Blow Dry Bar is six to nine months, but you must open your Franchised Business and be operational not later than 12 months after signing the Franchise Agreement or we may terminate your Franchise Agreement. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures. (Franchise Agreement – Section 5.3)

TRAINING

You must attend and complete to our satisfaction our designated initial training program, which we reserve the right to change at any time. We may conduct all or any portion of the initial training program remotely, including through currently existing or future developed technology platforms. The total length of this training is estimated to range from 10-12 weeks.

The first portion of initial training is at our Head Office, lasts for approximately 2 to 3 days, and consists of orientation and training. You are responsible for your travel lodging, meals and accommodation expenses which we estimate will range from $940 to $1,700. As stated above, we reserve the right to conduct the Head Office training remotely through any virtual technology platform we designate.

After completion of the Head Office portion of the training, you will receive remote brand and operations training in the weeks prior to opening. The training program covers the business and administrative aspects of the operation of a Blo Blow Dry Bar. Training will be facilitated by one or more Franchise Business Coaches (each an FBC) and a member of our marketing team under the supervision of our VP of Marketing~~,~~ and will take the form of weekly calls and on-line training sessions. As of the issuance date of this Disclosure Document the final sessions will be conducted onsite prior to opening.

Onsite training is conducted at your location just prior to opening, is 5 to 6 days long and will cost approximately $1,880 to $2,955 depending on travel costs for the trainer including accommodations and per diem.

You and your manager must attend training and complete it to our satisfaction. If you fail to complete our initial training program to our satisfaction, we have the right to terminate your Franchise Agreement and keep the initial franchise fee.

Blo U is the onsite training program for your stylists and is conducted at your location prior to opening. It is 6 days long and will cost approximately $~~6,240 to $10,140~~8,720 and $13,790 depending on travel. It includes the trainer's salary, flight, accommodation and per diem.

If you require additional on-site assistance, you must pay our then-current training fees, in addition to per diem fee (currently, $80) for each of our representatives, and you must reimburse our representatives' expenses, including travel and accommodations.

The instructional materials we use in our initial training program include our Manual and any other information that we believe is beneficial to our franchisees and their employees in the initial training program. As of the issuance date of this Disclosure Document, our initial training program consists of:

TRAINING PROGRAM

	Subject	Hours of Training	Hours of On-the-Job Training	Location
Pre Base Camp	Brand History, Brand Positioning, "Strands of Success", Role of a Franchisee, Personal Mission	1		Online – Virtual Meeting
Base Camp	Mission + Vision, Service + Product Offerings, Full Circle Experience	2		At our headquarters in Toronto, ON
Base Camp	Blo U(niversity) – Signature Styles, Techniques + Brand Standards, Look Book	3.5		At our headquarters in Toronto, ON
Base Camp	Driving In-Bar Sales	2		At our headquarters in Toronto, ON
Base Camp	Financial Foundations: Profitability,	3		At our headquarters in Toronto, ON

	Goal-Setting and Strategic Planning			
Base Camp	Customer Experience, Brand Excellence and Digital Reputation Booker Marketing Suite Search Engine Optimization Social Media Management Community Engagement and Events Brainstorms	4		At our headquarters in Toronto, ON
Base Camp	Building & Retaining a Strong Team (Recruitment + Retention)	3		At our headquarters in Toronto, ON
Base Camp	Key Takeaways & Q&A	1		At our headquarters in Toronto, ON
CTBO	Module 1: Build + Business Preparation	2		Online – Weekly Virtual Training
CTBO	Module 2: Business Fundamentals: Getting to Breakeven and Driving Profitability	2		Online – Weekly Virtual Training
CTBO	Module 3: Vendors + Suppliers	1		Online – Weekly Virtual Training
CTBO	Module 4: Building + Retaining a Strong Team (Recruitment + Retention)	2		Online – Weekly Virtual Training
CTBO	Module 5: Revenue Drivers	1		Online – Weekly Virtual Training
CTBO	Module 6: Services, Polices and Brand Standards	2		Online – Weekly Virtual Training
CTBO	Module 7: Inventory Management	1		Online – Weekly Virtual Training
CTBO	Module 8: Payroll, Scheduling, Preparing for BloU	1		Online – Weekly Virtual Training
CTBO	Module 9: Getting the Bar Ready – BloU and Corp Arrival	1		Online – Weekly Virtual Training
CTBO	Various readings of manuals and completion of Online Courses as part of CTBO	8-12		Online – Self-Study
PRE + SOFT OPEN (7 Days)	Preparing for Soft Open – In-shop training and space preparation		40 - 50	Onsite at Your location
TOTALS		40.5-44.5	40-50	

You must also complete any and all remote training we require, including remote training to be provided by System vendors, as part of the initial training program. We reserve the right to change the initial training program at any time. As of the issuance date of this Disclosure Document, our initial training program is overseen by Patrick Pantano, Shauna Stalker and Kim Wolfe. We also reserve the right to periodically name additional trainers and/or to draw upon the experience of the staff members from our Affiliate's Blo Blow Dry Bars and/or Franchised Businesses to assist in providing training. There are no limits on our right to assign a substitute to provide training. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 4 to 20 years.

We may periodically require that previously trained and experienced franchisees, their managers, and/or employees attend refresher-training programs. Attendance at these programs will be at your sole expense, which may include a reasonable fee for the training program. (Franchise Agreement – Section 8.5) We may also conduct an annual meeting or convention of our franchisees, which may include discussions relating to changes to the System, new offerings and refresher training. If we choose to hold an annual meeting or convention, attendance will be mandatory for you (or if you are a legal entity, your owner responsible for Franchised Business operations). The current non-refundable fee for the annual meeting is $300 to $400 for each person from your Franchised Business attending the meeting (which fee is due and payable on the date we designate), and you must also pay all of the expenses your attendees incur while at the annual meeting, including travel, lodging, meals, wages and benefits.

During the twelve-month period following the date on which you open the Franchised Business, you must participate in our designated "first-year coaching program" at your sole cost and expense. We may also provide additional training sessions to you and/or your employees at your Franchised Business. You will pay our then-current per diem fee for each trainer we send to you, and you must pay our On-Site Coaching Visit Fees and reimburse our expenses for sending the trainer(s) to you.

CONFIDENTIAL OPERATIONS MANUAL

The Table of Contents of the Manual, along with estimated number of pages devoted to each section, is included as Exhibit F to this Disclosure Document. Our Manual is currently provided in electronic format. The Manual includes approximately 40 pages total.

ITEM 12
TERRITORY

FRANCHISE AGREEMENT

You must operate your Franchise at a location that we approve and you may not relocate without our written approval. We will grant you a Protected Territory. Your Protected Territory will be included in your Franchise Agreement and may be described in terms of specific boundaries (such as streets or town lines) or be depicted on a map. The minimum size of the Protected Territory shall be 3 blocks surrounding the location for urban areas and one-mile radius for suburban areas. The size of your Protected Territory will be determined by us once your location is selected.

Except as otherwise disclosed in this Item, if you are in full compliance with the Franchise Agreement during its term, we will not establish, or license others to establish, Blo Blow Dry Bars or competing businesses within your Protected Territory. However, we retain the right to sell Blo Proprietary Products anywhere, including within your Protected Territory, such as through our Website and mail order, and you will not earn a portion of any of the revenue generated from our sales of these Proprietary Products, even if the Proprietary Products are delivered to a customer within your Protected Territory.

Due to the nature of the hair care business, you may provide services and/or sell products to customers who live anywhere but who choose to use your Franchised Business. Your Protected Territory is an area within which we will not grant another franchise or open a company-owned Blo Blow Dry Bar, and is the area in which you will concentrate your advertising activities. You are not permitted to market, advertise or promote the Franchised Business outside of your Protected Territory unless you receive our prior written approval, which we may grant, revoke or withhold in our sole and absolute discretion. This Protected Territory may change periodically as the market and demographics change.

Except as otherwise expressly set forth below, you may sell our Proprietary Products and related merchandise to retail customers and prospective retail customers at the Franchised Business location only. Your customers may travel from outside of your Protected Territory to your Franchised Business for services. Additionally, subject to the restrictions on your ability to advertise or market outside of your Protected Territory, we currently authorize you to provide "*Blo On The Go*" services to customers who request that you provide authorized services at their designated location, which may be outside of your Protected Territory. We reserve the right to modify the "*Blo On The Go"* program and to require you to comply with our designated practices, policies and procedures, which we may specify in the Manual or other written communications. We reserve the right to discontinue the "*Blo On The Go"* program at any time on notice to you. You may not engage in any promotional activities or sell products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Protected Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Protected Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell our Proprietary Products to any business or other customer at wholesale.

We and our affiliates may sell products under the Proprietary Marks within and outside your Protected Territory through any method of distribution other than a dedicated Blo Blow Dry Bar, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales anywhere and you will not receive any compensation for our sales through alternative distribution channels.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark, however we reserve the right to do so in the future. We describe earlier in this Item 12 what we may do anywhere and at any time.

Except for the Blo Blow Dry Bars operated by us, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned units which sell our Proprietary Products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

There are no minimum sales goals, market penetration or other criteria you must meet to maintain your rights to the Protected Territory.

Rights We Retain: We and/or our affiliates may, in our discretion, and without granting any rights to you,

a) solicit prospective franchisees and grant franchises or other rights to operate Blo Blow Dry Bar Franchises through national or regional advertising, trade shows or conventions or through e-commerce or similar means;

b) grant franchises for Blo Blow Dry Bar Franchises and to own and operate Blo Blow Dry Bar Franchises ourselves or through affiliates at locations outside of your Protected Territory;

c) sell, solicit, recruit and provide services for any franchised business not defined as a Blo Blow Dry Bar Franchise;

d) sell and provide the services and Proprietary Products authorized for sale by Blo Blow Dry Bar Franchises under the Marks or other trade names, trademarks, service marks and commercial symbols through alternative distribution channels, as described above;

e) solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere; and

f) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with locations operating in your Protected Territory, we and/or our licensees have the right to operate the business under the Marks in the Protected Territory without affording any rights to you or providing any compensation to you.

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.

Special Venues

We reserve the right to establish and operate, and/or to license others to establish and operate, Franchised Businesses in "Special Venues", including Special Venues located in your

Protected Territory. The term "Special Venues" means non-traditional venues such as resorts, military bases, airports, casinos and entertainment venues.

MULTI-UNIT DEVELOPMENT AGREEMENT

You may (if you qualify) develop and operate a number of Franchised Businesses within a specified area (the "Development Area"). We and you will agree on the Development Area and it will be described in the Multi-Unit Development Agreement before signing it. The Development Area will be defined in terms of municipal or county boundaries but may be defined as a specified trade area within a municipality. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population, and market conditions. In each case, the territory guidelines for single franchise locations will prevail for each location developed as per your Multi-Unit Development Agreement. We and you will negotiate the number of Franchised Businesses you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the schedule in the Multi-Unit Development Agreement before signing it. Subject to your rights under Franchise Agreements then in effect, we may, after the Multi-Unit Development Agreement expires or is terminated, establish, or allow others to establish, Franchised Businesses within the Development Area. While the Multi-Unit Development Agreement is in effect, we (and our affiliates) will not establish, or allow other franchise owners to establish, Franchised Businesses to be located within the Development Area. There are no other restrictions on us. You may not develop or operate Franchised Businesses outside the Development Area. We may terminate the Multi-Unit Development Agreement if you do not satisfy your development obligations when required.

Except as described above, continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Exclusive Area.

To maintain your rights under the Multi-unit development agreement there must be open and in operation the cumulative number of Bars set forth on the Development Schedule by the dates set forth in the Development Schedule.

ITEM 13
TRADEMARKS

We grant our franchisees the right to operate businesses under the name "Blo Blow Dry Bar," which is the principal Mark used to identify our System of operation. You may also use any other current or future Mark to operate your Franchised Business that we designate in writing, including the logo on the front of this Disclosure Document and the trademarks listed below. By "Marks" we mean the trade names, trademarks, service marks and logos used to identify Blo Blow Dry Bars. Our affiliate, Blo Ontario, has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office ("PTO"), and has granted us a license to use and sublicense to use the Marks:

Mark	Registration Number	Registration Date	Register
Blo (and design)	~~3,738,531~~3738531	January 19, 2010	Principal
BLO BLOW DRY BAR (standard character mark)	~~4,159,959~~4159959	June 19, 2012	Principal
Blo Blow Dry Bar (logo)	~~4,996,639~~4996639	July 12, 2016	Principal
YOU'RE NOT CHEATING ON YOUR HAIRDRESSER	~~4,053,171~~4053171	November 8, 2011	Principal

We have filed all affidavits and intend to renew our registrations for the Marks when they become due. We have renewed our registration for the Blo (and design mark)

There are currently no effective material determinations of the PTO, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

To our knowledge, there are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in this state or any other state in which a Blo Blow Dry Bar may be located. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Business. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of your Agreement and an infringement of our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign your Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate

in these situations, and we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We can require you to modify or discontinue the use of any Mark and to use other trademarks or service marks. We will not be required to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. Our reimbursement does not include your expenses for removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes where we challenge your use of a Mark, or if your use of the Mark is not in compliance with your Franchise Agreement. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

You must use the Marks as the sole trade identification of the Franchised Business, but you may not use any Mark or part of any Mark as part of your corporate name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the PTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not establish, create or operate an Internet site or website using any domain name containing the words "Blo Blow Dry Bar" or any variation thereof without our prior written consent. You may not use the Marks as part of any advertisement on the Internet without our permission.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents nor pending patents are material to the franchise. We own copyrights in the Manual, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

To our knowledge, there are currently no effective determinations of the U.S. Copyright Office or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain Trade Secrets and other Confidential Information, including certain trade secrets, methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Blo Blow Dry Bar. We will provide our Trade Secrets and other Confidential Information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the Trade Secrets and other Confidential Information for the purpose of operating your Franchised Business. You may only divulge Trade Secrets and other Confidential Information to employees who must have access to it in order to operate the Franchised Business. You must enforce the confidentiality provisions as to your employees.

Certain individuals with access to Trade Secrets or other Confidential Information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form we specify.

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

FRANCHISE AGREEMENT

The Franchised Business must always be under the direct full-time supervision of the owner or a designated manager who has completed our initial training program to our satisfaction and who has been approved by us. While you may hire a manager to operate your Franchised Business, you must still be directly involved in the daily operation of your Franchised Business. If you are a corporate entity, the principals of the entity must be actively involved in the daily operation of the Franchised Business. You must keep us informed of the identity of your current designated manager. Your designated manager does not need to have an ownership interest in you.

As described in Item 14, your owners (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to Trade Secrets or other Confidential Information may be required to sign nondisclosure and non-competition agreements in a form we specify (Exhibit B

to the Franchise Agreement). We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under your Agreement and agree to be personally liable for your breach of the Agreement by signing the Guaranty and Assumption of Obligations (Exhibit C to the Franchise Agreement).

Franchisee's spouse is not required to guarantee performance.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we periodically specify, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized and you must discontinue offering any services, products or programs that we may, in our sole discretion, disapprove in writing at any time.

We may periodically change required or authorized services, products or programs. There are no limits on our right to do so. If we modify the System, you may have to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications.

On a case-by-case basis, we may allow you or other Blo Blow Dry Bar franchisees to offer certain additional services, products or programs that are not otherwise part of the System. We will decide which franchisees can offer additional services based on test marketing, the franchisee's qualifications and operational history, differences in regional or local markets and other factors. If we allow these deviations, we do not have to grant you a similar variance or other special accommodation.

We may designate the minimum and/or maximum prices that you may charge, to the fullest extent permitted by applicable law. There are no restrictions or conditions imposed by us that limit access to customers.

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 disclosure document.

Provision	Section in the Franchise Agreement	Summary
a. Length of the franchise term	Section 4.1	The initial term is ten years
b. Renewal or extension of the term	Section 4.2	An additional term is ten years, subject to (c) below
c. Requirements for franchisee to renew or extend	Section 4.1	You may renew the Franchise Agreement if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the Approved Location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us, have paid a renewal fee; are not currently in default of any provision of the Franchise Agreement or any other agreement between you and us and have not been in default more than twice during the term of the Franchise Agreement; have given timely written notice of your intent to renew; sign a current Franchise Agreement; comply with current qualifications and training requirements; and sign a General Release. You may be asked to sign a contract with materially different terms and conditions than your original contract, (the boundaries of your territory may change) and the fees on renewal may be higher.
d. Termination by franchisee	Not applicable (subject to state law)	Subject to state law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.

Provision	Section in the Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 16.2	Curable defaults include failure to comply with mandatory specifications, failure to make payments when due, offering a product or service that we have not approved, and your failure to substantially comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing
h. "Cause" defined – non-curable defaults	Section 16.2	Non-curable defaults include if you fail to establish and equip the Franchised Business; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; use the manual, Trade Secrets of Confidential Information in an unauthorized manner; abandon the Franchised Business for five consecutive days; surrender or transfer of control for Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a designated manager; understate any amounts due by 2% or more; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use for the Marks; fail on two or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard; fail to comply with any applicable law or regulation within 10 days of receiving notice of that failure; repeatedly breach the Franchise Agreement or fail to comply with our mandatory specifications; default under any other agreement between you and us.

Provision	Section in the Franchise Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 17.1	On termination or non-renewal of the Franchise Agreement, you must: stop operating the Franchised Business; stop using any Trade Secrets, Confidential Information, the System, the Trade Dress (including proprietary millwork) and the Marks; if requested, assign your interest in the Approved Location to us; cancel or assign to us any assumed names; pay all sums owed to us including all pre-paid obligations incurred through the purchase of gift cards, series and/or loyalty programs, damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual, Trade Secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; and comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement
k. "Transfer" by franchisee – defined	Section 18.2	"Transfer" includes transfer of ownership in the franchise, the Franchise Agreement, the Approved Location, the Franchised Business' assets or the franchisee entity.
l. Franchisor approval of transfer by franchisee	Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.

Provision	Section in the Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 18.2	We will consent to a transfer if: the proposed transfer is a least one year after the effective date of the Franchise Agreement; we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a General Release; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the existing or then-current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed the Nondisclosure and Non-Competition Agreement; and the transferee has agreed that its designated manager will complete the initial training program before assuming management of the Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's business	Section 17.5	Except as described in (n) above, we do not have the rights to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for book value

Provision	Section in the Franchise Agreement	Summary
p. Death or disability of franchisee	Section 18.6	If you (or one of your owners) die or become incapacitated, your representative must transfer, subject to the terms of the Franchise Agreement your interest in the Franchised Business within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	You may not (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any Competing Business (as defined in the franchise agreement), other than any other Blo Blow Dry Bar® Franchised Business under license from us; or (b) divert or attempt to divert any business or customer or prospect of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

Provision	Section in the Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For a period of 2 years after the expiration and nonrenewal, transfer or termination of your franchise agreement, regardless of the cause, you may not: (1) own, operate, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal that is at the Franchised Business location (the "Location"), or within a radius of twenty-five (25) miles from the Location, or within a radius of twenty-five (25) miles from any Franchised Business of a then-existing franchisee of us, or from a then-existing business operated by us or our affiliate using the Marks; or (2) solicit, service, or sell to, directly or indirectly, any customer who was a customer of the Franchised Business before the effective date of transfer, termination or expiration of this Agreement, as applicable; except that this covenant will not restrict you from engaging in general advertising or marketing to the extent not prohibited by Franchisee's non-competition covenant.
s. Modification of the agreement	Section 9.2 and 22.6	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights
t. Integration/merger clause	Section 22.6	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

Provision	Section in the Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 23.6	You must bring all disputes before our President and/or Chief Executive Officer in the format we designate (which may require an in-person meeting or a virtual meeting, as we designate) prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, with the exception of certain claims, all claims or disputes between you and us must be submitted first to mediation in New Castle County, Delaware (or, at our option, in the city and state in which our then-current headquarters is located) and if not resolved through mediation, then to arbitration in New Castle County, Delaware (or, at our option, in the city and state in which our then-current headquarters is located) in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect (subject to state law).
v. Choice of forum	Section 23.6	Delaware (subject to state law)
w. Choice of law	Section 23.1	Delaware (subject to state law)

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Article in the Multi-Unit Development Agreement	Summary
a. Length of the franchise term	Article I	Term of development schedule
b. Renewal or extension of the term	Article I	Not renewable, but you may negotiate a new agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	Not applicable

Provision	Article in the Multi-Unit Development Agreement	Summary
d. Termination by multi-unit developer	Not applicable	Not applicable.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Article IV	We may terminate the Multi-Unit Development Agreement if you are in breach of the Agreement and do not cure the breach (if the breach is curable)
g. "Cause" defined – curable defaults	Article IV	You fail to comply with any provision of the Multi-Unit Development Agreement that is not considered incurable
h. "Cause" defined – non-curable defaults	Article IV	Unauthorized transfer; a general partnership interest is terminated for any reason (if you are a limited partnership); you or your owners make a material misrepresentation to us in obtaining the development rights; you or your owners are convicted of a felony or other crime that may adversely affect the goodwill associated with the Marks; you fail on three separate occasions in any 12 month period to comply with the agreement; we have delivered to you a notice of termination of any Franchise Agreement between you and us
i. Multi-unit developer's obligations on termination/non-renewal	Article V	Lose development rights.
j. Assignment of contract by franchisor	Article VI	No restriction on our right to assign.
k. "Transfer" by – multi-unit developer – defined	Not applicable	You may not transfer your rights under the Multi-Unit Development Agreement.
l. Franchisor approval of transfer by multi-unit developer	Not applicable	You are not permitted to transfer your rights under the Multi-Unit Development Agreement.

Provision	Article in the Multi-Unit Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Not applicable	Not applicable
n. Franchisor's right of first refusal to acquire multi-unit developer's business	Not applicable	Not applicable
o. Franchisor's option to purchase multi-unit developer's business	Not applicable	Not applicable
p. Death or disability of multi-unit developer	Article VI	Interest must be transferred to an approved party within six months
q. Non-competition covenants during the term of the franchise	Article V	You may not (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any Competing Business (as defined in the franchise agreement), other than any other Blo Blow Dry Bar® Franchised Business under license from us; or (b) divert or attempt to divert any business or customer or prospect of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

Provision	Article in the Multi-Unit Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Article V	For a period of 2 years after the expiration and nonrenewal, transfer or termination of your multi-unit operator agreement, regardless of the cause, you may not: (1) own, operate, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal that is located within the Development Area, or within a radius of twenty-five (25) miles of the Development Area, or within any other System multi-unit developer's Development Area,; or (2) solicit, service, or sell to, directly or indirectly, any customer who was a customer of the Franchised Business before the effective date of transfer, termination or expiration of this Agreement, as applicable; except that this covenant will not restrict you from engaging in general advertising or marketing to the extent not prohibited by Franchisee's non-competition covenant.
s. Modification of the agreement	Article VII	Must be in writing by both parties.
t. Integration/merger clause	Article VII	Only the terms of the Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Multi-Unit Development Agreement may not be enforceable.

Provision	Article in the Multi-Unit Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Article VIII	You must bring all disputes before our President and/or Chief Executive Officer in the format we designate (which may require an in-person meeting or a virtual meeting, as we designate) prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, with the exception of certain claims, all claims or disputes between you and us must be submitted first to mediation in New Castle County, Delaware (or, at our option, in the city and state in which our then-current headquarters is located) and if not resolved through mediation, then to arbitration in New Castle County, Delaware (or, at our option, in the city and state in which our then-current headquarters is located) in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect (subject to state law).
v. Choice of forum	Article VIII	Delaware (subject to state law)
w. Choice of law	Article VIII	Delaware (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the 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.

HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION

The financial performance information provided in this Item 19 must be read in conjunction with the notes set forth immediately following the table below, the disclosures set forth in this FDD, and the terms and conditions of the Franchise Agreement. Written substantiation for this financial performance representation will be made available to you upon reasonable request.

As of December 31, 2022~~2021~~, there were ~~79~~80 Franchised Bars in operation. The historical financial performance information contained in this Item 19 reflects certain performance information for the 68 Franchised Bars that were open for at least one full year as of ~~March~~December 31, 2022 (the "Item 19 Bars"), during the period ~~April~~January 1, 2022,~~2021~~ through ~~March~~December 31, 2022 (the "Reporting Period"). ~~Eleven (11~~Twelve (12) Franchised Bars were excluded from this Item 19 financial performance representation because they were not open for the entire Reporting Period.

Table 1 reflects the Total Gross Sales for the Item 19 Bars for the Reporting Period, the Average Gross Sales for the Item 19 Bars for the Reporting Period, and a breakdown of Total Gross Sales and Average Gross Sales for each of the four (4) quartiles of Item 19 Bars for the Reporting Period.

Table 2 reflects the Total Number of Members for the Item 19 Bars for the Reporting Period, the Average Number of Members for the Item 19 Bars for the Reporting Period, and a breakdown of the Total Number of Members and Average Number of Members for each of the four (4) quartiles of the Item 19 Bars for the Reporting Period.

TABLE 1: TOTAL GROSS SALES & AVERAGE GROSS SALES FOR THE ITEM 19 BARS DURING THE REPORTING PERIOD

Category	Total ~~Gross~~ Sales	Count	Low	Median	High	Average	% /#Above Average	% Below Average
ALL	~~$19,345,800~~ 23,468,844	68	~~$55,443~~ 125,413	~~$261,580~~ 325,914	~~$578,004~~ 718,072	~~$284,497~~345,130	~~45.6%, or 31~~44%	~~54.4% or 37~~56%
1st Q (Top)	~~$7,473,970~~ 8,865,301	17	~~$374,601~~ 417,870	~~$423,635~~ 489,121	~~$578,004~~ 718,072	~~$439,645~~521,488	~~35.3%, or 6~~41%	~~64.7%, or 11~~59%
2nd Q	~~$5,474,881~~ 6,291,856	17	~~$261,676~~ 326,173	~~$319,342~~ 368,356	~~$372,726~~ 414,562	~~$322,052~~ 370,109	~~47.1%, or 8~~%	~~52.9%, or 9~~53%
3rd Q	~~$4,043,651~~ 4,859,988	17	~~$206,273~~ 245,071	~~$237,398~~ 290,376	~~$261,485~~ 325,655	~~$237,862~~285,882	~~47.1%, or 8~~59%	~~52.9%, or 9~~41%
4th Q (Bottom)	~~$2,353,298~~ 3,451,699	17	~~$55,443~~ 125,413	~~$151,950~~ 216,376	~~$205,488~~ 243,537	~~$138,429~~203,041	~~58.8%, or 9~~65%	~~41.2%, or 8~~35%

TABLE 2: TOTAL NUMBER OF MEMBERS AND AVERAGE NUMBER OF MEMBERS FOR THE ITEM 19 BARS FOR THE REPORTING PERIOD

Category	Total ~~Members~~Sales	Count	Low	Median	High	Average	~~%, #~~% Above Average	~~%, #~~% Below Average
ALL	~~3,665~~4,747	68	~~1~~5	~~47~~ 64	~~197~~225	~~54~~70	~~42.6%,or 29 Bars~~46%	~~57.4%, or 39 Bars~~ 54%
1st Q (Top)	~~1,867~~2,235	17	~~77~~98	~~101~~121	~~197~~225	~~110~~131	~~41.2%, or 7 Bars~~29%	~~58.8%, or 10 Bars~~71%
2nd Q	1,~~040~~319	17	~~48~~64	~~62~~76	~~76~~94	~~61~~78	~~64.7%, or 11 Bars~~41%	~~35.3%, or 6 Bars~~59%
3rd Q	~~573~~819	17	~~26~~36	~~33~~47	~~45~~64	~~34~~48	~~47.1%, or 8 Bars~~41%	~~52.9%, or 9 Bars~~59%
4th Q	~~185~~374	17	~~1~~5	~~11~~20	~~25~~36	~~11~~22	~~58.8%,~~	~~41.2%, or~~

(Bottom)							~~or 9~~ ~~Bars~~47%	~~7 Bars~~53%

Notes:

1. Table 1 reflects the following historical financial performance information for the Item 19 Bars for the Reporting Period:

a. Total Gross Sales;
b. Average Gross Sales;
c. Average Gross Sales broken down by quartile. Each of the four quartiles consists of 17 Bars.
d. The highest Gross Sales figure attained in computing each average, the lowest Gross Sales figure attained in computing each average, ~~-~~the median for each data set, and the number and percentage of Bars included in each quartile representation that attained or surpassed the stated average; and the number and percentage of Bars included in each quartile representation that fell below the stated average.

2. Table 2 reflects the following historical financial performance information for the Item 19 Bars for the Reporting Period:

a. Total Number of Members;
b. Average Number of Members;
c. Average Number of Members broken down by quartile. Each of the four quartiles consists of 17 Bars.
d. The highest Member figure attained in computing each average, the lowest Member figure attained in computing each average, the median for each data set, and the number and percentage of Bars included in each quartile representation that attained or surpassed the stated average; and the number and percentage of Bars included in each quartile representation that fell below the stated average.

~~**Some stores have earned these amounts. Your individual results may vary. There is no assurance you'll earn as much.**~~

GENERAL NOTES APPLICABLE TO ALL TABLES:

1. The Gross Sales figures represent revenue from the sale of services and the sale of retail items during the Reporting Period, as reported to us by the Item 19 Bars through the reporting system software.

2. The Number of Members represents the total number of members, as reported to us by the Item 19 Bars, through our reporting system software.

3. Average means the sum of all data points in a set, divided by the number of data points in that set.

4. Median means the data point that is in the center of all data points used to calculate the average. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

5. Gross Sales means the aggregate of all revenue from the sale of products, gift cards, barter or exchange, complimentary services and services from all sources in connection with the Franchised Business, but excluding all refunds made in good faith, any sales and equivalent taxes that Franchisees collect and pay to any governmental taxing authority, and the value of any allowance issued or granted to any of the Franchisee's customers that are credited in full or partial satisfaction of the price of any products and services offered by the Franchised Business.

6. We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Blo Blow Dry Bar Franchised Business.

7. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some stores have earned these amounts. Your individual results may vary. There is no assurance you'll earn as much.

Other than the preceding financial performance representation, Blo Blow Dry Bar Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Patrick Pantano at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5 and (416) 630-6280, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal years ended March 31, ~~2019,~~ 2020, 2021 and ~~for the Period April 1, 2021 through~~ December 31, ~~2021~~2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020~~2019~~	~~57~~71	~~71~~79	+~~14~~8
	~~2020~~	~~71~~	~~79~~	~~+8~~
	~~2021~~	~~79~~	~~72~~	~~-7~~
	~~04/01/2021 through 12/31/~~2021	~~72~~79	77	~~+5~~-2
	2022	77	87	+10
Company-Owned	2020~~2019~~	0	0	0
	~~2020~~	~~0~~	~~0~~	~~0~~
	2021	0	0	0
	~~04/01/~~2022~~2021 through 12/31/2021~~	0	0	0
Total Outlets	**2020**~~2019~~	~~57~~**71**	~~71~~**79**	~~+14~~**8**
	~~2020~~	~~71~~	~~79~~	~~+8~~
	~~**2021**~~	~~**79**~~	~~**72**~~	~~**-7**~~
	~~04/01/2021 through 12/31/~~**2021**	~~**72**~~**79**	**77**	~~**+5**~~**-2**
	2022	**77**	**81**	**+4**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal years ended March 31, ~~2019,~~ 2020, 2021 and for the ~~period~~Period April 1, 2021 through December 31, 2021, and December 31, 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2020~~2019~~	~~0~~1
	~~2020~~	~~1~~
	~~2021~~	~~0~~
	~~04/01/2021 – 12/31/~~2021	0
	2022	1
California	2020~~2019~~	~~0~~1
	~~2020~~	~~1~~
	~~2021~~	~~1~~
	~~04/01/**2021** – 12/31/~~2021	~~0~~1
	2022	1
Connecticut	2020~~2019~~	~~0~~1
	~~2020~~	~~1~~
	~~2021~~	~~0~~
	~~04/01/2021 – 12/31/~~2021	0
	2022	0
Delaware	2020~~2019~~	0
	~~2020~~	~~0~~
	~~2021~~	~~0~~
	~~04/01/2021 – 12/31/~~2021	1
	2022	0
Florida	2020~~2019~~	~~2~~0
	2021	1
	2022	0
Georgia	2020	0
	~~2021~~	~~0~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	~~04/01/2021 – 12/31/~~2021	~~1~~0
	2022	2
Louisiana	2020~~2019~~	0
	2021	1
	2022	0
Missouri	2020	0
	~~2021~~	~~0~~
	~~04/01/2021 – 12/31/~~2021	~~1~~0
	2022	1
Massachusetts	2020~~2019~~	~~1~~0
	~~2020~~	~~0~~
	~~2021~~	~~0~~
	~~04/01/2021 – 12/31/~~2021	0
	2022	0
New York	2020~~2019~~	0
	2021	1
	2022	0
South Carolina	2020	0
	2021	0
	2022	2
Texas	2020	0
	~~04/01/2021-12/31/~~2021	~~1~~0
	2022	3

Table No. 3
Status of Franchised Outlets
For Fiscal years ended March 31, ~~2019,~~ 2020, 2021 and for the Period April 1, ~~2021through~~2021 through December 31, 2021, and December 31, 2022

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Terminations~~Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
AL	2020~~2019~~	~~0~~1	~~1~~0	0	0	0	0	1
	2021~~2020~~	1	0	0	0	0	0	1
	~~2021~~2022	1	0	0	0	0	0	1
AZ	2020~~04/01/2021 – 12/31/2021~~	1	0	0	0	0	0	1
~~AZ~~	2021~~2019~~	1	0	0	0	0	0	1
	2022~~2020~~	1	0	0	0	0	0	1
CA	2020~~2021~~	~~1~~5	~~0~~1	0	0	0	0	~~1~~6
	~~04/01/2021 – 12/31/~~2021	~~1~~6	0	0	0	0	~~0~~2	~~1~~4
~~CA~~	~~2019~~2022	~~7~~4	1	0	~~2~~0	0	~~1~~0	5
CO	2020	~~5~~3	~~1~~0	0	0	0	0	~~6~~3
	2021	~~6~~3	~~0~~1	0	0	0	~~3~~0	~~3~~4

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termina-tions~~Termin-ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01/2021 –~~ ~~12/31/2021~~ 2022	~~3~~4	~~0~~1	0	0	0	0	~~3~~5
~~CO~~CT	2020~~2019~~	~~1~~2	~~2~~0	0	0	0	0	~~3~~2
	2021~~2020~~	~~3~~2	0	0	0	0	0	~~3~~2
	~~2021~~2022	~~3~~2	~~1~~0	0	0	0	0	~~4~~2
DE	2020~~04/01/2021 – 12/31/2021~~	41	0	0	0	0	0	41
~~CT~~	2021~~2019~~	~~2~~1	0	0	0	0	0	~~2~~1
	2022~~2020~~	~~2~~1	0	0	0	0	0	~~2~~1
DC	2020~~2021~~	~~2~~1	0	0	0	0	0	~~2~~1
	~~04/01/2021 – 12/31/~~2021	~~2~~1	0	0	0	0	~~0~~1	~~2~~0
~~DE~~	~~2019~~2022	1	0	0	0	0	~~0~~1	~~1~~0
FL	2020	~~1~~7	~~0~~1	0	0	0	0	~~1~~8
	2021	~~1~~8	~~0~~1	0	0	0	0	~~1~~9

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~1~~9	~~0~~1	0	0	0	0	~~1~~10
~~DC~~GA	2020~~2 019~~	~~1~~3	0	0	0	0	0	~~1~~3
	2021~~2 020~~	~~1~~3	0	0	0	0	0	~~1~~3
	~~2021~~2 022	~~1~~3	0	0	0	0	~~1~~0	~~0~~3
IN	2020~~0 4/01/ 2021 – 12/31 /2021~~	0	0	0	0	0	0	0
~~FL~~	2021~~2 019~~	~~7~~0	~~0~~1	0	0	0	0	~~7~~1
	2022~~2 020~~	~~7~~1	~~1~~0	0	0	0	0	~~8~~1
IL	2020~~2 021~~	~~8~~2	1	0	0	0	0	~~9~~3
	~~04/01 /2021 – 12/31 /~~2021	~~9~~3	0	0	0	0	~~0~~2	~~9~~1
~~GA~~	~~2019~~2 022	~~2~~1	~~1~~0	0	0	0	0	~~3~~1
IA	2020	~~3~~1	0	0	0	0	0	~~3~~1
	2021	~~3~~1	0	0	0	0	0	~~3~~1

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~3~~1	0	0	0	0	0	~~3~~1
~~IN~~KY	2020~~2 019~~	0	~~0~~1	0	0	0	0	~~0~~1
	2021~~2 020~~	~~0~~1	0	0	0	0	0	~~0~~1
	~~2021~~2 022	~~0~~1	0	0	0	0	0	~~0~~1
LA	2020~~0 4/01/ 2021- 12/31 /2021~~	~~0~~1	~~1~~0	0	0	0	0	1
~~IL~~	~~2019~~2 021	1	~~1~~0	0	0	0	0	~~2~~1
	2022~~2 020~~	~~2~~1	~~1~~0	0	0	0	0	~~3~~1
MD	2020~~2 021~~	~~3~~2	0	0	0	0	~~2~~0	~~1~~2
	~~04/01 /2021 – 12/31 /~~2021	~~1~~2	0	0	0	0	~~0~~1	1
~~IA~~	~~2019~~2 022	~~0~~1	~~1~~0	0	0	0	~~0~~1	~~1~~0
MA	2020	~~1~~2	0	0	0	0	0	~~1~~2
	2021	~~1~~2	~~0~~1	0	0	0	~~0~~2	1

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	1	0	0	0	0	0	1
~~KY~~MI	2020~~2 019~~	~~0~~2	0	0	0	0	0	~~0~~2
	2021~~2 020~~	~~0~~2	~~1~~0	0	0	0	0	~~1~~2
	~~2021~~2 022	~~1~~2	0	0	0	0	~~0~~1	1
MO	2020~~0 4/01/ 2021 – 12/31 /2021~~	1	0	0	0	0	0	1
~~LA~~	2021~~2 019~~	1	0	0	0	0	0	1
	2022~~2 020~~	1	0	0	0	0	0	1
NC	2020~~2 021~~	1	0	0	0	0	0	1
	~~04/01 /2021 – 12/31 /~~2021	1	~~0~~1	0	0	0	0	~~1~~2
~~MD~~	~~2019~~2 022	2	1	0	~~1~~0	0	0	~~2~~3
NV	2020	~~2~~1	0	0	0	0	~~0~~1	~~2~~0
	2021	~~2~~0	0	0	0	0	~~1~~0	~~1~~0

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~1~~0	0	0	0	0	0	~~1~~0
~~MA~~NH	2020~~2 019~~	~~2~~0	0	0	0	0	0	~~2~~0
	2021~~2 020~~	~~2~~0	~~0~~1	0	0	0	0	~~2~~1
	~~2021~~2 022	~~2~~1	~~1~~0	0	0	0	~~2~~0	1
NJ	2020~~0 4/01/ 2021 – 12/31 /2021~~	~~1~~3	~~0~~1	0	0	0	0	~~1~~4
~~MI~~	2021~~2 019~~	~~2~~4	~~0~~1	0	0	0	~~0~~1	~~2~~4
	2022~~2 020~~	~~2~~4	0	0	0	0	0	~~2~~4
NM	2020~~2 021~~	~~2~~1	0	0	0	0	0	~~2~~1
	~~04/01 /2021 – 12/31 /~~2021	~~2~~1	0	0	0	0	0	~~2~~1
~~MO~~	~~2019~~2 022	1	0	0	0	0	0	1
NY	2020	~~1~~9	~~0~~1	0	0	0	~~0~~1	~~1~~9
	2021	~~1~~9	0	0	0	0	~~0~~ 3	~~1~~6

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~1~~6	0	0	0	0	~~0~~1	~~1~~5
~~NV~~OH	2020~~2 019~~	1	0	0	~~0~~1	0	0	~~1~~0
	2021~~2 020~~	~~1~~0	~~0~~1	0	0	0	~~1~~0	~~0~~1
	~~2021~~2 022	~~0~~1	0	0	0	0	0	~~0~~1
OK	2020~~0 4/01/ 2021 – 12/31 /2021~~	~~0~~1	0	0	0	0	0	~~0~~1
~~NH~~	~~2019~~2 021	~~0~~1	0	0	0	0	0	~~0~~1
	2022~~2 020~~	~~0~~1	~~0~~1	0	0	0	0	~~0~~2
PA	2020~~2 021~~	0	~~0~~1	0	0	0	0	~~0~~1
	~~04/01 /2021 - 12/31 /~~2021	~~0~~1	1	0	0	0	~~0~~1	1
~~NJ~~	~~2019~~2 022	~~0~~1	~~3~~0	0	0	0	~~0~~1	~~3~~0
SC	2020	~~3~~2	1	0	0	0	0	~~4~~3
	2021	~~4~~3	0	0	0	0	~~0~~1	~~4~~2

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~4~~2	~~1~~0	0	0	0	~~1~~0	~~4~~2
~~NM~~TN	2020~~2 019~~	0	1	0	0	0	0	1
	2021~~2 020~~	1	~~0~~1	0	0	0	0	~~1~~2
	~~2021~~2 022	~~1~~2	0	0	0	0	0	~~1~~2
TX	~~04/01 /2021 – 12/31 /2021~~ 2020	~~1~~16	~~0~~1	0	0	0	0	~~1~~17
~~NY~~	2021~~2 019~~	~~7~~17	2	0	0	0	0	~~9~~19
	2022~~2 020~~	~~9~~19	~~1~~3	0	0	0	0	~~10~~22
UT	~~2021~~2 020	~~10~~1	0	0	0	0	~~3~~0	~~7*~~1
	~~04/01 /2021 – 12/31 /~~2021	~~7~~1	0	0	0	0	0	~~7~~1
~~NC~~	~~2019~~2 022	1	0	0	0	0	0	1
WA	2020	~~1~~0	0	0	0	0	0	~~1~~0
	2021	~~1~~0	1	0	0	0	0	~~2~~1

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
	~~04/01 /2021 – 12/31 /2021~~ 2022	~~2~~1	0	0	0	0	0	~~2~~1
~~OH~~**To tal**	~~2019~~**2 020**	~~1~~**71**	~~0~~**10**	**0**	~~0~~**1**	**0**	~~0~~**1**	~~1~~**79**
	2021~~2 020~~	~~1~~**79**	~~0~~**13**	**0**	~~1~~**0**	**0**	~~0~~**15**	~~0~~**77**
	~~2021~~**2 022**	~~0~~**77**	~~0~~**8**	**0**	**0**	**0**	~~0~~**4**	~~0~~**81**
	~~04/01/2021 – 12/31/2021~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~OK~~	~~2019~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~04/01/2021 – 12/31/2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~PA~~	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2020~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2021~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~1~~
	~~04/01/2021 – 12/31/2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~SC~~	~~2019~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	~~2020~~	~~2~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	~~2021~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~2~~
	~~04/01/2021 – 12/31/2021~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 ~~Termin a- tions~~Ter min- ations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
~~TN~~	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2020~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2021~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	~~04/01/2021 – 12/31/2021~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
~~TX~~	~~2019~~	~~14~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~16~~
	~~2020~~	~~16~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~17~~
	~~2021~~	~~17~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~18~~
	~~04/01/2021 – 12/31/2021~~	~~18~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~19~~
~~UT~~	~~2019~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~04/01/2021 – 12/31/2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~WA~~	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2020~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~04/01/2021 – 12/31/2021~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~**Total**~~	~~2019~~	~~57~~	~~18~~	~~0~~	~~3~~	~~0~~	~~1~~	~~71~~
	~~2020~~	~~71~~	~~10~~	~~0~~	~~1~~	~~0~~	~~1~~	~~79~~
	~~**2021**~~	~~**79**~~	~~**7**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**14**~~	~~**72**~~
	~~04/01/2021 – 12/31/2021~~	~~**72**~~	~~**6**~~				~~**1**~~	~~**77**~~

*One of the New York locations closed the bricks and mortar location due to the impact of COVID-19 and government mandated shut-downs. This location continues to operate a "Blo On The Go" mobile business.

Table No. 4
Status of Company-Owned Outlets
For Fiscal years ended March 31,~~2019,~~ 2020, 2021 and for the Period ~~04/01/~~April 1, 2021-~~12/~~ through December 31~~/~~, 2021, and December 31, 2022

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
DC	~~2019~~2020	0	0	0	0	0	0
	2021~~2020~~	0	0	0	0	0	0
	~~2021~~2022	0	0	0	0	0	0
Total	~~04/01/2021 – 12/31/2021~~**2020**	**0**	**0**	**0**	**0**	**0**	**0**
~~**Total**~~	~~**2019**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~
	~~**2020**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~
	~~**2021**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~	~~**0**~~
	~~04/01/2021 – 12/31/~~**2021**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 5
Projected Openings as of December 31, ~~2021~~2022

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	~~0~~1	0
Colorado	1	0	0
Florida	1*	2	0
Indiana	1*	~~2~~1	0
Iowa	1*	0	0

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
New Hampshire	0	1	0
New Jersey	0	~~1~~0	0
North Carolina	0	1	0
Ohio	0	1	0
Pennsylvania	0	0	0
Tennessee	0*	~~0~~1	0
Texas	4*	4	0
Washington	0	1	0
Total	**8**	**13**	**0**

*These franchisees have signed ~~MUOAs~~MUDAs for the development of multiple Outlets.

A list of the names of all franchisees, multi-unit developers and the addresses and telephone numbers of their businesses is provided in Exhibit G to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit H to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Blo Blow Dry Bar System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Blo Blow Dry Bar System.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit C are our audited financial statements for the fiscal years ending March 31, ~~2019, March 31,~~ 2020, December 31, 2021, and December 31, ~~2021.~~ 2022.

Our fiscal year end is December 31st. We amended our fiscal year end from March 31 to December 31 in the 2021 calendar year.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit D	Franchise Agreement (with exhibits)
Exhibit E	Multi-Unit Development Agreement (with exhibits)
Exhibit I	General Release

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document as Exhibit K. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

~~LIST OF STATE ADMINISTRATORS~~ AGENCIES/AGENTS FOR SERVICE OF PROCESS

~~Listed here are~~ This list includes the names, addresses and telephone numbers of ~~the~~ state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process~~. We may not yet be~~ (to the extent that we are registered ~~to sell franchises~~ in ~~any or all of these~~their states~~.~~

~~If a state is not listed, Blo Blow Dry Bar Inc. has not appointed an agent~~). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process ~~in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Blo Blow Dry Bar Inc. has appointed an agent for service of process.~~.

~~There may also be additional agents appointed in some of the states listed.~~

State	State Agency	Agent for Service of Process

State	State Agency	Agent for Service of Process
CALIFORNIA	~~**CALIFORNIA**~~ Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-~~7500~~ 7505 Toll~~ Free~~ free (866~~)~~ -275-2677 ~~Agent: Commissioner of Financial Protection and Innovation~~ ~~1515 K Street, Suite 200~~ ~~Sacramento, CA 95814~~ ~~(916) 445-7205~~ ~~1350 Front Street~~ ~~San Diego, CA 92101~~ ~~(619) 525-4233~~ ~~1 Sansome Street, Suite 600~~ ~~San Francisco, CA 94104~~ ~~(415) 972-8559~~)	~~**CONNECTICUT**~~ ~~State~~Commissioner of ~~Connecticut~~ the Department of ~~Banking~~Financial Protection and Innovation ~~Securities & Business Investments Division~~ ~~260 Constitution Plaza~~ ~~Hartford, CT 06103-1800~~ ~~(860) 240-8230~~ ~~Agent: Banking Commissioner~~
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner

State	State Agency	Agent for Service of Process
HAWAII	~~**HAWAII**~~ ~~(state administrator)~~ Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, ~~Hawaii 96813~~ ~~(808) 586-2722~~ ~~(agent for service of process)~~ ~~Commissioner of Securities~~ ~~State of Hawaii~~ ~~335 Merchant Street~~ ~~Honolulu, Hawaii~~HI 96813 (808) 586-2722	~~**ILLINOIS**~~ ~~Franchise Bureau~~ ~~Office~~Commissioner of Securities of the ~~Attorney General~~ State of Hawaii~~500 South Second Street~~ ~~Springfield, Illinois 62706~~ ~~(217) 782-4465~~
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	~~**INDIANA**~~ ~~(state administrator)~~ Indiana Secretary of State Securities Division~~, E-111~~ 302 West Washington ~~Street~~St., Room E-111 Indianapolis, ~~Indiana~~IN 46204 (317) 232-6681 ~~(agent for service of process)~~ ~~Indiana Secretary of State~~ ~~201 State House~~ ~~200 West Washington Street~~ ~~Indianapolis, Indiana 46204~~ ~~(317) 232-6531~~	~~**MARYLAND**~~ ~~(state administrator)~~ ~~Office~~Indiana Secretary of ~~the Attorney General~~State ~~Securities Division~~ 201 State House Indianapolis, IN 46204 ~~200 St. Paul Place~~ ~~Baltimore, Maryland 21202-2021~~ ~~(410) 576-6360~~ ~~(for service of process)~~ ~~Maryland Securities Commissioner~~ ~~200 St. Paul Place~~ ~~Baltimore, Maryland 21202-2021~~ ~~(410) 576-6360~~

State	State Agency	Agent for Service of Process
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	~~**MICHIGAN**~~ ~~(state administrator)~~ ~~Consumer Protection Division~~ ~~Franchise Section~~ Michigan Department of Attorney General Consumer Protection Division ~~525 W. Ottawa Street, 1st Floor~~ Antitrust and Franchise Unit 670 Law Building Lansing, ~~Michigan 48933~~MI 48913 (517) ~~335-7567~~ ~~(for service of process)~~ ~~Corporations Division~~ ~~Bureau of Commercial Services~~ ~~Department of Labor and Economic Growth~~ ~~P.O. Box 30054~~ ~~Lansing, Michigan 48909~~373-7117	~~**MINNESOTA**~~ ~~(state administrator)~~ ~~Minnesota~~Michigan Department of Commerce ~~85 7th Place East, Suite 280~~ ~~St. Paul, Minnesota 55101-2198~~ ~~(651) 539-1600~~ ~~(for service of process)~~ ~~Minnesota Commissioner of Commerce~~, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process	
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	~~**NEW YORK**~~ ~~(Administrator)~~ ~~Office of the New York State Attorney General~~ ~~Investor Protection Bureau, Franchise Section~~ ~~28 Liberty Street, 21st Floor~~ ~~New York, New York 10005~~ ~~(212) 416-8236~~ ~~Phone (212) 416-6042 Fax~~ ~~(Agent for service of process)~~ Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, ~~New York 12231~~NY 11231-0001 (518) 473-2492	~~**NORTH DAKOTA**~~ ~~North Dakota Securities Department~~ ~~State Capitol, Fifth Floor, Dept. 414~~ ~~600 East Boulevard Avenue~~ ~~Bismarck, North Dakota 58505~~ ~~(701) 328-4712~~
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner	
OREGON	~~**OREGON**~~ Department of Consumer and Business Services Division of Finance and Corporate ~~Securities~~ Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 ~~Agent: Director of the Department of Consumer and Business Services~~	~~**RHODE ISLAND**~~ ~~Securities Division~~ Director of the Department of Consumer and Business ~~Regulation,~~ ~~Bldg 69, First Floor~~ ~~John O. Pastore Center~~ ~~1511 Pontiac Avenue~~ ~~Cranston, Rhode Island 02920~~ ~~(401) 462-9582~~Services	

State	State Agency	Agent for Service of Process
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA~~SOUTH DAKOTA~~ ~~Division of Insurance~~ Securities ~~Regulation~~ ~~124 S. Euclid Avenue, Suite 104~~ ~~Pierre, South Dakota 57501-3168~~ ~~(605) 773-3563~~	~~VIRGINIA~~ State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, ~~Virginia~~VA 23219 (804) 371-9051 ~~(for service of process)~~ ~~Clerk of the State Corporation Commission~~ ~~1300 East Main Street, 1st Floor~~ ~~Richmond, Virginia 23219~~ ~~(804) 371-9733~~	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733

State	State Agency	Agent for Service of Process
WASHINGTON	~~**WASHINGTON**~~ ~~(state administrator)~~ Department of Financial Institutions Securities Division ~~150 Israel Road S.W.~~ ~~Tumwater, Washington~~ ~~98501~~ P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760 ~~(for service of process)~~ ~~Director, Department of~~ ~~Financial Institutions~~ ~~Securities Division~~ ~~150 Israel Road S.W.~~ ~~Tumwater, Washington~~ ~~98501~~	~~**WISCONSIN**~~ ~~(state administrator)~~ ~~Division~~Director of ~~Securities~~ ~~Department of~~ Washington Financial Institutions ~~201 W. Washington Ave., 3rd Floor~~ ~~Madison, Wisconsin 53703~~ ~~(608) 266-1064~~ ~~(for service of process)~~ ~~Administrator, Division of~~ Securities Division ~~Department of Financial Institutions~~ ~~201 W. Washington Ave., 3rd Floor~~ ~~Madison, Wisconsin 53703~~150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contain provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The franchise agreement requires binding arbitration. The arbitration will occur in Delaware with the costs being borne by the franchisee and franchisor. 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. Business and Professions Code Section 20040.5 relating to forum selection clauses restricting venue outside the state of California or arbitration may be preempted by the Federal Arbitration Act. Section 20040.5 may still apply to any provision relating to judicial proceedings. A binding arbitration provision may not be enforceable under generally applicable contract defenses, such as fraud, duress, or unconscionability.

7. The Franchise Agreement and Area Development Agreement require application of the laws of Delaware. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. 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 DISCLOSURE DOCUMENT.

10. 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.

11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

12. ~~Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and the franchisee is open for business. For area development offerings, the portion of the fee attributable to an individual outlet in the development schedule is deferred until that outlet is open and the franchisor has performed its pre-opening obligations.~~

~~12.~~ OUR WEBSITE, www.blomedry.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.

ADDENDUM TO THE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) Illinois law governs the Franchise Agreement(s).

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 the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

(b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(c) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

~~(d) Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.~~

STATE ADDENDUM TO THE BLO BLOW DRY BAR, INC. DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT FOR THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

   There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's Protected Territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Articles 22 and 23 of the Franchise Agreement and Articles VII and VIII of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM TO THE BLO BLOW DRY BAR INC. FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Blo Blow Dry Bar Inc.'s Franchise Disclosure Document.

1. The provision contained in Item 17 may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. Item 17 of the Franchise Disclosure Document shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The Franchisee Acknowledgement Statement (Exhibit J to the Disclosure Document) is amended to state the acknowledgements or representations of the franchisee made in the Statement which disclaim the occurrence and/or acknowledgement of the non-occurrence of acts that would constitute a violation of the Franchise Law 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.

4. Item 17 of the Franchise Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Item 17 of the Franchise Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The General Release (Exhibit I to the Disclosure Document) is amended to provide that the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

7. As a condition of our consent to allow you to transfer your franchise to a third party, we may require you to guarantee the performance of that third party.

~~8. Item 5 of the Disclosure Document the Franchise Disclosure Document is amended by the addition of the following language to the original language that appears therein:~~

~~Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.~~

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST

_____
Witness

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

_____
Witness

DISCLOSURE REQUIRED BY THE STATE OF 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 franchises.

(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 thirty (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 five (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 six (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) 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 franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

ADDENDUM TO THE BLO BLOW DRY BAR INC.
DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows:

~~1. Item 5 of the Disclosure Document, Section 3.1 of the Franchise Agreement, Article 3 of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:~~

> ~~"Franchise will defer collection of the initial fee and other initial fees payable to the Franchisor until Franchisor has fulfilled its initial pre-opening obligations, and Franchisee is open for business. "~~

~~2.~~ 1. Item 13 of the Disclosure Document and Article 6 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

~~3~~2. Item 17 of the Disclosure Document and Article 16 of the Franchise Agreement and Article IV of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

~~4~~3. Item 17 of the Disclosure Document and Article 23 of the Franchise Agreement and Article VII of the Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

~~5~~4. Item 17 of the Disclosure Document and Article 4 of the Franchise Agreement and Article VIII of the Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

~~6~~5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

~~7~~6. Article 23 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

~~8~~7. Article 23 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

~~9~~8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 22 of the Franchise Agreement is hereby amended accordingly.

ADDENDUM TO THE BLO BLOW DRY BAR INC. FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF 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 SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. 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.

5. 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.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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.

ADDENDUM TO THE BLO BLOW DRY BAR INC. DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Article 4 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 17 of the Franchise Agreement and Article IV of the Multi-Unit Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Article 23 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 23 of the Franchise Agreement and Article VII of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 23 of the Franchise Agreement and Article VII of the Multi-Unit Development Agreement which require jurisdiction of courts in the State of Delaware are deleted.

6. Item 17(w) of the Disclosure Document, Article 23 of the Franchise Agreement and Article VII of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 23 of the Franchise Agreement and Article VIII of the Multi-Unit Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 23 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

~~10. Payment of the~~ ___
~~Initial Fees will be deferred unit Franchisor has met its pre-opening obligations to franchisee, and franchisee has commenced doing business. The North Dakota Securities Commissioner's office imposed this deferral requirement due to the Franchisor's financial condition.~~

ADDENDUM TO THE BLO BLOW DRY BAR INC.
DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM TO THE BLO BLOW DRY BAR INC. DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Blo Blow Dry Bar Inc. for use in the Commonwealth of Virginia shall be amended as follows:

   Additional Disclosure: The following statements are added to Item 17.h:

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

ADDENDUM TO THE BLO BLOW DRY BAR INC. DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON

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

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or

limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

~~The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.~~

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR FRANCHISEE

EXHIBIT C TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

BLO BLOW DRY BAR INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022 WITH
INDEPENDENT AUDITORS' REPORT

BLO BLOW DRY BAR INC. AND SUBSIDIARY

TABLE OF CONTENTS

	Page(s)
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS:	
Consolidated Balance Sheet	3
Consolidated Statement of Operations and Retained Earnings	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
Blo Blow Dry Bar Inc. and Subsidiary
Ontario, Canada

Opinion

We have audited the accompanying consolidated financial statements of Blo Blow Dry Bar Inc. and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated statements of income and retained earnings and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Blo Blow Dry Bar Inc. and Subsidiary as of December 31, 2022, and the results of its income and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Blo Blow Dry Bar Inc. and Subsidiary, 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.

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 Blo Blow Dry Bar Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's 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 auditor's 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 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 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 Blo Blow Dry Bar Inc. and Subsidiary'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 Blo Blow Dry Bar Inc. and Subsidiary'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.

DANSA D'ARATA SOUCIA LLP
Buffalo, New York
February 28, 2023

BLO BLOW DRY BAR INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2022

ASSETS

	2022
CURRENT ASSETS:	
Cash	$ 1,350,211
Accounts receivable	298,626
Prepaid expenses	1,660
Total current assets	1,650,497
SECURITY DEPOSITS	25,000
LOAN RECEIVABLE FROM AFFILIATE	108,924
DEFERRED TAX ASSET	139,400
	$ 1,923,821

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:	
Accounts payable	$ 72,870
Unearned revenue, net - franchise fees	1,004,000
Unearned revenue, net - annual meeting	161,649
Other current liabilities	263,305
Total current liabilities	1,501,824
STOCKHOLDERS' EQUITY:	
Retained earnings	421,997
	$ 1,923,821

See accompanying notes to consolidated financial statements.

BLO BLOW DRY BAR INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
REVENUE:	
Royalties	$ 1,424,940
Franchise fees	523,000
Distribution and branding fees	356,460
Annual meeting, net	55,878
Other	27,319
	2,387,597
OPERATING EXPENSES:	
Management fees	1,140,000
Professional fees	338,110
Payroll	325,396
Advertising	204,147
Insurance	41,527
Travel	27,268
State taxes	2,149
Bad debt	276
Miscellaneous	91,150
	2,170,023
INCOME BEFORE PROVISION FOR INCOME TAXES	217,574
BENEFIT FROM INCOME TAXES	77,400
NET INCOME	294,974
RETAINED EARNINGS:	
Beginning of the year	127,023
End of the year	$ 421,997

See accompanying notes to consolidated financial statements.

BLO BLOW DRY BAR INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 294,974
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities affecting cash flows:	
Accounts receivable	(93,214)
Security deposits	(15,000)
Deferred tax assets	(77,400)
Accounts payable	(1,156)
Other current liabilities	15,895
Unearned revenue, net	265,109
Net cash provided by operating activities	389,208
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayments of loan receivables from affiliated company, net	509,670
NET CHANGE IN CASH	898,878
CASH:	
Beginning of the year	451,333
End of the year	$ 1,350,211

See accompanying notes to consolidated financial statements.

BLO BLOW DRY BAR INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION AND OPERATIONS

Blo Blow Dry Bar Inc. (“Blo”), a Delaware corporation, was incorporated for the purposes of offering Blo Blow Dry Bar franchises. Blo grants franchises to qualified individuals and businesses in conjunction with the service mark “Blo Blow Dry Bar” and certain associated logos (collectively referred to as the “Marks”). The Marks are owned by an affiliate, Blo Blow Dry Bar Inc., a Canadian Corporation, which has licensed them to Blo in order to sublicense them to franchises and development agents.

Blo Blow Dry Bar franchises are full-service blow dry businesses having a distinct interior and exterior design and offering for sale to the public hair styling, cleansing products and accessories.

During the year ended March 31, 2017, Blo formed a subsidiary BBDB, LLC ("BBDB"). BBDB is wholly-owned by Blo and was formed to manage and operate franchise locations in the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of Blo and its wholly-owned subsidiary BBDB (collectively "the Company"). All intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting - The consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Cash - The Company maintains its cash in demand deposit accounts 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 credit risk.

Accounts Receivable - The Company grants credit to customers based upon credit appraisals and does not require collateral. The Company uses the reserve method to account for uncollectible accounts receivable and reviews its accounts on a monthly basis. Allowances for potential credit losses are determined based on historical experience, evaluation of the composition of accounts receivable and expected credit trends. When an account is deemed uncollectible, the Company charges operations. At December 31, 2022, all accounts receivable were deemed fully collectible by management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue Recognition -

Franchising operations - In connection with its franchising operations, the Company receives initial franchise fees, royalties, and other ongoing fees.

Franchise fees, which are typically received prior to completion of the revenue recognition process, are initially recorded as unearned revenue. Initial franchise fees, which are non-refundable, are recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise have been performed or satisfied, which generally occurs when the franchised outlet commences operations. At December 31, 2022, unearned revenue related to franchising operations totaled $1,004,000. Remaining deferred revenue is related to deposits/payments received from sponsors and franchisees in 2022 for the annual franchisee meeting scheduled for February 2023.

The following services are typically provided by the Company prior to the opening of a franchised location:

- Approval of all site selections to be developed.
- Provision of concept drawings for outlets to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the outlet.
- Provision of appropriate menus to coordinate with the Company design and location to be developed.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations.

The following is a summary of the franchise opening and closing for the Company for the year ended December 31, 2022:

	2022
Franchised outlets operating at the beginning of the year	77
New franchised outlets opened during the year	8
Franchised outlets closed during the year	(4)
Franchised outlets operating at the end of the year	81

The Company recognizes franchise royalties on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchisees, when they are earned and deemed collectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes - The Company adheres to Financial Accounting Standards Board Codification No. 810-10, which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Company determined it had no uncertain tax positions that would materially be affected by this standard.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company is no longer subject to federal and state tax examination by taxing authorities for all returns filed, for the years ending December 31, 2018 and prior.

Leases - In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), along with various amendments since. Collectively, "ASC 842." This standard requires lessees to record leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. This lease guidance states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The Company adopted the new standard on January 1, 2022, as required for private companies, and applied the modified retrospective approach along with the package of transition practical expedients. The Company also elected the short-term lease exemption and does not recognize leases with terms less than one year on the balance sheet. The modified retrospective application is applied to the current year and there is no prior period impact of the adoption. Based on the Company's evaluation of contractual agreements in place as of January 1, 2022 and December 31, 2022, there was no impact of this guidance on the financial statements.

Advertising Fund - Under the franchise agreements the franchisees are required to pay the Company a percentage of their revenue towards advertising. Money collected by the Company and not yet spent on advertising was $64,699 as of December 31, 2022. The liability is included in other current liabilities on the accompanying consolidated balance sheet.

Gift Certificates – Gift certificates sold by the Company are recorded as a liability until the gift card is used at a franchisee location. As of December 31, 2022, there were $150,080 in gift certificates sold but not yet redeemed. The liability is included in other current liabilities on the accompanying consolidated balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates - Management is required to make certain estimates and assumptions in order to prepare consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Such estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The Company's most significant estimates relate to the determination of allowances for uncollectible advances. The estimation process requires assumptions to be made about future events and conditions, and as such, is inherently subjective and uncertain. Accordingly, actual results could differ from those estimates.

Subsequent Events - The Company has evaluated events and transactions that occurred between January 1, 2023 and February 28, 2023 which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

3. INCOME TAXES

The benefit from income taxes consisted of the following for the year ended December 31:

	2022
Current:	
Federal	$ -
State	-
	-
Deferred:	
Federal	$ 58,000
State	17,400
	77,400
Benefit from income taxes	$ 77,400

The provision for income taxes differs from the amount of income tax determined by applying statutory rates to pretax income primarily due to certain non-taxable income and non-deductible expenses. Amounts for deferred tax assets are as follows at December 31, 2022:

Deferred Tax Assets:	
Federal	$ 104,500
State	34,900
	$ 139,400

4. FRANCHISE AGREEMENTS

As individual franchises are sold, the Company generally provides certain services for the franchisee, including assistance in site selection, training personnel, implementation of an accounting system, and the design of a quality control program.

Prior to July 2015, the Company's franchisees operated under 5-year agreements and had the option to renew for an additional 5-year period. Subsequent to July 2015, there are 5-year agreements still in place, but all new agreements are 10 years in length with options to renew for an additional 10-year period. Pursuant to the agreements, each franchisee is required to pay an initial franchise fee, in addition to monthly royalties based on a percentage of gross sales, as defined. Upon execution of a franchise agreement, the franchisee is assigned a primary area of responsibility for one or more locations. The Company shall not establish or authorize any other person or entity, other than the franchisee, to establish a "Blo Blow Dry Bar" location in the primary area of responsibility during the term of the franchise agreement.

5. DEVELOPMENT AGREEMENTS

The Company also offers qualified applicants the opportunity to become a Development Agent within a defined non-exclusive, geographical area. The Development Agent is responsible for soliciting and advertising for new franchises on behalf of Blo. The Development Agent is also responsible for developing and assisting franchisees who are operating within their area and utilizing Blo's business systems, formats, methods, specifications, standard operating procedures, operating assistance and Marks. The Development Agent must own at least one Blo Blow Dry Bar within their Development Area. The Development Agent will receive a portion of the franchise fee for franchises in their Development Area, as well as a portion of the monthly royalties as defined by their agreement.

6. RELATED PARTY TRANSACTIONS

Blo pays administrative, consulting, and royalty fees to affiliates for services performed on the Company's behalf and for use of their Marks. These fees amounted to $1,140,000 for the year ended December 31, 2022.

* * * * * * * * * * * * *

EXHIBIT D TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

BLO BLOW DRY BAR INC.

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

TABLE OF CONTENTS

ARTICLE 1 ..... **7**

DEFINITIONS 7

ARTICLE 2 ..... **10**

GRANT OF FRANCHISE; APPROVED LOCATION 10

2.1 Grant *10*
2.2 Approved Location *10*
2.3 Approved Location Not Determined *10*
2.4 Sub-franchising; Agents *10*
2.5 Protected Territory *10*
2.6 Our Reserved Rights *10*

ARTICLE 3 ..... **11**

FEES 11

3.1 Franchise Fee *11*
3.2 Royalty Fee *11*
3.3 Advertising Fund Contributions; Brand Maintenance Fee *12*
3.4 Taxes *12*
3.5 Electronic Transfer of Funds *12*
3.6 Interest on Late Payments *13*
3.7 Application of Payments *13*

ARTICLE 4 ..... **13**

TERM AND RENEWAL 13

4.1 Initial Term *13*
4.2 Successor Term *13*

ARTICLE 5 ..... **14**

APPROVED LOCATION 14

5.1 Selection of Site *14*
5.2 Lease of Approved Location *15*
5.3 Development of Approved Location *16*
5.4 Opening *16*
5.5 Use of Approved Location *17*
5.6 Relocation *17*

ARTICLE 6 ..... **17**

PROPRIETARY MARKS 17

6.1 Ownership *17*
6.2 Limitations on Use *17*
6.3 Notification of Infringements and Claims *18*
6.4 Indemnification of Use of Marks *18*
6.5 Discontinuance of Use *18*
6.6 Right to Inspect *18*
6.7 Our Sole Right to Domain Name *19*

ARTICLE 7 ..... **19**

TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION 19

7.1 Requirement of Confidentiality *19*
7.2 Additional Developments *19*
7.3 Exclusive Relationship *20*
7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals *20*

7.5 Reasonableness of Restrictions *20*
7.6 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition *21*

ARTICLE 8 ..... **21**

TRAINING AND ASSISTANCE 21
8.1 Training *21*
8.2 Opening Assistance *22*
8.3 Failure to Complete Initial Training Program *22*
8.4 New General Manager *22*
8.5 Ongoing Training *22*
8.6 Annual Meeting *22*
8.7 On-Site Assistance and Training *22*

ARTICLE 9 ..... **23**

CONFIDENTIAL OPERATIONS MANUAL 23
9.1 Loan to You *23*
9.2 Revisions *23*
9.3 Confidentiality *23*

ARTICLE 10 ..... **23**

FRANCHISE SYSTEM 23
10.1 Uniformity *23*
10.2 Modification of the System *23*
10.3 Variance *24*

ARTICLE 11 ..... **24**

ADVERTISING AND PROMOTIONAL ACTIVITIES 24
11.1 Grand Opening Advertising *24*
11.2 Local Advertising *24*
11.3 Advertising Fund *25*
11.4 Cooperative Advertising *26*
11.5 Website *26*
11.7 Advisory Councils *27*
11.8 Brand Maintenance *28*

ARTICLE 12 ..... **28**

ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS 28
12.1 Records *28*
12.2 Gross Sales Reports *28*
12.3 Financial Statements *28*
12.4 Other Reports *28*
12.5 Computer System *28*
12.6 Right to Inspect *29*
12.7 Release of Records *29*

ARTICLE 13 ..... **30**

STANDARDS OF OPERATIONS 30
13.1 Authorized Products, Services and Suppliers *30*
13.2 Appearance and Condition of the Franchised Business *31*
13.3 Redecoration, Remodeling and Modernization of the Franchised Business *31*
13.4 Ownership and Management *31*
13.5 Days and Hours of Operation *32*
13.6 Licenses and Permits *32*
13.7 Notification of Proceedings *32*
13.8 Compliance with Good Business Practices *33*
13.9 Uniforms *33*

13.10 Credit Cards; Gift Cards, Series, Memberships and Prepaid Services *33*
13.11 Best Efforts *33*

ARTICLE 14 ..... **34**

OUR ADDITIONAL OPERATIONS ASSISTANCE 34
14.1 General Advice and Guidance; Pricing *34*
14.2 Periodic Visits *34*
14.3 System Improvements *34*
14.4 Marketing and Promotional Materials *34*

ARTICLE 15 ..... **34**

INSURANCE 34
15.1 Types and Amounts of Coverage *34*
15.2 Future Increases *35*
15.3 Carrier Standards *35*
15.4 Evidence of Coverage *35*
15.5 Failure to Maintain Coverage *35*

ARTICLE 16 ..... **36**

DEFAULT AND TERMINATION 36
16.1 Termination by Us – No Opportunity to Cure *36*
16.2 Termination by Us – Opportunity to Cure *37*
16.3 Reinstatement and Extension *38*
16.4 Our Right to Discontinue Services to You *38*
16.5 Cross Defaults, Non-Exclusive Remedies, etc. *38*
16.6 Peer Compliance Committee *38*

ARTICLE 17 ..... **39**

RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION 39
17.1 Actions to be Taken *39*
17.2 Post-Termination Covenant Not to Compete *40*
17.3 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition *40*
17.4 Unfair Competition *40*
17.5 De-Identification of Approved Location *41*
17.6 Our Option to Purchase Certain Business Assets *41*
17.7 Survival of Certain Provisions *41*
17.8 Liquidated Damages *41*

ARTICLE 18 ..... **42**

TRANSFERABILITY OF INTEREST 42
18.1 Transfer by Us *42*
18.2 Transfer by You to a Third Party *42*
18.3 Transfer to a Controlled Entity *43*
18.4 Our Disclosure to Transferee *44*
18.5 For-Sale Advertising *45*
18.6 Transfer by Death or Incapacity *45*
18.7 Securities Offering *45*

ARTICLE 19 ..... **45**

RIGHT OF FIRST REFUSAL 45
19.1 Submission of Offer *45*
19.2 Our Right to Purchase *46*
19.3 Non-Exercise of Right of First Refusal *46*

ARTICLE 20 ..... **46**

YOUR BENEFICIAL OWNERS 46

ARTICLE 21 ..... **46**

RELATIONSHIP AND INDEMNIFICATION 46
21.1 Relationship *46*
21.2 Standard of Care *47*
21.3 Indemnification *47*
21.4 Right to Retain Counsel *47*
21.5 Indemnification for Use of Marks *48*

ARTICLE 22 ..... **48**

GENERAL CONDITIONS AND PROVISIONS 48
22.1 No Waiver *48*
22.2 Injunctive Relief *48*
22.3 Notices *48*
22.4 Guaranty and Assumption of Obligations *49*
22.5 Approvals *49*
22.6 Entire Agreement *49*
22.7 Severability and Modification *49*
22.8 Construction *50*
22.9 Force Majeure *50*
22.10 Timing *50*
22.11 Withholding Payments *50*
22.12 Further Assurances *50*
22.13 Third-Party Beneficiaries *50*
22.14 Multiple Originals *50*
22.15 Compliance with Anti-Terrorism Laws *51*

ARTICLE 23 ..... **51**

DISPUTE RESOLUTION 51
23.1 Choice of Law *51*
23.2 Cumulative Rights and Remedies *51*
23.3 Limitations of Claims *51*
23.4 Limitation of Damages *51*
23.5 Waiver of Jury Trial *52*
23.6 Arbitration *52*

ARTICLE 24 ..... **55**

ACKNOWLEDGMENTS 55
24.1 Receipt of the Disclosure Document/Disclaimer *55*
24.2 Your Representations *55*
24.3 Consultation by You *56*
24.4 True and Accurate Information *56*
24.5 Risk *56*
24.6 No Guarantee of Success *56*
24.7 No Violation of Other Agreements *56*
24.8 Release of Prior Claims *56*

ARTICLE 25 ..... **57**

OPERATION IN THE EVENT OF ABSENCE OR DISABILITY; STEP-IN RIGHTS 57
25.1 Operation in the Event of Absence or Disability *57*
25.2 Step-In Rights – Cause for Step-In *57*
25.3 Step-In Rights – Duties of Parties *57*

ARTICLE 26 ..... **57**

SECURITY INTEREST 57
26.1 Collateral *57*

26.2 Indebtedness Secured *58*
26.3 Additional Documents *58*
26.4 Possession of Collateral *58*
26.5 Our Remedies in Event of Default *58*
26.6 Special Filing as Financing Statement *58*

EXHIBITS:

Exhibit A Approved Location; Protected Territory
Exhibit B Confidentiality and Non-Competition Agreement
Exhibit C Guaranty and Assumption of Obligations
Exhibit D Principal Owner's Statement
Exhibit E Collateral Assignment and Assumption of Lease
Exhibit F Listing Assignment Agreement
Exhibit G Electronic Funds Transfer Agreement
Exhibit H State Specific Addendum
Exhibit I Franchisee Disclosure Acknowledgment Statement
Exhibit J SBA Addendum
Exhibit K Ancillary Services Addendum

BLO BLOW DRY BAR INC.

FRANCHISE AGREEMENT

This Franchise Agreement, made on _____, is by and between Blo Blow Dry Bar Inc., a Delaware corporation having its principal place of business at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5 ("we", "us" or "our"), and _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("you" or "your").

W I T N E S S E T H:

WHEREAS, we have developed, and are in the process of further developing, a System identified by the service mark "Blo Blow Dry Bar" and relating to the establishment and operation of a full service blow dry business having a distinctive interior and exterior design and trade dress and offering for sale to the public hair styling and cleansing products and accessories (referred to in this Agreement as a "Franchised Business"). The Franchised Business does not offer hair cutting, hair coloring or other similar services; and

WHEREAS, in addition to the service mark "Blo Blow Dry Bar" and certain other Marks, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and Trade Secrets; and the Manual; and

WHEREAS, we grant to qualified persons and business entities the right to own and operate a single Franchised Business using the System and the Marks; and

WHEREAS, you desire to own and operate a Franchised Business, have applied for the Franchise and such application has been approved by us in reliance upon all of the representations made herein and therein; and

WHEREAS, you understand and acknowledge the importance of our high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with our System.

NOW, THEREFORE, we and you, intending to be legally bound, agree as follows:

ARTICLE 1
DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

"Advertising Fund" has the meaning given to such term in Section 3.3;

"Advertising Fund Contribution" has the meaning given to such term in Section 3.3;

"Affiliate" means any business entity that controls, is controlled by, or is under common control with us;

"Agreement" means this agreement entitled "Blo Blow Dry Bar Inc. Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Approved Location" means the site for the operation of the Franchised Business selected by you and approved in writing by us;

"Approved Supplier(s)" has the meaning given to such term in Section 13.1;

"Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) goods or services the same as or similar to those provided by Franchised Businesses or in which Trade Secrets and other Confidential Information could be used to the disadvantage of us, any Affiliate or our other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly held entity in which you own less than a five percent (5%) legal or beneficial interest;

"Confidential Information" means technical and non-technical information used in or related to Franchised Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by us. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of yours; (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"Cooperative Advertising" means the combined advertising program of two (2) or more franchisees established within a common market that we may require for Franchised Businesses within a particular region;

"General Manager" means the person designated by you who has primary responsibility for managing the day-to-day affairs of the Franchised Business. If you are an individual and not a business entity, the General Manager shall be you;

"Effective Date" means the date on which this Agreement is fully executed, thereby commencing its effectiveness and term;

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by us and providing us with access to electronically withdraw any funds due us;

"Protected Territory" means the geographic area of territorial exclusivity granted to you under this Agreement as defined by Section 2.5;

"Franchise" means the right granted to you by us to use the System and the Marks;

"Franchise Fee" has the meaning given to such term in Section 3.1;

"Franchised Business" means the Blo Blow Dry Bar to be established and operated by you pursuant to this Agreement;

"Franchisor Indemnitees" has the meaning given to such term in Section 21.3;

"Grand Opening Advertising" has the meaning given to such term in Section 11.1;

"Gross Sales" means the aggregate of all revenue from the sale of products and services from all sources in connection with the Franchised Business whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding all refunds made in good faith, any sales and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, and the value of any allowance issued or granted to any client of the Franchised Business that is credited by you in full or partial satisfaction of the price of any products and services offered in connection with the Franchised Business;

"Gross Sales Reports" has the meaning given to such term in Section 12.2;

"Incapacity" means the absence of your principal for twenty (20) days or more. Returns to work for less than four (4) consecutive days shall not toll the running of the above-mentioned twenty (20) day period;

"Internet" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

"Local Advertising" has the meaning given to such term in Section 11.2;

"Manual" means the Blo Blow Dry Bar Inc. Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by us or on our behalf;

"Marks" means the service mark "Blo Blow Dry Bar", "Body by Blo" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as we may designate to be used in connection with Franchised Businesses;

"Millwork" means our proprietary equipment which includes the styling bar, reception desk and retail display units.

"Royalty Fee" has the meaning given to such term in Section 3.2;

"System" means the uniform standards, methods, procedures and specifications developed by us and as may be added to, changed, modified, withdrawn or otherwise revised by us for the operation of Franchised Businesses; and

"Trade Secrets" means information in any form that is used in or related to Franchised Businesses and is not commonly known by or available to the public including, but not limited to, protocols and techniques, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or suppliers and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

ARTICLE 2
GRANT OF FRANCHISE; APPROVED LOCATION

2.1 Grant

We hereby grant to you, and you undertake and accept, upon the terms and conditions herein contained, the right to establish and operate one (1) Franchised Business at the Approved Location using the System and Marks.

2.2 Approved Location

The street address (or detailed description of the premises) of the Approved Location shall be identified on Exhibit A hereto after we have approved of such location pursuant to Section 5.1.

2.3 Approved Location Not Determined

If the Approved Location of the Franchised Business is not determined as of the Effective Date, then we and you shall determine the geographic area in which the Franchised Business is to be located. You shall follow our procedures in locating a suitable site for the Franchised Business as set forth in Sections 5.1 and 5.2. When the Approved Location is determined, its address will be inserted into Exhibit A hereto. The failure to insert such address shall not affect the enforceability of this Agreement.

2.4 Sub-franchising; Agents

You shall not sublicense the use of the System or Marks to any person or entity to perform any part of your rights or obligations granted hereunder, or grant any person or entity the right to act as your agent to perform any part of your rights or obligations hereunder and any attempt by you to do so shall be void and of no force and effect.

2.5 Protected Territory

So long as this Agreement is in force and effect and you are not in default in any material respect under any of the terms hereof, we shall not establish, own or operate, or grant rights to, or license, any other person to establish, own or operate, any other Franchised Business or other substantially similar business anywhere within the geographic area designated by us for your Franchised Business ("Protected Territory"). When we have approved your location, the Protected Territory will be identified on Exhibit A hereto and may be defined by streets, highways, natural, or political boundaries, and may be outlined on a map attached to Exhibit A. This Protected Territory may change periodically as the market and demographics change. If the Protected Territory should change, we, in our sole discretion, will use all reasonable efforts to protect all franchisees or potential franchisees that may be affected by this change.

2.6 Our Reserved Rights

We retain the right, on behalf of ourselves or through affiliates, in our discretion, and without granting any rights to you, to:

2.6.1 solicit prospective franchisees and grant franchises or other rights to operate Blo Blow Dry Bar Franchises through national or regional advertising, trade shows or conventions or through e-commerce or similar means;

2.6.2 grant franchises for Blo Blow Dry Bar Franchises and to own and operate Blo Blow Dry Bar Franchises ourselves or through affiliates at locations outside of your Protected Territory;

2.6.3 sell, solicit, recruit and provide services for any franchised business not defined as a Blo Blow Dry Bar Franchise;

2.6.4 sell and provide the services and Proprietary Products authorized for sale by Blo Blow Dry Bar Franchises under the Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (including telephone, mail order, co-branded sites and sites located within other retail businesses, Intranet, Internet, web sites, wireless, email or other forms of e-commerce) for distribution within and outside of the Protected Territory and according to the terms and conditions we consider appropriate;

2.6.5 solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere;

2.6.6 acquire be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with locations operating in your Protected Territory, we and/or our licensees have the right to operate the business under the Marks in the Protected Territory without affording any rights to you or providing any compensation to you; and

2.6.7 establish and operate and/or to license others to establish and operate, franchised businesses in "Special Venues", including Special Venues located in your Protected Territory. For purposes of this Agreement, the term "Special Venues" means non-traditional venues such as resorts, military bases, airports, casinos and entertainment venues.

ARTICLE 3
FEES

3.1 Franchise Fee

Upon execution of this Agreement, you shall pay a fee ("Franchise Fee") to us via certified check or wire transfer in immediately available funds in the amount of Forty Five Thousand Dollars ($45,000). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable. The Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in this Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

If this Agreement is being executed pursuant to a Multi-Unit Operator Agreement, then the Franchise Fee payable hereunder shall be as set forth in such Multi-Unit Operator Agreement.

3.2 Royalty Fee

On the twentieth (20^{th}) day of each month, you shall pay to us without offset, credit or deduction of any nature, so long as this Agreement shall be in effect, a monthly fee ("Royalty Fee") equal to six percent (6%) of Gross Sales for the previous calendar month. Each Royalty Fee shall be accompanied by a Gross Sales Report, as required by Section 12.2, for the same period. You shall provide the Gross Sales Report to us by facsimile transmission, e-mail or in such other form as we specify.

If you do not report the Gross Sales, we may debit your account for one hundred twenty percent (120%) of the last Royalty and Advertising Fund Contribution (described in Section 3.3 below) that we debited. If the Royalty and Advertising Fund Contribution we debit are less than the Royalty and Advertising Fund Contribution you actually owe us, once we have been able to determine your true and

correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty and Advertising Fund Contribution we debit are greater than the Royalty and Advertising Fund Contribution you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month.

3.3 Advertising Fund Contributions; Brand Maintenance Fee

3.3.1 We have established the System-wide marketing, advertising and promotion fund ("Advertising Fund"). You must contribute monthly to the Advertising Fund ("Advertising Fund Contribution") an amount equal to the greater of two percent of Gross Sales (2%) or to Two Hundred Fifty Dollars ($250). Advertising Fund Contributions shall be payable at the same time and in the same manner as Royalty Fees as provided in Section 3.2. When established, the Advertising Fund shall be maintained and administered by us or our designee in accordance with the provisions contained in Section 11.3.

3.3.2 In addition to the Advertising Fund Contribution described above, you shall pay to us a monthly brand maintenance fee ("Brand Maintenance Fee") in the amount of One Hundred Fifty Dollars ($150). The Brand Maintenance Fee is payable to us at the same time and in the same manner as the Royalty Fee described above.

3.4 Technology Fee. You must pay to us a monthly "Technology Fee" in the amount we designate each month during the Term, which fee is due and payable to us at the same time and in the same manner as the Royalty Fee described above. You must begin paying the Technology Fee on the earlier to occur of: (a) the date you begin using the designated technology, (b) the date we designate, or (c) when you open the Franchised Business. This fee may include, as we designate, any and all fees assessed by us, including pass-through fees paid to designated or approved suppliers in connection with technology used in connection with the Franchised Business, including, without limitation for (i) the development, administration and maintenance of websites and mobile applications, and/or (ii) the development, installation, maintenance and/or licensing of current and future developed technology and/or software programs and platforms.

3.5 Miscellaneous. We may require you to pay additional, ongoing fees directly to us in connection with other services we require you to use during the Term of this Agreement. As of the Effective Date of this Agreement, we require you to pay to us: (a) $28 per month for participation in Yelp, Beauty & Spas section; and (b) $5 per month for email set up and maintenance fees. We reserve the right to discontinue these fees and/or to require you to pay the then-current ongoing fee directly to the third-party service provider, effective immediately upon notice to you.

3.6 Taxes

You shall pay to us an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by you to us hereunder and on services or goods furnished to you by us at the same time as you remit such fees to us, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on us for doing business in the state where the Franchised Business is located or other federal, state or local taxes assessed against our income.

3.7 Method of Payment; Electronic Transfer of Funds

You must use the commercial billing service and the computer program associated with this service, as we designate, to process payments owed to us under this Agreement and any other agreement with us, as well as payments from customers and other payments and fees. You must allow the commercial billing service to allow us the unrestricted right to access and review all of your records and reports related to your Franchised Business, including, without limitation, all Gross Sales information and financial reports. You must send us monthly, signed Gross Sales Reports setting forth the Gross Sales generated in the

immediately preceding month on the date we designate. The Gross Sales Reports must set forth your monthly Gross Sales generated during the previous month, and any other information we may require or designate. We may change the form and content of the Gross Sales Reports periodically. Currently, we require you to pay the Royalty Fee on a monthly basis, via electronic funds transfer ("EFT"), under which payments due to us under this Agreement and any other agreement between you and us, are automatically deducted from your bank accounts and paid to us. We reserve the right to: (a) designate a different method of payment other than EFT; and (b) to require you to pay the Royalty Fee and/or Advertising Fund Contributions (and any other recurring payment due to us) on a weekly or bi-monthly, or other recurring basis, as we designate, effective on written notice to you. You shall execute and deliver any and all documents necessary in order to effectuate EFT transactions, including, but not limited to, the agreement attached hereto as Exhibit G and any documents required by your bank and as required by our bank. You shall provide us with continuous access to such account for the purpose of receiving any payments due to us. You shall ensure that the balance in the account is sufficient to cover amounts owed to us prior to the date such amounts are due. Once established, you shall not close the account without our consent.

3.8 Interest on Late Payments

All Royalty Fees, Advertising Fund Contributions, amounts due for purchases by you from us and/or our Affiliates and other amounts that are not received by us within five (5) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is lower) from the date payment is due to the date payment is received by us. You shall pay us for all costs incurred by us in the collection of any unpaid and past due Royalty Fees, Advertising Fund Contributions or any other amounts due us, including reasonable accounting and legal fees.

3.9 Application of Payments

Notwithstanding any designation by you, we have the right to apply any payments by you to any past due indebtedness of yours and accrued interest thereon for Royalty Fees, Advertising Fund Contributions, purchases from us and/or our Affiliates or any other amount owed to us.

ARTICLE 4
TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding for an initial term of ten (10) years from the Effective Date, unless sooner terminated pursuant to Section 16.

4.2 Successor Term

Subject to the conditions below, you have the right to obtain a successor franchise agreement at the expiration of this Agreement by entering into a new franchise agreement with us. The term for a successor franchise is an additional ten (10) years. To qualify for a successor franchise agreement, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 You have, during the entire term of this Agreement, substantially complied with all material provisions;

4.2.2 You have access to and, for the duration of the renewal franchise's term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by us, which is in full compliance with our then-current specifications and standards;

4.2.3 You have, at your expense, made such capital expenditures as were necessary to maintain uniformity with any System modifications required by us such that the Franchised Business reflects our then-current standards and specifications;

4.2.4 You have satisfied all monetary obligations owed by you to us (or any Affiliate), and have timely met these obligations throughout the term of this Agreement;

4.2.5 You are not currently in default in any material respect of any provision of this Agreement or any other agreement between you and us and have not been in default in any material respect more than twice during the initial term;

4.2.6 You have given written notice of your request for a renewal franchise not less than nine (9) months nor more than twelve (12) months prior to the end of the term of this Agreement, provided that we have no obligation to grant you a renewal franchise without the timely receipt of such notice;

4.2.7 You have executed our then-current form of franchise agreement, or have executed renewal documents at our election (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise agreement), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Advertising Fund Contribution; provided, however, that you shall not be required to pay the then-current Franchise Fee but shall be required to pay a successor agreement fee equal to twenty-five percent (25%) of our then-current Franchise Fee;

4.2.8 You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements; and

4.2.9 You have executed a general release of any and all claims against us, any Affiliate and against our respective officers, directors, shareholders, managers, members, partners, owners and employees.

ARTICLE 5
APPROVED LOCATION

5.1 Selection of Site

You shall, within ninety (90) days after the Effective Date, locate a proposed site for the Franchised Business and provide us with all of the information we require to evaluate the proposed site, including evidence of your favorable prospects for obtaining the site, such as a lease, purchase agreement or similar document. We shall have ten (10) days after we receive all of the information required in order to review the proposed site. If we do not specifically approve the site within this ten (10) day period, the site is deemed not approved. If we approve of such selection, the site will be designated as the Approved Location for purposes of Section 2.2. If we do not approve of such selection, you shall continue your search for a suitable site for an additional thirty (30) days. If we and you still cannot agree on a site, we have the right to terminate your Franchise Agreement and keep the initial franchise fee.

We shall provide you with general guidelines to assist you in selecting a site suitable for the Approved Location. We have the right to approve or disapprove a proposed location based on such factors as we deem appropriate, including the condition of the premises, demographics and population density of the surrounding area, proximity to other Franchised Businesses, lease requirements, visibility, ease of access, available parking and overall suitability. You shall not locate the Franchised Business on a selected

site without our prior written approval, which approval will not be unreasonably withheld or delayed. *We do not represent that we, any Affiliate or any of our owners or employees have special expertise in selecting sites. Neither our assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. You are solely responsible for finding and selecting a site for the Franchised Business. Our approval of a proposed site only indicates that the site meets our minimum requirements for a Blo Blow Dry Bar at the time of our evaluation.*

5.2 Lease of Approved Location

After the approval of the Approved Location (and if the site is to be leased or purchased), within thirty (30) days you shall execute a lease for, or a binding agreement to purchase, the Approved Location, the terms of which must have been previously approved by us. We shall not unreasonably withhold our approval. *Our review of a lease or purchase agreement, or any advice or recommendation offered by us, shall not constitute a representation or guarantee that you will succeed at the Approved Location nor constitute an expression of our opinion regarding the terms of such lease or purchase agreement*.

We shall be entitled to require that nothing contained in any lease or purchase agreement is contradictory to, or likely to interfere with, our rights or your duties under this Agreement. You shall take all actions reasonably necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default hereunder and the time to cure the same shall expire when the lease is terminated. We have the right to require that the lease for the Approved Location be collaterally assigned by you to us, pursuant to the terms of our standard collateral assignment of lease in the form attached hereto as Exhibit E, to secure performance by you of your obligation under this Agreement. Our approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to us and, at our option, the lease shall contain such provisions as we may reasonably require, including:

5.2.1 a provision reserving to us the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise;

5.2.2 a provision expressly permitting the lessor of the premises to provide us all sales and other information lessor may have obtained or received relating to the operation of the Franchised Business, as we may request;

5.2.3 a provision requiring the lessor to provide us with a copy of any written notice of deficiency sent by the lessor to you, and granting to us the right (but not the obligation) to cure any deficiency under the lease should you fail to do so within fifteen (15) days after the expiration of the period in which you may cure the default;

5.2.4 a provision allowing you to display the Marks in accordance with the specifications required by the Manual, subject only to the provisions of applicable law;

5.2.5 a provision prohibiting the premises from being used for any purpose other than the operation of the Franchised Business;

5.2.6 a provision allowing us, upon expiration or termination of the lease, to enter the premises and remove any signs containing the Marks; and

5.2.7 a provision stating that upon default of this Agreement, we or our nominee have the right to take possession of the Approved Location and operate the Franchised Business.

5.3 Development of Approved Location

In connection with the development of the Approved Location, you shall:

5.3.1 engage a competent licensed architect and engineer to prepare, for our approval, final plans and specifications for improvement of the Approved Location based on the drawings provided to you by us. Our review is only meant to assess that the build-out of your Franchised Business is in compliance with our System standards and any drawings and specifications provided to you by us, and our review will not address compliance with any applicable law, ordinance or building code;

5.3.2 obtain all zoning classifications and clearances that may be required by state and local laws, ordinances or regulations, and submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications;

5.3.3 obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the Franchised Business and certify in writing and provide evidence to us that all such permits and certifications have been obtained;

5.3.4 engage a qualified, licensed general contractor approved by us to complete construction of all required improvements to the Approved Location;

5.3.5 purchase any supplies or inventory necessary for the operation of the Franchised Business;

5.3.6 purchase and install all equipment, signs, furniture and fixtures, including any computer equipment, required for the operation of the Franchised Business; and

5.4 Opening

A. Before opening the Franchised Business and commencing business, you shall:

5.4.1 fulfill all of your obligations pursuant to the other provisions of this Section 5;

5.4.2 furnish us with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as we may request;

5.4.3 complete initial training to our satisfaction, and ensure that all other required persons have completed initial training to our satisfaction;

5.4.4 hire the personnel necessary or required for the operation of the Franchised Business;

5.4.5 obtain all necessary permits and licenses;

5.4.6 if you are a business entity, you have caused each of your stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

5.4.7 pay in full all amounts due and owing to us.

B. You shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within twelve (12) months after the Effective Date, or we may terminate this Agreement. Time is of the essence.

5.5 Use of Approved Location

You shall not use the Approved Location for any purpose other than for the operation of a Franchised Business in full compliance with this Agreement and the Manual, unless approved in writing by us.

5.6 Relocation

You shall not relocate the Franchised Business without our prior written consent. If the lease for the Approved Location expires or terminates without your fault or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by us and you, we may allow you to relocate the Franchised Business. Any such relocation shall be at your sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.3. You shall reimburse us for any costs incurred by us in providing assistance to you, including legal and accounting fees. Notwithstanding the foregoing, we have no obligation to provide relocation assistance. If no relocation site meets with our approval, this Agreement shall terminate as provided in Section 16.

5.7 Blo On The Go

As of the Effective Date of this Agreement, we permit you to provide *Blo On The Go* services to customers of your Franchised Business who request that you provide services you are authorized to provide under this Agreement at the customer's designated location, which may be at a location outside of your Protected Territory. You acknowledge and agree that any and all revenues derived in connection with your offer, sale and/or provision of *Blo On The Go* services shall be included in Gross Sales. Notwithstanding the foregoing, we reserve the right to modify the *Blo On The Go* program and to require you to comply with our designated practices, policies and procedures, which we may specify in the Manual or other written communications. We reserve the right to discontinue the *Blo On The Go* program at any time on notice to you.

ARTICLE 6
PROPRIETARY MARKS

6.1 Ownership

You acknowledge and understand that we are the owner or are the licensee of the owner of the Marks. Your right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure to our benefit. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

You shall not use any Mark or portion of any Mark as part of any business entity name or trade name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without

our prior written consent. You shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. You shall give such notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under applicable law. You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to you. You shall include on your letterhead, forms, cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated Franchise." You shall not claim any rights in or to any Mark or modification or variation thereof.

6.3 Notification of Infringements and Claims

You shall promptly notify us of any infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks of which you have knowledge. You shall not communicate with any person other than us and, through your counsel, our counsel in connection with any such infringement, challenge or claim; provided, however, you may communicate with your own counsel at your own expense. We have the right to take any action in connection with any such infringement, challenge or claim and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks but we shall not be required to take such action. You shall, at our expense, execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be reasonably necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

6.4 Indemnification of Use of Marks

We shall reimburse you for all expenses reasonably incurred by you in any trademark or similar proceeding disputing your authorized use of any Mark, provided that you have timely notified us of such proceeding and have complied in all material respects with this Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark. This indemnification shall not include any expenses you incur related to of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between us and you wherein your use of the Marks is disputed or challenged by us. This indemnification shall not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from the counsel representing us and you in the event of litigation disputing our and your use of the Marks.

6.5 Discontinuance of Use

If it becomes necessary for you to modify or discontinue use of any of the Marks, or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall, at your sole cost and expense, comply with our directions within a reasonable time after notice to you by us. We shall not reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of the Franchised Business, we and our designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which

you render services and conduct activities and operations, and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that you are operating the Franchised Business in accordance with the quality control provisions and performance standards established by us. We and our agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other inventory items offered for retail sale, or used in rendering services, to test whether such products or items meet our then-current standards. We or our designee have the right to observe you and your employees during the operation of the Franchised Business and to interview and survey (whether in person or by mail) clients and employees and to photograph and videotape the premises.

6.7 Our Sole Right to Domain Name

You shall not establish, create or operate an Internet site or website using a domain name or uniform resource locator containing the Marks or the words "Blo" or "Blo Blow Dry Bar" or any variation thereof. You shall not advertise on the Internet using the name "Blo" or "Blo Blow Dry Bar" or any other Mark. We are the sole owner of all right, title and interest in and to such domain names as we shall designate in the Manual.

ARTICLE 7
TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Requirement of Confidentiality

You acknowledge that we will disclose Trade Secrets and other Confidential Information to you during the training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to utilize it in the development and operation of the Franchised Business and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in you and all officers, directors, executives, managers and members of the professional staff of yours): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents and representatives and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them. This Section shall survive the termination of this Agreement indefinitely.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and works made-for-hire for us, and no compensation will be due to you or your owners or employees therefor. We may incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for us, you shall assign ownership of that item, and all related rights to that item, to us and shall sign any assignment or other document as we reasonably request to assist us in obtaining or preserving intellectual property rights in the item. We shall disclose to you concepts and developments of other franchisees that are made part of the System. As we may reasonably request and at our expense, you shall take all actions reasonably

necessary to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by you or not.

7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees if owners of Franchised Businesses and members of their immediate families and households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither you nor any holder of a legal or beneficial interest in you (or any member of their immediate families and households), nor any officer, director, executive, or manager of yours, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

7.3.1 Divert or attempt to divert any business or client of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

7.3.2 Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

7.3.3 solicit or otherwise attempt to induce or influence any employee or other business associate of ours or any other Franchised Business to compete against, or terminate or modify his, her or its employment or business relationship with, us or any other Franchised Business.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

In addition to the restrictive covenants set forth in Section 7.3 above, we have the right to require you and any holder of a legal or beneficial interest in you, and any officer, director, executive, or manager of yours, to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached hereto as Exhibit B, upon execution of this Agreement or prior to each such person's affiliation with you. Upon our request, you shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at your offices and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, we would not have entered into this Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the Trade Secrets and other Confidential Information, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then you shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

7.6 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

You further acknowledge that an actual or threatened violation of the covenants contained in Article 7 of this Agreement will cause us immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, we shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by you of this Agreement, such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that we may have at law or in equity.

ARTICLE 8
TRAINING AND ASSISTANCE

8.1 Training

You must attend and complete, to our satisfaction, our designated initial training program which program covers the business and administrative aspects of the operation of a Blo Blow Dry Bar franchised business as we determine appropriate and may include sales and marketing methods; financial controls; maintenance of quality standards; customer service techniques, record keeping and reporting procedures and other operational issues. We may conduct all or any portion of the initial training program remotely, including through currently existing or future developed technology platforms.

Unless we designate otherwise, the first portion of the initial training will take place at our Head Office and is estimated to last between two (2) and three (3) days. You are entirely responsible for all costs and expenses associated with attending the initial training program at our Head Office, including, without limitation, all travel, lodging, meals and other accommodation expenses (estimated to range between $1,017 and $1,636). We reserve the right to provide and to require you to attend the Head Office training remotely through any virtual technology platform we designate.

After completion of the Head Office training, you will receive remote brand and operations training, as we designate, in the weeks prior to opening. This portion of the initial training program covers the business and administrative aspects of the operation of a Franchised Business and, unless we designate otherwise, will be facilitated by one or more "Franchise Business Coaches" (each an "FBC") and a member of our marketing team under the supervision of our Vice President of Marketing and may take the forms of weekly calls and/or on-line training sessions.

Just prior to opening, you must complete our designated onsite training, which is conducted at your location and lasts approximately five (5) to six (6) days. You are responsible for our trainers' salary, flight, lodging, meals and accommodations, as well as a per diem fee in the amount we designate (currently $80) (the "Per Diem Fee"), immediately upon your receipt of an invoice from us. This amount is estimated to range between $1,880 to $2,955.

Finally, prior to opening, you and your stylists must attend and complete Blo U, which is an onsite training program estimated to last six (6) days long. You are responsible for paying the trainer's salary, flight, accommodations, and the Per Diem Fee.

Within the first year of operation, between the fourth (4^{th}) and twelfth (12^{th}) months of operation, we will conduct an On Site Coaching Visit to your Blo Blow Dry Bar. You are responsible for our On Site Coaching Teams' salary, flight, lodging, meals and accommodations, immediately upon your receipt of an invoice from us. This amount is estimated between $830 and $1,520.

You must also complete any and all remote training we require, including remote training to be provided by System vendors, as part of the initial training program. We reserve the right to change the

initial training program at any time. If you fail to attend and complete our initial training program to our satisfaction, we have the right to terminate your Franchise Agreement, effective on notice to you.

8.2 Opening Assistance

In conjunction with the opening of the Franchised Business, we shall provide general assistance and guidance. If you request additional assistance with respect to the media launch, the opening or continued operation of the Franchised Business, and should we deem it necessary and appropriate to comply with such request, you shall pay our then-current standard rates, plus expenses, for such additional assistance.

8.3 Failure to Complete Initial Training Program

If we determine that you or your manager are unable to satisfactorily complete the applicable training program described in Section 8.1 above, we shall have the right to terminate this Agreement and keep your Franchise Fee.

8.4 New General Manager

If you are a business entity and, after beginning operations, you name a new General Manager, then the new General Manager must complete the initial training program to our satisfaction within thirty (30) days. You shall pay our then-current training fee and shall pay for the trainee's expenses while attending training, including travel, lodging, meals, wages and benefits.

8.5 First Year Coaching Program; Ongoing Training

During the twelve (12) month period following the date on which you open the Franchised Business, you must participate on our designated "first-year coaching program" at your sole cost and expense. From time to time during the term of this Agreement, we may, at our discretion, provide ongoing, remedial or refresher onsite training programs. We may designate any such training programs as mandatory for you, your General Manager and/or other of your employees. You shall be responsible for all costs associated with this training, including our then-current Per Diem Fee for each trainer we send to you and you must reimburse our expenses for sending the trainer(s) to you.

8.6 Annual Meeting

We may, in our discretion, conduct an annual meeting and/or convention of franchisees to discuss the System, changes to the System, new offerings and/or refresher training. If we choose to hold an annual meeting or conference, attendance will be mandatory for you (or if you are a legal entity, your owner responsible for Franchised Business operations). You must pay our then-current non-refundable per person fee for each attendee from your Franchised Business (which fee is due and payable on the date we designate), and you must also pay all of the expenses your attendees incur while at the annual meeting, including travel, lodging, meals, wages and benefits.

8.7 Additional On-Site Assistance and Training

At your reasonable request, subject to our availability and as we determine appropriate in our sole and absolute discretion, we shall provide additional assistance and/or training at your Franchised Business. If we agree to provide such additional assistance and/or training at your Franchised Business, you must pay to us our then-current additional training fee (currently $300 per trainer per day), plus our then-current Per Diem Fee for each trainer sent to the Franchised Business to provide training and, all costs and expenses for providing such trainer(s), including travel, lodging and meals expenses.

ARTICLE 9
CONFIDENTIAL OPERATIONS MANUAL

9.1 Loan to You

While this Agreement is in effect, we shall grant you access to an electronic copy of the Manual. You shall conduct the Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by us and may be in written or electronic form. We own the copyrights in the Manual; you shall not copy or duplicate the Manual in whole or in part. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

9.2 Revisions

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by us; provided, however, that no such addition or modification shall materially alter your fundamental status and rights under this Agreement. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling. You expected to review and comply with all changes at your sole cost and expense.

9.3 Confidentiality

The Manual contains our Trade Secrets and other Confidential Information and shall be kept confidential by you both during the term of the Franchise and subsequent to the transfer, expiration or termination of this Agreement. You shall at all times ensure that your copy of the Manual is available at the Approved Location in a current and up-to-date manner. If stored on computer-readable media, you shall maintain the Manual in a locked receptacle at the Approved Location, or if in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle or the password to such file (or Internet site, if the Manual is maintained on-line by us in a password-protected site). You shall not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner.

ARTICLE 10
FRANCHISE SYSTEM

10.1 Uniformity

You shall strictly comply, and shall cause the Franchised Business to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us.

10.2 Modification of the System

We have the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional computer hardware, software, support services, equipment, inventory, supplies or sales and marketing techniques. You shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. You shall make expenditures for such changes, additions or modifications in the System that may be reasonably required. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2.

10.3 Variance

We have the right to vary standards, materials or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition that we deem to be of importance to the successful operation of any particular Franchised Business. We shall not be required to disclose or grant to you a like or similar variance hereunder.

ARTICLE 11
ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Grand Opening Advertising

You must, unless we designate otherwise, pay us an amount ranging from Twelve Thousand Five Hundred Dollars ($12,500) and Fifteen Thousand Dollars ($15,000) as we designate, for grand opening advertising and marketing ("Grand Opening Advertising Expenditure") for your Franchised Business. You must pay us the Grand Opening Advertising Expenditure on the date we designate, which date will be after you sign your Franchise Agreement, but before the grand opening campaign commences (which is typically about two months before you are scheduled to open). We have the right to retain an administrative fee of up to fifteen percent (15%) of the Grand Opening Advertising Expenditure. We may require you to pay a portion of the Grand Opening Advertising Expenditure directly to vendors we designate. The Grand Opening Advertising campaign will generally begin approximately two (2) months before the scheduled opening date and continue for approximately three (3) months following the opening of the Franchised Business. The Grand Opening Advertising Expenditure is non-refundable. You are no permitted to use any advertising materials, including grand opening materials, unless you have submitted the materials first to us for our review and approval, and you have received written out written approval. If we do not respond within fifteen (15) days of your submission, the materials are deemed disapproved. The Grand Opening Advertising expenditures shall be in addition to any Local Advertising expenditures, Advertising Fund Contributions or other advertising programs or incentives. You must provide us with an accounting of the funds spent on the campaign, upon our request and as specified from time to time in writing. We reserve the right to have you deposit all or a portion of your Grand Opening funds with us prior to the start of the campaign or upon our request If we require this of you, we will coordinate allocation of these funds on your behalf for paid marketing activity and the purchase of marketing collateral and promotional material. Any expenditures made on your behalf will be documented and shared with you and shall be non-refundable.

11.2 Local Advertising

11.2.1 Commencing on the four-month anniversary of the date on which you launch your Grand Opening Advertising campaign and continuing each month thereafter, you shall spend the greater of (a) $1,500 or (b) one percent (1%) of the previous month's Gross Sales on advertising, promotions and public relations within the Protected Territory ("Local Advertising"). After the expiration of the 12-month anniversary of the opening date, we may, in our discretion, lower the Local Advertising expenditure requirement to $1,000 or such other lower amount as we designate. Local Advertising expenditures shall be made directly by you to providers of advertising services, provided, however, that any advertising you propose to use must first be approved by us. We reserve the right to designate mandated suppliers for local marketing and advertising services (including online social media marketing service providers). Within thirty (30) days of a request from us, you shall provide us with evidence of your Local Advertising expenditures, including verification copies of the advertising, receipts of expenditures, and any other information that we may require. We reserve the right to require you to pay the Local Advertising Expenditure directly to us or our affiliate, in which event we and/or our affiliate will expend the Local

Advertising Expenditure amount for advertising, promotions and public relations in the local area surrounding the Franchised Business.

11.2.2 All advertising must be completely ethical and not misleading, must be conducted professionally and must conform to our standards. Any advertising that has not been furnished by us or that we have not approved within the preceding twelve (12) months must be submitted to us for our review. We will have fifteen (15) days after our receipt of the materials to advise you whether they are approved or not. If we do not provide you with oral or written approval within this fifteen (15) days, the materials are deemed not approved. Any advertising or promotional materials you provide to us for our review will become our property, and there will be no restriction on our use or dissemination of these materials. We reserve the right to require you to include certain language in your advertising, including, but not limited to, "Franchises Available", our Website address and our telephone number.

11.2.3 You shall prominently display at the Franchised Business any franchise brochures that we provide, at our cost, including brochures related to the franchise opportunity offered by us.

11.2.4 You are not permitted to market, advertise or promote the Franchised Business outside of the Protected Territory unless you receive our prior written approval, which we may grant, revoke or withhold in our sole and absolute discretion.

11.3 Advertising Fund

We have established the Advertising Fund, as defined in Section 3.3. The Advertising Fund shall be maintained and administered by us or our designee as follows:

11.3.1 We shall oversee all marketing programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or *pro rata* from expenditures by the Advertising Fund. The program(s) may be local, regional or System-wide.

11.3.2 Your Advertising Fund Contributions may be used to meet the costs of, or reimburse us for our costs of, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of developing, supporting and/or administering mobile applications; preparing and conducting television, radio, Internet, magazine, newspaper, and direct mail advertising campaigns and other advertising and public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; attending franchise conventions and industry conventions; salaries and compensation for employees performing marketing and promotional related duties or functions and providing other marketing materials to franchisees). We may conduct all advertising and public relations in-house, or we may use a national or regional advertising or public relations agency. All Advertising Fund Contributions shall be maintained in a separate account from our monies and shall not be used to defray any of our general operating expenses, except we may use Advertising Fund Contributions for administrative costs and fees of up to 15% of Advertising Fund Contributions, in addition to salaries and overhead related to the administration of the Advertising Fund, and reasonable costs and expenses, if any, that we may incur in activities reasonably related to the administration of the Advertising Fund.

11.3.3 We shall endeavor to spend all Advertising Fund Contributions on marketing programs and promotions during our fiscal year within which such contributions are made. If excess amounts remain in any Advertising Fund at the end of such fiscal year, then such amounts shall carry forward to the next fiscal year.

11.3.4 Although we intend the Advertising Fund, if established, to be of perpetual duration, we have the right to terminate the Advertising Fund at any time. The Advertising Fund shall not be terminated, however, until all Advertising Fund Contributions have been expended for advertising and promotional purposes or returned to you, other franchisees and company or Affiliate-owned units on a *pro rata* basis based on total Advertising Fund Contributions made in the aggregate by each contributor.

11.3.5 While we will not use Advertising Fund contributions principally for the purpose of soliciting franchise sales, we may include statements about the availability of information regarding the franchise opportunity and the purchase of a franchise in any advertising, promotional or other items produced, circulated and/or distributed using Advertising Fund Contributions. Each Blo Blow Dry Bar operated by us or our Affiliates shall make Advertising Fund Contributions at the same rate as franchisees. Vendors and suppliers may, if we permit, contribute to the Advertising Fund.

11.3.6 An unaudited statement of the Advertising Fund shall be prepared annually and we will provide you with a copy within a reasonable time after the statement's issuance if you request a copy on or before March 31st of the following year. You will not be entitled to receive the statement if you fail to timely submit the written request to us. We may require that the annual accounting be audited by an independent certified public accountant at the expense of the Advertising Fund.

11.3.7 You acknowledge that the Advertising Fund is not a trust and we assume no fiduciary duty in administering the Advertising Fund.

11.4 Cooperative Advertising

We have the right, but not the obligation, to create a Cooperative Advertising program for the benefit of Franchised Businesses located within a particular region, or we may approve of such a Cooperative formed by franchisees within a particular region. If a Cooperative is formed for an area that includes the Protected Territory, then you shall participate in and contribute to the Cooperative. We will determine the amount and frequency of contributions that its members must make to the Cooperative, and how this money is spent. Any amounts that you contribute to a Cooperative will count toward your Local Advertising requirement described in Section 11.2 above; however, if the amount you contribute to a Cooperative is less than the amount you are required to expend on Local Advertising, you must nevertheless spend the difference locally. We will retain the authority to create, change, merge or dissolve any advertising cooperative.

11.5 Website

11.5.1 We have established and maintain a Website, which may, without limitation, promote the Marks, Blo Blow Dry Bar Franchised Businesses and any or all of the products and services offered at Franchised Businesses, the franchising of Blo Blow Dry Bar Franchised Businesses, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

11.5.2 We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

11.5.3 You shall not establish a separate Website without our prior written approval (which we shall not be obligated to provide). If approved to establish a Website, you shall comply with our

policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any Website owned or maintained by you or for your benefit shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under this Article 11.

11.5.4 We shall have the right to modify the provisions of this Section 11.5 relating to Websites as we shall solely determine is necessary or appropriate.

11.5.5 You understand and agree that you are strictly prohibited from promoting the Franchised Business or using any of the Marks in any manner on any website, including, but not limited to, social media or networking websites, the use of social media in your Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business ("Social Media" includes personal blogs, common social networks like Facebook, Instagram and Pinterest; professional networks like LinkedIn; live-blogging tools like Twitter and Snapchat; virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). If we permit you to use Social Media, you will be required to comply with our designated Social Media guidelines, rules and regulations, which we may alter or revise from time to time, and we may revoke our approval at any time on notice to you. Further, we shall own all passwords associated to your Social Media accounts, and upon termination or non-renewal, they shall revert to us.

11.5.6 You shall not use the Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

11.6 Telephone Numbers, Internet Listings, etc.

You must list and advertise the telephone number(s) for the Franchised Business in the "white pages" telephone directory, and you may, if you choose, place Yellow Pages trademark listings and other business listings in the telephone directory (or directories) distributed in the Protected Territory and in such directory heading or category as specified by us. If a joint listing is obtained, all Franchised Businesses listed together shall pay a *pro rata* share of the cost of the advertisements and listings. Telephone directory advertising expenditures are in addition to, and not included in, your Local Advertising obligations.

You, at our option, shall assign to us all rights to the telephone numbers of the Franchised Business and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further, you shall assign to us all Internet listings, domain names, Internet accounts, advertising on the Internet or world wide web, websites, listings with search engines, email addresses or any other similar listing or usage related to the Franchised Business. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

11.7 Advisory Councils

We have formed an advisory council to work with us to improve various aspects of the System, including advertising campaigns, new products and services, and other matters. Its members are made up of franchisees and our representatives. The franchisee representatives may be chosen by us or elected by other franchisees. The advisory council will act in an advisory capacity only and will not have decision making authority. We will have the power to form, merge, change or dissolve any advisory council, in our discretion.

11.8 Brand Maintenance

As described in Section 3.3, you must pay to us a Brand Maintenance Fee. The Brand Maintenance Fee covers social media, web, public relations, best practices coaching, corporate direction and collaboration around event planning and management.

ARTICLE 12
ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, you shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by us in the Manual or otherwise in writing. You shall notify us in writing when you have engaged the services of a bookkeeper. You are required to use QuickBooks and ProfitKeeper we may require you to include certain items in your Chart of Accounts. You shall retain during the term of this Agreement, and for five (5) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law.

12.2 Gross Sales Reports

You shall maintain an accurate record of Gross Sales and shall deliver to us a statement of Gross Sales ("Gross Sales Report") for each month in a form that we approve or prescribe. The Gross Sales Report for the preceding calendar month must be provided to us by the third (3^{rd}) day of each month.

12.3 Financial Statements

You shall supply to us on or before the fifteenth (15^{th}) day of each month, in a form approved by us, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the calendar year-to-date. These financial statements must be accurate and shall commence from your first month of operation. You shall, at your expense, submit to us within ninety (90) days after the end of the calendar year an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. You shall submit to us such other periodic reports in the manner and at the times specified in the Manual or otherwise in writing.

12.4 Other Reports

You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Manual. We shall have the right to release financial and operational information relating to the Franchised Business to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer System

You shall purchase, install and use a computer and point-of-sale system consisting of hardware and software in accordance with our specifications and shall upgrade and maintain such systems in accordance with our requirements. We may also require you to use mobile applications, as we designate, which may include proprietary mobile apps and/or other mobile apps created or designated for the System at your sole

cost and expense. We shall have full access at all times during the term of this Agreement to all of your computer and point-of-sale data and systems and all related information for any purpose we deem appropriate, including to permit us to verify your compliance with its obligations under this Agreement. You shall install any communications equipment necessary to permit our full access, at your expense.

You shall, at all times during the term of this Agreement, have technical support and maintenance contracts for your computer system and point-of-sale system as prescribed by us. In addition, in our discretion, we may require you to update, upgrade and/or replace its computer system and point-of-sale system (including hardware and software components), and there are no contractual limitations on our right to require you to obtain such updates, upgrades and/or replacements, or the cost of such updates, upgrades and/or replacements. Neither we nor any affiliate of ours will provide you with any maintenance, updates or upgrades for your computer system or software.

We may, from time-to-time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the computer system installed at the Franchised Business, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by you in connection with the System, or in connection with your operation of the Franchised Business (including without limitation data pertaining to or otherwise concerning the Franchised Business' customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your computer system) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

12.6 Right to Inspect

We or our designee have the right, during normal business hours, to examine, copy and audit your books, records and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay to us the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is lower). If the audit or any other inspection discloses an underpayment or understatement of at least two percent (2%) of the amount due for any period covered by the audit, or if the audit is required due to your failure to provide required reports to us, you shall, in addition to any other payments required above, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law.

12.7 Release of Records

At our request, you shall authorize and direct any third parties, including accounting professionals, to release to us all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us. You acknowledge and agree that we may use any and all information, including financial performance information, in any manner we deem appropriate, including, without limitation: (a) in connection with financial performance representations made in our franchise disclosure documents, and (b) sharing such information with other System franchisees for benchmarking and other purposes.

ARTICLE 13
STANDARDS OF OPERATIONS

13.1 Authorized Products, Services and Suppliers

You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality products and services to your clients. Accordingly, you shall provide or offer for use at the Franchised Business only those products, supplies, signs, equipment and other items and services that we from time to time approve (and that are not thereafter disapproved) and that comply with our specifications and quality standards. If required by us, any such items or services shall be purchased only from Approved Suppliers that we designate or approve (which might include, or be limited to, us or an Affiliate). You must carry an inventory of designated items and products which you must purchase from our approved and designated suppliers, which items and/or products may include hair care products, styling tools, accessories, make-up and other designated inventory items. You shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any products or services that we have not approved and you shall not use any unapproved products, styling tools, make-up or inventory items in connection with the operation of the Franchised Business.

13.1.1 Without limiting the foregoing, unless we designate otherwise, you must purchase millwork, stylist chairs, fixtures, décor, signage, paper goods, retail products, hair-care inventory, make-up products, computer hardware and software, salon account management tools and software services, candidate recruitment management services, accounting software, local advertising services (e.g. Yelp), Booker marketing suite software and services from our designated or approved suppliers. We also require you to use ADP for your first year of operations for certain designated services. We reserve the right to modify this requirement and to designate a different vendor for such services, effective on notice to you.

13.1.2 We may provide you, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and we may from time-to-time issue revisions to such list. If we are or an Affiliate is an Approved Supplier, you shall execute a standard form purchase or supply agreement for the items to be supplied by us or any Affiliate, if we or the Affiliate require such agreement. If you desire to: (a) use any services or products that we have not approved (for services and products that require supplier approval) or (b) purchase any product, item or service from a supplier other than an approved or designated supplier, you may send us a request for approval, however we are not required to review or consider such request. If we elect to consider your request, we may require you to send us the information and samples that we designate or request, including items and/or information we determine appropriate to determine whether an item, product or service complies with our standards and specifications and/ or whether the proposed supplier meets our criteria. You must reimburse us for all of our reasonable expenses in connection with determining whether we will approve an item, service or supplier. If we do not communicate our approval or disapproval of the alternate item, service or supplier, as applicable, within sixty (60) days, your request will be considered disapproved. Our approval process may focus on, among different or other criteria, the supplier's dependability, general reputation and ability to provide sufficient quantity of product or services, the products' or services' prices and quality, arrangements we already have in place with other designated or approved suppliers and/or impact on the system. Approval of a supplier may be conditioned on, among other things, the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require us to approve any particular supplier, or to require us to make available to prospective suppliers, standards and specifications that we deem confidential.

13.1.3 Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of any items or suppliers. We may revoke our approval of any item, service or supplier at any time by notifying you or the supplier. You shall, at your own expense, promptly cease using, selling or providing any items or services disapproved by us and shall promptly cease purchasing from suppliers disapproved by us.

13.1.4 We have the right to designate certain programs, products and/or services not otherwise authorized for general use as part of the System to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.3 and shall not create any rights in you to provide the same products or services.

13.1.5 We may authorize you, as we determine appropriate in our sole and absolute discretion, to offer additional and/or ancillary approved services which are in addition to and different from the services you are required to offer in connection with the operation of the Franchised Business (e.g., hair extension services) (the "Ancillary Services") in connection with the operation of the Franchised Business. If you qualify to incorporate Ancillary Services in connection with the operation of the Franchised Business, as we designate in our sole and absolute discretion, you must sign our then-current "Ancillary Services Addendum". A sample of the Ancillary Services Addendum, which form may change over time, is attached to this Agreement as Exhibit K. We reserve the right to charge you an additional training fee and/or to require you to pay us and/or third-party service providers training fees in connection with such Ancillary Services. You may also be required to purchase an initial and ongoing inventory of products, inventory and supplies for use in connection with the provision of the Ancillary Services.

13.1.6 We and/or our affiliates have the unrestricted right to derive, collect and retain rebates, markups and other benefits from suppliers and/or in connection with the furnishing of suppliers. Additionally, we and our affiliates have the right to impose markups in connection with the sale of goods and/or services we require you to purchase from us. You shall have no entitlement to or interest in any such rebates, markups or benefits.

13.2 Appearance and Condition of the Franchised Business

You shall maintain the Franchised Business and the Approved Location in "like new" condition, subject to reasonable wear and tear, and shall repair or replace furnishings, equipment, fixtures and signage as necessary to comply with the health and safety standards and specifications of us and your lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by you and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Redecoration, Remodeling and Modernization of the Franchised Business

In conjunction with the transfer or renewal of this Franchise or at our request, which request shall not occur more frequently than every five (5) years, you shall redecorate, remodel, refurbish and/or modernize your Franchised Business to meet our then-current image for Blo Blow Dry Bars. The redecoration, remodeling, refurbishing and/or modernization described in this Section 13.3 shall be in addition to any regular maintenance and cleaning that you must perform.

13.4 Ownership and Management

13.4.1 Unless you have appointed, with our approval, a General Manager for the Franchised Business, the Franchised Business shall, at all times, be under the direct supervision of an

"Operating Principal." If you are an individual, then you shall be the Operating Principal. If you are a corporate entity, then the Operating Principal shall have, at all times, a minimum ten percent (10%) ownership interest in you. The Operating Principal shall have completed our initial training program to our satisfaction. You shall keep us informed, in writing, at all times of the identity of your Operating Principal and General Manager. You must not engage in any business or other activities that will conflict with your obligations under this Agreement.

13.4.2 You shall notify us promptly if the Operating Principal or General Manager cannot continue to serve or no longer qualifies as an Operating Principal or a General Manager. You will have thirty (30) days from the date of the notice (or from any date that we independently determine the Operating Principal or General Manager no longer meets our standards) to take corrective action. During that thirty (30) day period, you shall provide for interim management of the Franchised Business in compliance with this Agreement.

13.4.3 You shall designate and retain at all times during the term of this Agreement the number of bloers and other personnel as we require in the Manual or otherwise in writing.

13.4.4 We reserve the right to require any of your employees to execute covenants of confidentiality and non-competition, as described herein.

13.5 Days and Hours of Operation

You shall keep the Franchised Business open for business during normal business hours as specified in the Manual, subject to applicable law, as updated periodically via e-mail, facsimile, or other methods of communication.

13.6 Licenses and Permits

You shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You shall ensure that each of your employees has any certifications or licenses required by applicable law. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of the Franchised Business. You shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7 Notification of Proceedings

You shall notify us in writing of the commencement of any action, suit or proceeding involving you or the Franchised Business, and of the issuance of any order, writ, injunction, award or decree that may affect the operation or financial condition of the Franchised Business not more than five (5) days after such commencement or issuance. You shall deliver to us not more than five (5) days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation. In addition, any and all consumer related complaints shall be answered by you within fifteen (15) days after receipt thereof or such shorter period of time as may be provided in the complaint. A copy of said answer shall be forwarded to us within three (3) days of the date that said answer is forwarded to the complainant. Furthermore, in the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by

levy of execution or similar writ or warrant of attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.8 Compliance with Good Business Practices

You acknowledge that the quality of service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created hereby. Therefore, you shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business. You shall at all times endeavor to give prompt, courteous and efficient service to clients of the Franchised Business. The Franchised Business shall in all dealings with its clients, vendors and the general public adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a complaint, we have the right to intervene. We have the right to terminate this Agreement for repeated violation of this Section. You shall reimburse us for all costs reasonably incurred by us in handling complaints for the Franchised Business pursuant to this Section.

13.9 Uniforms

You shall abide by any uniform requirements stated in the Manual. Uniforms, if required, must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets our specifications and quality standards for uniforms.

13.10 Credit Cards; Gift Cards, Series, Memberships and Prepaid Services

You shall, at your expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard and such other credit card issuers as we may designate, from time to time, to enable the Franchised Business to accept such methods of payment from its clients. We may require that you use a certain merchant processor which benefits all franchisees in the System.

You shall sell or otherwise issue gift cards or certificates, series, memberships or other prepaid services (together "Prepaids") that have been prepared utilizing the standard form of Prepaids provided or designated by us, and only in the manner specified by us in the Manual or otherwise in writing. You shall fully honor all Prepaids that are in the form provided or approved by us regardless of whether a Prepaids was issued by you or another Franchised Business. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Prepaids in accordance with procedures and policies specified by us in the Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Prepaids issued by other Franchised Businesses and for making timely payment to us, other operators of Franchised Businesses, or a third-party service provider for Prepaids issued from your Franchised Business that are honored by us or other Franchised Business operators.

We reserve the right to alter the terms and conditions of any gift card, series, membership or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs.

If the Agreement expires, is not renewed, or is terminated, you shall remain responsible for all pre-paid obligations incurred through the purchase of gift cards, series, memberships and/or loyalty programs, through your Franchised Business.

13.11 Best Efforts

You shall use your reasonable best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. You shall require all of your employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System.

ARTICLE 14
OUR ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance; Pricing

We shall be available to render advice, discuss problems and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised Business.

We reserve the right, subject to restrictions imposed under applicable law, to require you to offer all products, items and services at prices not to exceed the prices we publish from time to time. We currently do not prohibit System franchisees from charging prices lower than our suggested prices for any item or service, however we reserve the right to do so in the future, to the maximum extent allowed under applicable law. We reserve the right to prohibit you from charging prices lower than our published prices for any item or service, to the maximum extent allowed by applicable law. Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate or optimize profits. You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices.

14.2 Periodic Visits

We or our designee shall make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. We or the designee who visits the Franchised Business may prepare, for the benefit of both us and you, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report may be provided to you at cost. You shall implement any required changes or improvements in a timely manner. If a Secret Shopper is utilized, you will be invoiced each month for these visits.

14.3 System Improvements

We shall communicate improvements in the System to you as such improvements may be developed or acquired by us and implemented as part of the System.

14.4 Marketing and Promotional Materials

We may periodically provide formats for advertising and promotional materials including ad-slicks, brochures, fliers and other materials to you for you to produce and use in the operation of the Franchised Business.

ARTICLE 15
INSURANCE

15.1 Types and Amounts of Coverage

At your sole expense, you shall procure, and maintain in full force and effect during the term of this Agreement, the types of insurance we require in the Manual or otherwise in writing. All policies (except any workers' compensation insurance) shall expressly name us as an additional insured. All policies shall contain a waiver of all subrogation in our favor and also our successors and assigns and non-contributory. All insurance policies shall be obtained no later than thirty (30) days before the Franchised Business opens for business. Unless we designate otherwise, there is no designated premises endorsement

or limitation to the location of the Franchised Business physical address permitted. We may delay your opening until all required insurance coverages have been obtained.

In addition to any other insurance that may be required by applicable law, or by the lender or lessor for the Approved Location premises, or as may be required by us in the future, you shall procure:

15.1.1 commercial general liability with limits of not less than One Million Dollars ($1,000,000);

15.1.2 professional liability with limits of One Million Dollars ($1,000,000);

15.1.3 business interruption insurance;

15.1.4 contents coverage, including tenant's improvements value, at replacement cost;

15.1.5 sewer back-up insurance;

15.1.6 boiler insurance; and

15.1.7 workers' compensation, employer's liability and other insurance required by applicable state laws.

15.1.8 a bond in an amount commensurate to cover your prepaid liabilities, including but not limited to Gift Cards, Series, Prepaids, and Memberships sold by you.

15.2 Future Increases

We have the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which you operate and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide.

15.4 Evidence of Coverage

Your obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. You shall provide, annually, or more frequently if requested by us, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should you not procure and maintain insurance coverage as required by this Agreement, or if not produced by you upon our request, we have the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to you, which charges, together with a reasonable fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice.

ARTICLE 16
DEFAULT AND TERMINATION

16.1 Termination by Us – No Opportunity to Cure

We have the right to terminate this Agreement, without any opportunity to cure by you, if:

16.1.1 You fail to locate a proposed site for the Franchised Business within ninety (90) days after the Effective Date and fail to provide us with all of the information we require to evaluate the proposed site, including evidence of your favorable prospects for obtaining the site, such as a lease, purchase agreement or similar document. You fail to sign a lease or purchase agreement or similar document within thirty (30) days of our approval of the Approved Location.

16.1.2 You fail to establish and equip the Franchised Business pursuant to Section 5;

16.1.3 You fail to satisfactorily complete any training program pursuant to Section 8;

16.1.4 You made any material misrepresentation or omission in your application for the Franchise or otherwise in writing to us in the course of entering into this Agreement;

16.1.5 You, any of your owners or your General Manager is/are convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of us, you or the Franchised Business;

16.1.6 You disclose, duplicate or otherwise use in an unauthorized manner any portion of the Manual, the Trade Secrets or any other Confidential Information;

16.1.7 You abandon, fail or refuse to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by us), or, if first approved by us or otherwise permitted under Section 5.6, you fail to relocate the Franchised Business following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable in the time period set forth in Section 5.6;

16.1.8 You surrender or transfer control of the operation of the Franchised Business without our approval, make or attempt to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in you, or fail or refuse to assign the Franchise or the interest in you of a deceased or incapacitated owner thereof as herein required;

16.1.9 You fail to maintain the Franchised Business under the primary supervision of a General Manager during the one hundred eighty (180) days following the death or incapacity of you or any holder of a legal or beneficial interest in you pursuant to Section 18.6;

16.1.10 You submit to us on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by two percent (2%) or more for any accounting period and you are unable to demonstrate that such understatements resulted from inadvertent error;

16.1.11 You, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become

insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.1.12 You misuse or make any unauthorized use of any of the Marks or commit any other act that can reasonably be expected to impair the goodwill associated with any of the Marks;

16.1.13 You fail on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Advertising Fund Contribution, amounts due for purchases from us and/or any Affiliate, or other payment when due to us and/or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to you;

16.1.14 You, after receiving notice of violation, continue to violate any health or safety law, ordinance or regulation, or operate the Franchised Business in a manner that presents a health or safety hazard to clients, employees or the public after having received notice of such health or safety hazards from us or any governmental authority;

16.1.15 You fail to comply with any applicable law or regulation within ten (10) days after being given notice of non-compliance or fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

16.1.16 You repeatedly breach this Agreement or repeatedly fail to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

16.1.17 You default under any other agreement between us (or any Affiliate) and you, such that we or our Affiliate, as the case may be, have the right to terminate such agreement or such agreement automatically terminates; or

16.1.18 You engage in any activity exclusively reserved to us.

16.2 Termination by Us – Opportunity to Cure

Except as otherwise provided in Section 16.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.1 within five (5) days of receiving notice of your failure to pay any amounts due to us; or

16.2.2 within thirty (30) days of receiving notice of any other default by you under this Agreement or upon your failure to substantially comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

16.4 Our Right to Discontinue Services to You

If we deliver to you a notice of termination pursuant to this Article 16, then in addition to our other remedies, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are or an Affiliate is an Approved Supplier to you, until such time as you correct the breach.

16.5 Cross Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our Affiliates) and you (or any of your Affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our Affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our Affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our Affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our Affiliates) and you (or any of your Affiliates).

In each of the foregoing cases, we (and any of our Affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our Affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

16.6 Peer Compliance Committee

We may establish a Peer Compliance Committee (the "PCC") to review certain claims you or we may make against each other. If we establish the PCC, and we believe you have violated any of your obligations under this Agreement, we may submit that claim to the PCC. If the PCC determines a breach occurred, the PCC may levy a fine against you of up to Two Hundred Fifty Dollars ($250). If you do not timely cure the default, or breach the provision again, the next fine can be up to Five Hundred Dollars ($500). All funds collected by the PCC will be donated to charity.

ARTICLE 17
RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration of the Franchise, this Agreement and all rights granted hereunder to you shall terminate and you shall:

17.1.1 immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours;

17.1.2 cease to use the Trade Secrets and other Confidential Information, the System, the Trade Dress (including proprietary millwork) and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items that display or are associated with the Marks. You acknowledge and agree that you are not permitted to use or to sell the proprietary millwork or other Trade Dress items;

17.1.3 upon demand by us, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as your lease) your interest in the lease then in effect for the Approved Location to us and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and we have the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

17.1.4 take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city or county authorities that contains the name "Blo Blow Dry Bar" or any other Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.5 pay all sums owing to us and any Affiliate, which may include, but not be limited to, all pre-paid obligations incurred through the purchase of gift cards, and or loyalty programs, damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, amounts owed for the purchase of products, and any other amounts due to us or any Affiliates;

17.1.6 pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

17.1.7 immediately return to us the Manual, Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by us to you relating to the operation of the Franchised Business (all of which are acknowledged to be our property);

17.1.8 assign all telephone listings and numbers for the Franchised Business to us and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to us or at our direction; and

17.1.9 comply with all other provisions of this Agreement applicable following termination or expiration.

17.2 Post-Termination Covenant Not to Compete

You acknowledge that the restrictive covenants contained in this Section and in Article 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, (i) to protect our Trade Secrets and other Confidential Information; (ii) to induce us to grant a Franchise to you; and (iii) to protect us against our costs in training you and your officers, directors, executives, professional staff and General Managers.

You waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then you shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

Except as otherwise approved in writing by us, neither you, nor any holder of a legal or beneficial interest in you, nor any officer, director, executive, manager or member of the professional staff of yours, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

17.2.1 own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a twenty-five (25) mile radius of the Approved Location (or within the Protected Territory, if greater), or (b) within a twenty-five (25) mile radius of the location of any other Franchised Business in existence at the time of termination or expiration; or

17.2.2 solicit or otherwise attempt to induce or influence any employee or other business associate of ours to terminate or modify his, her or its business relationship with us or to compete against us.

In furtherance of this Section, we have the right to require certain individuals to execute standard form nondisclosure or non-competition agreements the same as or similar to the standard form Confidentiality and Non-Competition Agreement attached as Exhibit B.

17.3 Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

You acknowledge that an actual or threatened violation of the covenants contained in Article 7 of this Agreement will cause us immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, we shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by you of this Agreement, and such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that we may have at law or in equity.

17.4 Unfair Competition

If you operate any other business, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our or the owner's rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Section 17.1 or 17.2.

17.5 De-Identification of Approved Location

If we elect not to receive an assignment or sublease of the Approved Location, you shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at the Approved Location.

You shall make such specific additional changes to the Approved Location as we may reasonably request for that purpose including, without limitation, removal of all our proprietary millwork, physical and structural features identifying or distinctive to the System. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you shall pay upon demand.

17.6 Our Option to Purchase Certain Business Assets

We have the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' book value, excluding any goodwill. If we elect to exercise this option to purchase, we have the right to set off all amounts due from you under this Agreement, if any, against the purchase price.

17.7 Survival of Certain Provisions

All obligations of us and you that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

17.8 Liquidated Damages

Upon termination of this Agreement according to its terms and conditions, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 18
TRANSFERABILITY OF INTEREST

18.1 Transfer by Us

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee shall assume our obligations hereunder and we shall thereafter have no liability for the performance of any obligations contained in this Agreement subject to applicable state law and our right of first refusal pursuant to Article 19.

18.2 Transfer by You to a Third Party

Your rights and duties as set forth in this Agreement, and the Franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in you may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in you without our prior written approval; provided that transfer by and between legal or beneficial owners shall be permissible and shall not require our consent. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 you have complied with the requirements set forth in Article 19;

18.2.2 all obligations owed to us, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;

18.2.3 you (and any transferring owners, if you are a business entity) have executed a general release of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of the Franchise;

18.2.4 the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate ability to conduct the Franchised Business and prospective transferee/assignee has satisfied our training requirements;

18.2.5 the transferee and, if we require, all persons owning any interest in the transferee, have, at our option, executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Advertising Fund Contribution rates and other material provisions, of this Agreement. If a new franchise agreement is executed, we have the right to limit its term to the remaining term of this Agreement;

18.2.6 the transferee has executed a general release of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners and employees, in their

corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by you;

18.2.7 you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the Franchise;

18.2.8 you have paid to us, together with your request for approval of the transfer, a transfer fee equal to fifty percent (50%) of our then-current Franchise Fee, plus any applicable broker or commission fees;

18.2.9 unless a new Franchise Agreement is signed, the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term;

18.2.10 you have agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by us;

18.2.11 the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 you have, and if you are an entity, all of the holders of a legal and beneficial interest in you have, executed and delivered to us a confidentiality and non-competition agreement in a form the same as or similar to the standard form Confidentiality and Non-Competition Agreement attached as Exhibit B;

18.2.13 the transferee agrees that its General Manager shall complete, to our reasonable satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business;

18.2.14 the transferee has, at our request, remodeled, refurbished, redecorated and/or modernized the Franchised Business to meet our then-current image for all Franchised Businesses; and

18.2.15 the transferee, if required by us, has executed a Guaranty and Assumption of Obligations in the form attached to this Agreement as Exhibit C.

Notwithstanding the foregoing, no transfer from a transferee to a third party shall be permitted during the first year of this Agreement.

Our consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.3 Transfer to a Controlled Entity

If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity ("Controlled Entity"), which Controlled Entity was formed for the convenience of your ownership of the Franchise, financial planning, tax or other convenience, our consent

to such transfer shall be conditioned upon the satisfaction of the following requirements subject to applicable state law:

18.3.1 the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Business;

18.3.2 you or all holders of a legal or beneficial interest in you own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.3 all of your obligations to us or any Affiliate are fully paid and satisfied; provided, however, that if the transfer pursuant to this Section 18.3 occurs prior to the expiration of six (6) months following the Effective Date of this Agreement, neither you nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2. If the transfer pursuant to this Section 18.3 occurs after the six (6) month anniversary of the Effective Date, you must pay us a transfer fee of $1,500 at the time you submit your request for approval of the transfer;

18.3.4 the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to our consent;

18.3.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

18.3.7 copies of the Controlled Entity's articles of incorporation, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption; and

18.3.8 the Franchise may be transferred to a Controlled Entity without payment of a transfer fee one (1) time only during the six (6) month period following the Effective Date.

The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

Our consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.4 Minority Interest Transfer Fee. If you are a legal entity and you request consent to bring on a minority owner (less than 15%) in the legal entity after signing the Franchise Agreement you must pay to us the "Minority Owner Transfer Fee" of $750, which fee is due and payable to us when you

submit your request for approval. Note, if your change in ownership results in a change in control of the franchisee entity, we may charge you the full Transfer Fee.

18.5 Our Disclosure to Transferee

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of yours all or any part of our records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to the Franchised Business by an intended transferee identified by you.

18.6 For-Sale Advertising

You shall not, without our prior written consent, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.7 Transfer by Death or Incapacity

Upon your death or incapacity (as determined by a court of competent jurisdiction), if you are an individual, or upon the death or incapacity of any holder of at least a twenty-five percent (25%) legal or beneficial interest in you, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in you to a third party approved by us, which may be one or more individuals who would succeed to such interest under will or under the laws of intestacy. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, the Franchised Business must remain at all times under the primary management of a General Manager who otherwise meets our management qualifications.

18.8 Securities Offering

All materials required for a public offering by federal or state law shall be submitted to us for a limited review as discussed below prior to being filed with any governmental agency; and any materials (including any private placement memoranda) to be used in any exempt offering or private placement shall be submitted to us for such review prior to their use. No offering (public or private) by you shall imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance or offering of securities of you or us, and our review of any offering materials shall be limited solely to the subject of the relationship between you and us. We may, at our option, require your offering materials to contain a written statement prescribed by us concerning the limitations described in the preceding sentence. You, your Controlling Principals and the other participants in the offering must fully indemnify us, and our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in connection with the offering. For each proposed public or private offering, you shall reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees.

ARTICLE 19
RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If you, or any of your owners, propose to sell the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in you or any ownership interest in the Franchise

granted hereunder, you shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of you or any of your owners.

19.2 Our Right to Purchase

We shall, for sixty (60) days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to one hundred twenty (120) days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If we do not exercise this right of first refusal within sixty (60) days, the offer or proposal may be accepted by you or any of your owners, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to us, or if the terms of the offer change, our right of first refusal shall renew and be implemented in accordance with this Section.

ARTICLE 20
YOUR BENEFICIAL OWNERS

You represent, and we enter into this Agreement in reliance upon such representation, that the individuals identified in Exhibit D attached hereto are holders of a legal or beneficial interest in you.

ARTICLE 21
RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of ours for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of ours, and you are in no way authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an independent owner of the Franchised Business operating the Franchised Business pursuant to a franchise from us. You shall take such affirmative action as we designate and as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which we have the right to specify. Under no circumstances shall we be liable for any act, omission, contract, debt or any other obligation of yours. We shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of yours alone.

No employee of yours shall be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment-related responsibility from you to us. You alone shall be responsible for hiring, firing, training, setting hours for and supervising all employees.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason. If we incur any cost, loss of damages as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such loss.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

21.3 Indemnification

You shall hold harmless and indemnify us, any Affiliate, all holders of a legal or beneficial interest in us and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arises from or is based upon your (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an Affiliate); (d) defamation of us or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts; (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or Confidential Information; or (g) infringement, violation or alleged infringement or violation of any patent, trademark or copyright or other rights controlled by third parties.

21.4 Right to Retain Counsel

We shall give you immediate notice of any action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as we deem expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. You shall cooperate with us in our handling of any such action, suit, demand, claim, investigation or proceeding. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third-party claim, all causes of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

21.5 Indemnification for Use of Marks

We agree to indemnify and hold you harmless for all damages and expenses you may incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement; provided you have timely notified us of the proceeding and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark; provided we may not settle any such dispute without your prior written consent unless, in connection with such settlement, you shall not be obligated to pay any amounts in settlement and you receive a general release of all claims.

ARTICLE 22
GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be our waiver of any preceding breach by you of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by you of any of the restrictions contained in Articles 6, 7, 9 and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated.

22.3 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by email (provided that the sender confirms sending the email within three (3) business days after transmission, by overnight courier) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:
Blo Blow Dry Bar Inc.
Attn: Patrick Pantano
1867 Yonge Street, Suite 600
Toronto, Ontario, Canada M4S 1Y5
Facsimile: (416) 630-6281

With a copy to:
Spadea Lignana
232 N 2nd Street
Philadelphia, PA 19106

Notices to Franchisee: _____
_____
_____
Attention: _____
Email: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.

22.4 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in you of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit C, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same. In the event of any approved transfer of a five percent (5%) or greater ownership interest in you, then said transferee shall also be obligated to execute the Guaranty and Assumption of Obligations.

22.5 Approvals

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefor and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

22.6 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within the Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, that are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.7 Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement.

Notwithstanding the above, each of the covenants contained in Articles 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets and other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.8 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.9 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except for your payment of monies to us and/or any Affiliate, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.10 Timing

Time is of the essence; except as set forth in Section 22.9, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.11 Withholding Payments

You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or to an Affiliate. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we owe to you against any unpaid debts owed by you to us.

22.12 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.13 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us or you, and our respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.14 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

22.15 Compliance with Anti-Terrorism Laws

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

ARTICLE 23
DISPUTE RESOLUTION

23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

23.2 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause us loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.3 Limitations of Claims

Except for claims we assert against you, or your owners, affiliates or guarantors, for (i) non-payment or underpayment of amounts owed to us and/or our affiliates, (ii) unauthorized use of the Marks, (iii) indemnification, or (iv) violation of your non-competition or confidentiality covenants, any and all claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff. You hereby acknowledge and agree that you may not maintain any action against us or any of our principals, officers, directors, agents, employees, parents, subsidiaries, affiliates, successors or assigns unless (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you, (b) you strictly adhere to the negotiation and mediation procedures set forth in this Agreement, and (c) you file an arbitration within one (1) year after the notice is delivered.

23.4 Limitation of Damages

The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; ***except that*** this waiver and limitation shall not

apply with respect to (a) your obligation to indemnify us pursuant to any provision of this Agreement, or (b) any claims we bring against you and/or your guarantors and/or your owners for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your confidentiality or non-competition covenants under this Agreement, and/or any cause of action under the Lanham Act, and we shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

23.5 Waiver of Jury Trial

The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in this Agreement is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

23.6 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or Franchisor Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis.

23.7 Mediation

23.7.1 The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action brought by us under Section 23.9 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisee Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement.

23.7.2 Mediation will be conducted in Delaware (or, at our option, the county where our corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person, or, if authorized by us, through a designated video conferencing platform. The party seeking

mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute within twenty (20) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible, within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

23.7.3 The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

23.7.4 The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

23.7.5 The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

23.8 Arbitration

Except as qualified below and in Section 23.9 and if not resolved by the negotiation and mediation procedures set forth in Section 23.7, all disputes, claims and controversies between us or a Franchisor Related Party on the one hand, and you and/or any of your owners or guarantors on the other hand, arising under, out of, in connection with or related to: (a) this Agreement; (b) the parties' relationship; (c) the events leading up to the entry into this Agreement; (d) the scope or validity of the arbitration obligation under this Agreement; (e) any System standard; (f) any claim based in tort or any theory of negligence (including

claims for fraud in the inducement and other claims of fraud and the arbitrability of any matter); and/or (g) any lease or sublease for any Franchised Business, shall be submitted to binding arbitration in Delaware (or, at our option, in the city and state in which our then-current headquarters is located) under the authority of Delaware Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Delaware Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Delaware Statutes. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main office is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 23.8 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement. Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek recovery of those costs against you.

23.9 Exceptions to Mediation and Arbitration

Notwithstanding Section 23.7 or Section 23.8, the parties agree that the following claims will not be subject to internal dispute resolution, mediation or arbitration:

(a) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by us: (i) relating to your failure to pay any fee due to us under this Agreement; (ii) relating to your failure to comply with the confidentiality and non-competition covenants set forth in this Agreement; (iii) for indemnification; and/or (iv) and/or our affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

23.10 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or Franchisor Related Party, on the other hand, will be on such party's individual claim and that the claim or claims

subject to arbitration and/or litigation shall not be arbitrated or litigated on a class- wide, associational or collective basis.

ARTICLE 24
ACKNOWLEDGMENTS

24.1 Receipt of the Disclosure Document/Disclaimer

YOU REPRESENT AND ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTAND THIS AGREEMENT AND OUR DISCLOSURE DOCUMENT; AND THAT WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. YOU REPRESENT AND ACKNOWLEDGE THAT YOU HAVE RECEIVED, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENTS AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES." YOU ACKNOWLEDGE THAT NEITHER WE NOR ANYONE ON OUR BEHALF HAS MADE ANY CLAIM, REPRESENTATION, WARRANTY, PROMISE OR GUARANTEE, WHETHER IN THIS AGREEMENT OR OTHERWISE, ORALLY OR IN WRITING, WITH RESPECT TO THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF ANY FRANCHISE.

24.2 Your Representations

You represent and warrant to us the following, with the knowledge that we are materially relying upon the truth, accuracy and completeness of such representations and warranties in entering into this Agreement:

24.2.1 All information contained in your application or in any document submitted in connection therewith by you or on your behalf is true, accurate and complete in all material respects including, without limitation, all information pertaining to the credit history, employment history, prior business experience, reputation and financial condition of you, your owners and operators.

24.2.2 You are an entity duly organized, validly existing and in good standing under the laws of the state in which you were formed, are duly qualified to do business in the jurisdiction in which the Franchised Business is located, and have the requisite power and authority to execute and deliver this Agreement and to perform your obligations hereunder. The execution and delivery of this Agreement and the other agreements to be executed and delivered by you pursuant hereto have been duly authorized by all necessary action on your part. This Agreement has been duly executed and delivered by you and constitutes your valid and legally binding obligations enforceable against you in accordance with its terms.

24.2.3 The execution, delivery and performance by you of this Agreement and the transactions contemplated hereby do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, any violation of or constitute a breach or default, or give rise to any right of acceleration, payment, amendment, cancellation or termination under (a) your organizational documents, (b) any mortgage, indenture, lease, contract or other agreement to which you are a party or by which you or any of your properties or assets are bound or subject, or (c) any law or order to which you are bound or subject.

24.2.4 There are no judgments outstanding against you or any principal of yours or any operator of the Franchised Business, and there are no lawsuits, arbitrations or claims pending or, to your knowledge, threatened against any of the foregoing.

24.3 Consultation by You

You represent that you have been urged to consult with your own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. You represent that you have either consulted with such advisors or have deliberately declined to do so.

24.4 True and Accurate Information

You represent that all information set forth in any and all applications, financial statements and submissions to us is true, complete and accurate in all material respects, and you acknowledge that we are relying upon the truthfulness, completeness and accuracy of such information.

24.5 Risk

You represent that you have conducted an independent investigation of the business contemplated by this Agreement and acknowledge that, like any other business, an investment in a Franchised Business involves business risks and that the success of the venture is dependent, among other factors, you're your business abilities and efforts. We make no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.6 No Guarantee of Success

You represent and acknowledge that you have not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. You represent and acknowledge that there have been no representations by our directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Disclosure Document or this Agreement.

24.7 No Violation of Other Agreements

You represent that your execution of this Agreement will not violate any other agreement or commitment to which you are or any holder of a legal or beneficial interest in you is a party.

24.8 Release of Prior Claims

By signing this Agreement, you individually, and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever release and discharge us and our officers, directors, employees, agents and servants, including our parent or subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement between the parties executed prior to the date of this Agreement including but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state, territory or commonwealth thereof.

ARTICLE 25
OPERATION IN THE EVENT OF ABSENCE OR DISABILITY; STEP-IN RIGHTS

25.1 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

25.2 Step-In Rights – Cause for Step-In

If we determine in our sole judgment that the operation of your Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your Franchised Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Franchised Business; or we determine that operational problems require that we operate your Franchised Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

25.3 Step-In Rights – Duties of Parties

We shall keep in a separate account all monies generated by the operation of your Franchised Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

ARTICLE 26
SECURITY INTEREST

26.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Franchised Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Business. All items in which a security interest is granted are referred to as the "Collateral".

26.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

26.2.1 All amounts due under this Agreement or otherwise by you;

26.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

26.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

26.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

26.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

26.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

26.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Delaware (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

26.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

BLO BLOW DRY BAR INC.:

_____ By:_____
Name:_____
Title:_____

FRANCHISEE:_____
(type/print name)

_____ By:_____
Name:_____
Title:_____

[or, if an individual]

_____ Signed:_____
Name printed:_____

EXHIBIT A TO THE FRANCHISE AGREEMENT
APPROVED LOCATION AND PROTECTED TERRITORY

DATED _____
WITH

_____
(Name of Franchise Owner)

The Approved Location is: _____
_____

The Protected Territory is: _____
_____

FRANCHISOR:
BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____
Date:_____

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____
Date:_____

EXHIBIT B TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)

In consideration of my being a _____of _____, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), _____ (the "Franchisee"), has acquired the right and franchise from Blo Blow Dry Bar Inc. (the "Company") to establish and operate a Blo Blow Dry Bar Franchised Business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business other than a Blo Blow Dry Bar that: (a) offers hair care products and services and similar items; or (b) grants or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of a service business described in the foregoing clause (a) (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 The Protected Territory, as defined in the Franchise Agreement ("Protected Territory");

7.2 Twenty-five (25) miles of the Protected Territory; or

7.3 Twenty-five (25) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Delaware. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

_____
Signature

_____
Name

_____
Address

_____
Title

ACKNOWLEDGED BY FRANCHISEE

By:_____

Name:_____

Title:_____

EXHIBIT C TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____, by _____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by Blo Blow Dry Bar Inc. ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 7 and 17 of the Agreement, including but not limited to all pre-paid obligations incurred through the purchase of gift cards, and or loyalty programs. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
_____	_____
_____	_____
_____	_____
_____	_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____
_____
_____
_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%

EXHIBIT D TO THE FRANCHISE AGREEMENT
PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Franchisee ("**I**," "**me**," or "**my**") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise to me.

1. **Form of Owner**. I am a (check one):

(a)	General Partnership	☐
(b)	Corporation	☐
(c)	Limited Partnership	☐
(d)	Limited Liability Company	☐
(e)	Other	☐
	Specify: _____	

I was formed under the laws of _____.
(state)

2. **Business Entity.** I was incorporated or formed on _____, ___, under the laws of the State of _____. I have not conducted business under any name other than my corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners**. The following list includes the full name and mailing address of each person who is one my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	**Description of Interest**
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

4. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____.

OWNER
INDIVIDUALS:

_____ _____
[Signature] [Signature]

_____ _____
[Print Name] [Print Name]

_____ _____
[Signature] [Signature]

_____ _____
[Print Name] [Print Name]

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

_____
[Name]

By:_____
Title:_____

EXHIBIT E TO THE FRANCHISE AGREEMENT
CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Assignment**") is made, entered into and effective as of the effective date of the Lease (as defined hereinbelow), by, between and among **BLO BLOW DRY BAR INC.**, with its principal business address located at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5 (the "**Franchisor**"), and _____ whose current principal place of business is _____ (the "**Franchisee**").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a "Blo Blow Dry Bar" Franchised Business (the "**Franchised Business**") located at _____ (the "**Site**"). In addition, pursuant to that certain Lease Agreement (the "**Lease**"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "**Lessor**"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Lease.

3. **Indemnification of Franchisor**: The Franchisee agrees to indemnify and hold the Franchisor and its affiliates, stockholders, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, the Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: The Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by the Franchisee under the terms of the Lease, or, in the event the Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's

option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other Agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: The Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, the Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor;

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of the Franchisee's default under the Lease.

7. **Power of Attorney**: The Franchisee does hereby appoint irrevocably the Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorney's Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

THE "FRANCHISEE":

_____

By:_____
Name:_____
Title:_____
Date:_____

THE "FRANCHISOR":

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____
Date:_____

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

THE "LESSOR":

_____

By: _____
Name:_____
Title:_____
Date:_____

EXHIBIT F TO THE FRANCHISE AGREEMENT
LISTING ASSIGNMENT AGREEMENT

In accordance with the terms of the Blo Blow Dry Bar Franchise Agreement ("Franchise Agreement") between Blo Blow Dry Bar Inc. ("we", "us" or "our") and _____ ("you" or "your"), executed concurrently with this Agreement, under which we granted you the right to own and operate a franchised Blo Blow Dry Bar ("Franchised Business"), you, for value received, hereby assign to us all of your right, title and interest in and to those certain telephone numbers, facsimile numbers, regular, classified, or other telephone directory listings, URLs, domain names and e-mail addresses and accounts (collectively, the "Listings") associated with our trade and service marks and used from time to time in connection with the operation of the Franchised Business.

This assignment is for collateral purposes only and, except as specified in this Agreement, we will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless we notify the telephone company, domain name registries and internet service providers and all listing agencies (collectively, the "Listing Agencies") pursuant to the terms of this Agreement to effectuate the assignment.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), we will have the right and are hereby empowered to effectuate the assignment of the Listings, and, in such event, you will have no further right, title or interest in the Listings and will remain liable to the Listing Agencies for all past due fees owing to the Listing Agencies on or before the effective date of the assignment.

You agree and acknowledge that as between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Listings, and you appoint us as your true and lawful attorney-in-fact to direct the Listing Agencies to assign the same to us, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, you will immediately notify the Listing Agencies to assign the Listings to us; you also agree not to utilize any call forwarding messages referring to another number. If you fail to promptly direct the Listing Agencies to assign the Listings to us, we will direct the Listing Agencies to effectuate the assignment contemplated under this Agreement, to us.

The parties agree that the Listing Agencies may accept written direction from us, or this Assignment, as conclusive proof of our exclusive rights in and to the Listings upon such termination or expiration.

The parties further agree that if a Listing Agency requires that the parties execute the Listing Agency's assignment forms or other documentation at the time of expiration or termination, our execution of such forms or documentation will effectuate your consent and agreement to the assignment. The parties agree that at any time after the date of this Agreement, they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described in this Agreement upon termination or expiration of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:
BLO BLOW DRY BAR INC.

ATTEST:

By:_____
Name:_____
Witness Title:_____

FRANCHISEE:

By:_____
Name:_____
Witness Title:_____

EXHIBIT G TO THE FRANCHISE AGREEMENT
ELECTRONIC FUNDS TRANSFER AGREEMENT

AUTHORIZATION AGREEMENT FOR
AUTOMATED CLEARING HOUSE TRANSFER

COMPANY NAME: _____

COMPANY TAXPAYER ID NUMBER: _____

I HEREBY AUTHORIZE **BLO BLOW DRY BAR INC.** TO AUTOMATICALLY DEBIT THE FOLLOWING CHECKING ACCOUNT ON A MONTHLY BASIS FOR ROYALTIES AND ADVERTISING, AS WELL AS PURCHASES MADE FROM BLO BLOW DRY BAR INC. OR ITS AFFILIATES, SO LONG AS MY FRANCHISE AGREEMENT IS IN EFFECT. DEBITS FOR THIS AGREEMENT WILL BE FROM _____ (Date of Franchise Agreement) FORWARD:

FINANCIAL INSTITUTION: _____

BRANCH:_____ CITY:_____ STATE:_____

TRANSIT/ABA NO.:_____ ACCOUNT #_____

ENCLOSED IS A VOIDED CHECK FROM THE ACCOUNT I DESIGNATE FOR DEBIT

DATED: _____, 20__ _____
Signature

EXHIBIT J TO THE FRANCHISE AGREEMENT
SBA ADDENDUM
RELATING TO
BLO BLOW DRY BAR INC.
FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, _____, by Blo Blow Dry Bar Inc., a Delaware corporation having its principal place of business at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5, Canada ("Franchisor"), and _____, located at _____ ("Franchisee").

Recitals. Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, 20__, (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit #_____ (Unit). Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which all of the parties acknowledge, the parties agree as follows:

1. The Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

2. Notwithstanding anything to the contrary in Section 14.1 of the Franchise Agreement, the Franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing: (1) is at or below any maximum price cap programs established by Franchisor for its franchise system; or (2) is at or above any minimum price threshold programs established by Franchisor for its franchise system; or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by Franchisor for its franchise system.

3. If the Franchise Agreement is terminated and the Franchised Site or its contents are to be sold under Section 17.6 of the Franchise Agreement and the parties are unable to as to a purchase price and terms, the fair market value of such premises and property shall be determined by three Appraisers chosen in the following manner. Franchisee shall select one and Franchisor shall select one, and the two appraisers so chosen shall select a third appraiser. The decision of the majority of the appraisers so chosen shall be conclusive. The cost of the third appraiser shall be shared equally by the parties.

4. The following is added to the end of Section 19.1 of the Franchise Agreement:

   However, the Franchisor may not exercise a right of first refusal:

   (a) If a proposed Transfer is between or among individuals (including members of their immediate families and their respective spouses) who, at the time of the proposed Transfer, have an ownership interest in the Franchisee or the Franchise, and who have guaranteed the Franchisee's obligations under a then outstanding indebtedness which is guaranteed by the United States Small Business Administration ("SBA") (Owner/Guarantors); or

(b) If a proposed Transfer involves a Person other than an Owner/Guarantor and the proposed Transfer involves a noncontrolling ownership interest in the Franchisee or the Franchise, unless such noncontrolling interest: (1) represents less than a 20% ownership interest in the Franchisee or in the Franchise, or (2) the Franchisor (in combination with all of Franchisor's franchisees) qualifies as a small business and the exercise of the right does not affect the eligibility of the borrower to qualify for the SBA loan guarantee program.

The Franchisor's right to approve or to disapprove a proposed Transfer or transferee, or to exercise its right of first refusal with respect to a Transfer of a controlling interest in Franchisee or the Franchise, shall not be affected by any of the foregoing provisions. If the Franchisor does not qualify as a small business under SBA regulations, the parties acknowledge and understand that the Franchisor's exercise of its right of first refusal may result in an SBA guaranteed loan becoming immediately due and payable.

5. If Franchisor must operate the business under Section 25.1 and Section 25.2 of the Franchise Agreement, Franchisor will operate the business for a 90-day renewable term, renewable as necessary for up to one year and Franchisor will periodically discuss the status with Franchisee or its heirs.

6. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 18.2 of the Franchise Agreement.

7. Under Section 26 of the franchise agreement any SBA financed franchise will be granted a lien on the business assets of the franchisee as required in its loan authorization.

8. Section 18.5 is hereby deleted.

9. This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Agreement as of the day and year first above written.

FRANCHISOR:
BLO BLOW DRY BAR INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:
_____

By: _____
Name: _____
Title: _____

EXHIBIT K TO THE FRANCHISE AGREEMENT
ANCILLARY SERVICES ADDENDUM
RELATING TO
BLO BLOW DRY BAR INC.
FRANCHISE AGREEMENT

This Ancillary Services Addendum (the "Addendum") to the BLO BLOW DRY BAR INC. Franchise Agreement is made and entered into this ____ day of _____, 20__, by and between: (i) **Blo Blow Dry Bar Inc.** ("Franchisor," "we," "us" or "our"); and (ii) _____, a[n] [individual/[STATE] corporation/[STATE] limited liability company] with an address at _____ ("Franchisee"); and (iii) _____, [each] an individual with an address at _____ ("Guarantor").

BACKGROUND

A. Franchisor and Franchisee are parties to the BLO BLOW DRY BAR INC. Franchise Agreement dated _____(the "Franchise Agreement") pursuant to which Franchisee obtained the right and undertook the obligation to establish and operate a full service blow dry business offering for sale to the public hair styling and cleansing products and accessories under the BLO BLOW DRY BAR service mark (the "Franchised Business") at the following location _____ (the "Approved Location");

B. Franchisee has expressed a desire to provide one or more additional services, as set forth more specifically in this Addendum, and, at Franchisee's request, Franchisor has agreed to permit Franchisee to offer such additional services, subject to and in accordance with the terms and conditions of this Addendum.

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **AGREEMENT**

1. **Background; Definitions.**

a. The parties agree and acknowledge that the Background portion of this Addendum, including all definitions and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.

b. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement.

2. **Hair Extension Services**. Pursuant to Section 13.1 of the Franchise Agreement, Franchisee is only permitted to offer, sell and provide products and services that Franchisor has approved. Franchisee requested Franchisor's authorization to offer, sell and provide Hair Extension Services. For purposes of this Agreement, the term "Hair Extension Services" means the offer, sale and provision of hair extensions to customers at the Approved Location in connection with the operation of the Franchised Business.

3. **Terms and Conditions.** Franchisor hereby authorizes Franchisee to provide the Hair Extension Services, subject to Franchisee's continued compliance with the following, at all times during the Term:

a. Franchisee must comply with all terms, conditions, procedures and specifications set forth in the Manual, which Franchisee acknowledges, Franchisor has the right to modify at any time upon notice to Franchisee;
b. Franchisee agrees to secure all required consents, licenses and approvals required under all applicable laws, rules and regulations, and as may be required under Franchisee's lease agreement, prior to marketing, offering, selling or providing the Hair Extension Services;
c. Franchisee must attend and complete, to Franchisor's satisfaction, such additional training programs, which may be held in-person at a site designated by Franchisor, and/or virtually (as designated by Franchisor), prior to marketing, offering, selling or providing the Hair Extension Services (the "Hair Extension Training"). The Hair Extension Training may include training provided by Franchisor, its affiliates and/or third-party service providers. Franchisee must complete the Hair Extension Training at Franchisee's sole cost and expense. Franchisor reserves the right to charge Franchisee an additional training fee, and/or to require Franchisee to pay third-party service providers a training fee, in connection with the Hair Extension Training;
d. At a minimum, Franchisee must have on staff at least two (2) stylists who have attended and successfully completed Hair Extension Training;
e. Franchisee must ensure that any and all stylists who will be authorized to perform the Hair Extension Services have attended and successfully completed all required training and certification programs. Franchisee understands and acknowledges that it is Franchisee's sole responsibility to ensure that all such stylists providing Hair Extension Services are trained and certified in accordance with Franchisor's designated requirements;
f. In addition to the insurance required pursuant to the terms and conditions of the Franchise Agreement, Franchisee must obtain and maintain insurance coverage in accordance with the requirements set forth in the Manual and as otherwise designated by Franchisor in writing;
g. Franchisee must remain in compliance with Franchisee's obligations under the Franchise Agreement at all times during the Term;
h. Franchisee must comply with Franchisor's designated communication requirements, as set forth in the Manual or as otherwise designated by Franchisor in writing;
i. Franchisee must purchase all required inventory items, products, equipment, fixtures and furnishings designated by Franchisor for the provision of the Hair Extension Services from Franchisor's designated or approved suppliers. Franchisee acknowledges and agrees that Franchisee is not authorized to use any items, products, supplies, or equipment that have not been approved in writing by Franchisor in connection with the offer, sale and/or provision of the Hair Extension Services;
j. Franchisee must comply with any and all marketing, promotion and/or advertising requirements related to the offer, sale and provision of the Hair Extension Services, as designated by Franchisor; and
k. Franchisee must comply with customer service ratings and requirements, as designated in the Manual or as otherwise designated by Franchisor in writing.

4. **Franchisor's Right to Terminate Hair Extension Services Authorization.** Franchisee hereby agrees to provide the Hair Extension Services in connection with the operation of the Franchised Business at the Approved Location in accordance with the terms and conditions of the Franchise

Agreement. Franchisee acknowledges and agrees that, if Franchisor determines Hair Extension Services should be discontinued System-wide, Franchisor may terminate the rights granted pursuant to this Addendum by providing Franchisee with written notice of termination. Additionally, Franchisor has the right to revoke Franchisee's permission to offer, sell and provide the Hair Extension Services at any time if Franchisee fails to comply with any of the terms or conditions set forth in Section 3 above, effective on delivery of written notice of termination. Franchisee must cease offering, selling and providing Hair Extension Services immediately upon receipt of any such written notice of termination.

5. **Opening Inventory Package Fee.** Franchisee must pay to Franchisor or its designee (which may include third-party vendors) an additional Opening Inventory Package Fee in the amount of: $_____ immediately upon execution of this Addendum, which fee shall be deemed fully earned and non-refundable upon payment.

6. **Gross Sales.** Franchisee acknowledges and agrees that any and all revenue derived in connection with the offer, sale and/or provision of the Hair Extension Services shall be included in "Gross Sales" and shall be subject to the Royalty Fee and Advertising Fund Contributions.

7. **Indemnification.** Franchisee and Guarantor acknowledge and agree that the indemnification obligation set forth in Section 21.3 of the Franchise Agreement shall extend to claims arising out of or related to Franchisee's marketing, offer, sale and/or provision of the Hair Extension Services.

8. **Release by Franchisee**. Franchisee and Guarantor, for themselves and all persons and entities claiming by, through, or under them, hereby release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, parents, affiliates, subsidiaries, franchisees, successors, and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against the Franchisor Releasees as of the date of this Agreement, including those arising out of or related to the offer or sale of the Franchised Business or Franchise Agreement or the operation of the Franchised Business, as well as the parties' rights or obligations under the Franchise Agreement and any other agreement with the Franchisor Releasees. Franchisee and Guarantor represent and warrant that it has not assigned any of the claims released by this Agreement. Franchisee and Guarantor further represents and warrants that it will not initiate or assist or cooperate with any third party in connection with, an action or other proceeding against any Franchisor Releasees in connection with the claims released in this Section.

9. **Acknowledgment**. Without limiting the scope of Section 8, Franchisee acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

Franchisee and Franchisor hereby waive and relinquish every right or benefit which it may have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the claims released above in Section 8, each party

acknowledges that it may hereafter discover facts in addition to or different from those which they now know or believe to be true but that it is the parties' intention, subject to the terms and conditions of this Agreement, to fully, finally and forever to settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the release given above shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts.

10. **Construction of Language.** The language of this Addendum will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Addendum. In the event of an ambiguity or if a question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Addendum. Headings are for reference purposes and do not control interpretation.

11. **Multiple Copies or Counterparts of Agreement**. The original and one or more copies of this Addendum may be executed by one or more of the parties hereto. In such event, all of such executed copies shall have the same force and effect as the executed original and all of such counterparts taken together shall have the effect of a fully executed original.

12. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties with respect to the subject matter contained herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended by this Addendum, all the other terms and conditions of the Franchise Agreement are hereby ratified and confirmed, including the provisions related to governing law, attorneys' fees and costs, venue and dispute resolution, all of which will also apply to any claims, causes of action or disputes arising out of or related to this Addendum.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed and delivered this Addendum on the date first written above.

FRANCHISOR:
BLO BLOW DRY BAR INC.

By: _____
Name: _____
Title:_____

FRANCHISEE
[NAME]

By: _____
Name: _____
Title: _____

GUARANTORS

_____
[NAME], Individually

EXHIBIT E TO THE DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT

BLO BLOW DRY BAR INC.

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE

TABLE OF CONTENTS

~~**ARTICLE I**~~ ..... ~~**5**~~
~~DEVELOPMENT RIGHTS AND OBLIGATIONS~~ 5
~~**ARTICLE II**~~ ..... ~~**6**~~
~~GRANT OF FRANCHISES TO YOU~~ 6
~~**ARTICLE III**~~ ..... ~~**7**~~
~~MULTI-UNIT DEVELOPER FEE~~ 7
~~**ARTICLE IV**~~ ..... ~~**7**~~
~~TERMINATION BY US~~ 7
~~**ARTICLE V**~~ ..... ~~**7**~~
~~EFFECT OF TERMINATION AND EXPIRATION~~ 7
~~**ARTICLE VI**~~ ..... ~~**8**~~
~~ASSIGNMENT~~ 8
~~**ARTICLE VII**~~ ..... ~~**9**~~
~~ENFORCEMENT~~ 9
~~**ARTICLE VIII**~~ ..... ~~**11**~~
~~DISPUTE RESOLUTION~~ 11
~~**ARTICLE IX**~~ ..... ~~**14**~~
~~INDEPENDENT CONTRACTORS; INDEMNIFICATION~~ 14
~~**ARTICLE X**~~ ..... ~~**15**~~
~~NOTICES AND PAYMENTS~~ 15
ARTICLE I **5**
DEVELOPMENT RIGHTS AND OBLIGATIONS 5
ARTICLE II **6**
GRANT OF FRANCHISES TO YOU 6
ARTICLE III **7**
MULTI-UNIT DEVELOPER FEE 7
ARTICLE IV **7**
TERMINATION BY US 7
ARTICLE V **7**
EFFECT OF TERMINATION AND EXPIRATION 7
ARTICLE VI **8**
ASSIGNMENT 8

ARTICLE VII **9**
ENFORCEMENT 9
ARTICLE VIII **11**
DISPUTE RESOLUTION 11
ARTICLE IX **14**
INDEPENDENT CONTRACTORS; INDEMNIFICATION 14
ARTICLE X **15**
NOTICES AND PAYMENTS 15

EXHIBITS

A – Development Area
B – Multi-Unit Developer Fee and Development Schedule
C – State Addendum

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between Blo Blow Dry Bar Inc., a Delaware corporation, with its principal office at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5 ("we", "us" or "our") and _____, whose principal address is _____ ("you" or "your").

W I T N E S S E T H:

WHEREAS, we have developed, and are in the process of further developing, a System identified by the service mark "Blo Blow Dry Bar" (the "Mark" or "Proprietary Mark") and relating to the establishment and operation of a full service blow dry business having a distinctive interior and exterior design and trade dress and offering for sale to the public hair styling and cleansing products and accessories (referred to in this Agreement as a "Bar" or "Franchised Business"); and

WHEREAS, in addition to the service mark "Blo Blow Dry Bar" and certain other Proprietary Marks, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and trade secrets; and the Manual; and

WHEREAS, you wish to obtain the rights and license from us for the use of our System and Proprietary Marks and, in association therewith, to own and operate multiple Bars in the area described in Schedule "A" attached hereto (hereinafter referred to as the "Development Area") and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks; and

WHEREAS, we have the sole and exclusive right to the goodwill associated with the System and the Proprietary Marks and are willing to grant the use and license to you on the terms and conditions herein contained to use the System and the Proprietary Marks; and

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Bars in order to protect and preserve the goodwill of the Marks; and

WHEREAS, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied on any representations, written or oral, about the franchise by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Disclosure Document or to the terms herein, and further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations, written or oral, to us in the application for the multi-unit development rights granted hereunder.

ARTICLE I
DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1 Subject to the provisions contained herein, this Agreement shall be for a term commencing on the date hereof and expiring on the last day of the last development period as defined in Exhibit B, attached hereto and incorporated herein by reference ("Development Period").

1.2 We retain the right, in our sole discretion and without granting any rights to you: (a) to own and operate, or to grant other persons the right to own and operate, Bars at such locations outside the Development Area, and on such terms and conditions as we deem appropriate in our sole discretion; and (b) to sell anywhere the products authorized for Bars under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and pursuant to such terms and conditions as we deem appropriate.

1.3 Provided you: (i) are in full compliance with the terms and conditions contained in this Agreement, including, without limitation, the development obligations contained in Section 1.4; and (ii) are in full compliance with all obligations under all Franchise Agreements heretofore or hereafter entered into with us; then during the Development Periods, we: (1) will grant to you, in accordance with the provisions of Article II hereof, franchises for the ownership and operation of Bars located within the Development Area; and (2) with the exception of our Reserved Rights (as defined below), will not operate (directly or through an affiliate), nor grant a franchise for the operation of, any Bar to be located within the Development Area, except such franchises as are granted to you.

1.4 You agree, during the term of this Agreement, that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will continuously exert your best efforts to promote and enhance the development of Bars within the Development Area. Without limiting the foregoing obligation, you agree to have signed leases within the Development Area for the cumulative number of Bars at the end of each Development Period set forth in Section 2 of Exhibit B hereof ("Minimum Development Quota") and to have each such Bar open and operating in accordance with the timeframe set forth in the Franchise Agreement. You further agree that no Bar may be opened for business unless and until a Franchise Agreement for such Bar has been fully executed. If you fail at any time to meet any Minimum Development Quota, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of such failure. Such termination shall be effective upon delivery of such notice of termination. Our right to terminate this Agreement shall be our sole and exclusive remedy for your failure to meet a Minimum Development Quota.

1.5 You acknowledge and understand that this Agreement does not confer upon you any right to use the System or the Proprietary Marks, which right may only be granted pursuant to a Franchise Agreement with us.

1.6 Notwithstanding anything contained in this Agreement to the contrary, we retain the right, on behalf of ourselves or through affiliates, in our discretion, and without granting any rights to you, to:

(a) solicit prospective franchisees and grant franchises or other rights to operate Blo Blow Dry Bar Franchises through national or regional advertising, trade shows or conventions or through e-commerce or similar means, including in the Development Area;

(b) grant franchises for Blo Blow Dry Bar Franchises and to own and operate Blo Blow Dry Bar Franchises ourselves or through affiliates at any location outside of the Development Area;

(c) sell, solicit, recruit and provide services for any franchised business not defined as a Blo Blow Dry Bar Franchise anywhere, including in the Development Area;

(d) sell and provide the services and Proprietary Products authorized for sale by Blo Blow Dry Bar Franchises under the Marks or other trade names, trademarks, service marks and commercial symbols through similar or dissimilar channels (including telephone, mail order, co-branded sites and sites located within other retail businesses, Intranet, Internet, web sites, wireless, email or other forms of e-commerce) for distribution within and outside of the Development Area and according to the terms and conditions we consider appropriate;

(e) solicit prospective franchisees for, and own and operate, businesses of any other kind or nature, anywhere;

(f) acquire be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with locations operating in your Development Area, we and/or our licensees have the right to operate the business under the Marks in the Development Area without affording any rights to you or providing any compensation to you; and

(g) establish and operate and/or to license others to establish and operate, franchised businesses in "Special Venues", including Special Venues located in your Development Area. For purposes of this Agreement, the term "Special Venues" means non-traditional venues such as resorts, military bases, airports, casinos and entertainment venues.

ARTICLE II
GRANT OF FRANCHISES TO YOU

2.1 Subject to the provisions of Article I hereof, we agree to grant franchises to you for the operation of Bars located within the Development Area, subject to the following: You shall submit to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for each site at which you propose to establish and operate a Bar and which you reasonably believe to conform to site selection criteria established by us from time to time. Such proposed site shall be subject to our prior written approval, which will not be unreasonably withheld. In approving or disapproving any proposed site, we will consider such matters as we deem material, including, without limitation, demographic characteristics of the proposed site, traffic patterns, density of population, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of premises, appearance, and other physical characteristics.

2.2 By delivery of written notice to you, we will approve or disapprove sites proposed by you for the operation of a Bar. We agree to exert our best efforts to deliver such notification to you within thirty (30) days of receipt by us of the complete site reports and other materials requested by us, containing all information reasonably required by us. If you shall have failed to obtain lawful possession of any approved site (through acquisition, lease, or sublease) within thirty (30) days after delivery of our approval thereof, we may, in our sole discretion, withdraw approval of such site.

2.3 Provided you shall have obtained lawful possession of any approved site, we shall offer to you a franchise to operate a Bar at such approved site by delivering to you a Franchise Agreement in form for execution by you. Such Franchise Agreement shall be executed by an officer of you and returned to us within fifteen (15) days of our delivery thereof, with payment of the balance of the initial franchise fee required thereunder. If you fail to execute such Franchise Agreement and tender payment of the balance

of the initial franchise fee as above provided, we may, at our sole discretion, terminate our offer to grant to you a franchise to operate a Bar at such approved site and withdraw our approval of such site.

ARTICLE III
MULTI-UNIT DEVELOPER FEE

Concurrently with the execution of this Agreement, unless otherwise indicated on Exhibit B hereof, you shall pay to us the sum set forth in Section 1 of Exhibit B hereof as a non-refundable Multi-Unit Developer Fee, which shall be deemed fully earned by us upon execution of this Agreement.

ARTICLE IV
TERMINATION BY US

In addition to our right to terminate under Section 1.4 hereof, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of any of the breaches set forth below. Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon failure to cure (to our satisfaction) any such breach by the expiration of any period of time within which such breach may be cured in accordance with the provisions set forth below. It shall be a material breach of this Agreement if:

(a) you, or any of your shareholders, make an unauthorized assignment or transfer of this Agreement or an ownership interest in you;

(b) a general partnership interest in you (if you are a limited partnership) is terminated for whatever reason;

(c) you, or any of your shareholders, have made any material misrepresentation or omission in your application for the development rights conferred by this Agreement or are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Proprietary Marks;

(d) you fail to comply with any other provision of this Agreement;

(e) you fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to you; or

(f) we have delivered a notice of termination of a Franchise Agreement in accordance with its terms and conditions as defined in such agreement.

You shall have the right to cure a breach under Paragraph (d) within thirty (30) days after delivery of our notice of termination.

ARTICLE V
EFFECT OF TERMINATION AND EXPIRATION

5.1 All obligations of us and you under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

5.2 Upon termination, transfer, or expiration of this Agreement, you agree that for a period of two (2) years, commencing on the effective date of expiration, transfer, or termination of this Agreement, you (and your shareholders or partners) will not have any interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any facility that offers products or services similar to those offered at the Bar located or operating within the Development Area or within twenty-five (25) miles of any Bar in the System. The prohibitions in this paragraph do not apply to: (a) your ownership interest in or operation one or more Bars operated under Franchise Agreements granted by us to you, or (b) your ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

ARTICLE VI
ASSIGNMENT

6.1 This Agreement is fully assignable by us and shall inure to the benefit of any assignee or other legal successor to our interests herein.

6.2 You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have granted this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of your shareholders. Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of you may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised, or otherwise transferred by you or your owners (including, without limitation, by consolidation or merger, by issuance of securities representing an ownership interest in you, by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a limited partnership, by transfer of an interest in you, or in the event of you death or the death of an owner of you, by will, declaration of or transfer in trust or the laws of intestate succession), without our prior written approval, which approval may not be unreasonably withheld or delayed, and the payment of a transfer fee of Twenty-Five Thousand Dollars ($25,000), plus any applicable broker or commission fees. Any such assignment or transfer without such approval shall constitute a breach hereof and shall convey no rights to or interest in this Agreement to such assignee.

6.3 In the event you (or any of your owners) shall, subject to the restrictions and conditions of transfer contained in Section 6.2 of this Agreement, attempt to raise or secure funds by the sale of securities (including, without limitation, common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any affiliate of yours, you, recognizing that the written information used with respect thereto may reflect upon us, agree to submit any such written information to us prior to its inclusion in any registration statement, prospectus or similar Disclosure Document or memorandum and must obtain our written consent to the method of financing prior to any offering or sale of such securities. Our written consent shall not imply or constitute our approval with respect to the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates shall be included in any securities disclosure document, unless such information has been furnished by us in writing pursuant to your written request, in which we, in our sole discretion, object to any reference to us or any of our affiliates or to any of our franchisees in such offering literature or prospectus, such literature or prospectus shall not be used unless and until our objections are withdrawn. We assume no responsibility for the offering whatsoever.

6.4 You and each of your owners must indemnify, defend and hold harmless us and our affiliates, and our respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expense (including, without limitation, reasonable attorneys' fees) incurred in the defense of such claims, demands or liabilities arising from the offering or sale of such securities, whether asserted by a purchaser of any such security or by a governmental agency. We shall have the right (but not

the obligation) to defend any such claims, demands or liabilities and/or to participate in the defense of any action to which we or any of our affiliates or any of our respective officers, directors, employees or agents are named as a party.

6.5 Upon your death or disability, or if you are a corporation, limited liability company, partnership, or other legal entity upon the death or disability of a principal owner of you, all of such person's interest in this Agreement or such interest in you shall be transferred to a transferee approved by us. Such disposition of this Agreement or such interest in you, including, without limitation, transfer by bequest or inheritance, shall be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and shall be subject to terms and conditions substantially similar to those applicable to transfers contained in this Article VI. Failure to so transfer the interest in this Agreement or such interest in you within said period of time shall constitute a breach of this Agreement.

ARTICLE VII
ENFORCEMENT

7.1 To the extent that Section 5.2 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but may be made enforceable by reductions of any or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

7.2 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof as though it were separately articulated in and made a part of this Agreement that may result from striking from any of the provisions hereof, or any specification, standard or operating procedure prescribed by us, any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such court order. Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

7.3 We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing.

7.4 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval, or consent to you, or by reason of any neglect, delay, or denial of any request therefor. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

7.5 We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every

term, condition and covenant herein, or to declare any breach thereof to be a default and to determine this Agreement prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal, or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any Bar or any development or franchise agreements therefor; any grant of a Franchise Agreement to you; or the acceptance by us of any payment from you after any breach of this Agreement.

7.6 Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) acts or omissions of the other party; (4) fires, strikes, embargoes, war, or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

7.7 Nothing herein contained shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law.

7.8 Our and your rights hereunder are cumulative and no exercise or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law or equity to enforce.

7.9 To the extent not inconsistent with applicable law, this Agreement and the offer or sale of this Agreement shall be governed by the substantive laws (and expressly excluding the choice of law) of the State of Delaware.

7.10 You and we agree that any action arising out of or relating to this Agreement (including, without limitation, the offer and sale of this Agreement) shall be instituted and maintained only in a state or federal court of general jurisdiction in the State of Delaware, and you irrevocably submit to the jurisdiction of such court and waives any objection you may have to either the jurisdiction or venue of such court.

7.11 This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and shall not be modified except by written agreement signed by both you and us.

7.12 The preambles and exhibit(s) are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document.

7.13 Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

7.14 The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

7.15 The term "Multi-Unit Developer" as used herein is applicable to one (1) or more persons, a corporation or a partnership, 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 two (2) or more persons are at any time Multi-Unit Developer hereunder, their obligations and liabilities to us shall be joint and several. References to "Multi-Unit Developer" and "assignee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of Multi-Unit Developer or the assignee, if Multi-Unit Developer or the assignee is a corporation, limited liability company or partnership.

7.16 This Agreement shall be executed in multiple copies, each of which shall be deemed an original.

7.17 Time is of the essence of this Agreement.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action brought by us under Section 8.3 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Developer Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement.

(a) Mediation will be conducted in Delaware (or, at our option, the county where our corporate headquarters is then-located). Persons authorized to settle the dispute must attend each mediation session in person, or, if authorized by us, through a designated video conferencing platform. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute within twenty (20) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible, within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

(b) The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral

presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

(c) The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

(d) The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

8.2 Except as qualified below and in Section 8.3, and if not resolved by the negotiation and mediation procedures set forth in Section 8.1, all disputes, claims and controversies between us or a Franchisor Related Party on the one hand, and you and/or any of your owners or guarantors on the other hand, arising under, out of, in connection with, or related to: (a) this Agreement; (b) the parties' relationship; (c) the events leading up to the entry into this Agreement; (d) the scope or validity of the arbitration obligation under this Agreement; (e) any System standard; (f) any claim based in tort or any theory of negligence (including claims for fraud in the inducement and other claims of fraud and the arbitrability of any matter); and / or (g) any lease or sublease for any Franchised Business, shall be submitted to binding arbitration in Delaware (or at our option, in the city and state in which our then-current headquarters is located) under the authority of Delaware Statutes. The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Delaware Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Delaware Statutes. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main

office is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 8.1 or 8.2 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement. Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek recovery of those costs against you.

8.3 Exceptions to Mediation and Arbitration. Notwithstanding Section 8.1 or Section 8.2, the parties agree that the following claims will not be subject to internal dispute resolution, mediation or arbitration:

(a) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by us: (i) relating to your failure to pay any fee due to us under this Agreement; (ii) relating to your failure to comply with the confidentiality and non-competition covenants set forth in this Agreement; (iii) for indemnification; and/or (iv) and/or our affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

8.4 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or Franchisor Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class- wide, associational or collective basis.

8.5 Notwithstanding anything to the contrary contained in Section 8.1 or 8.2 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that, with the exception of claims covered under Section 8.3 above, we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein.

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision.

8.6 **Limitation of Damages**

The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; ***except that*** this waiver and limitation shall not apply with respect to (a) your obligation to indemnify us pursuant to any provision of this Agreement, or (b) any claims we bring against you and/or your guarantors and/or your owners for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your confidentiality or non-competition covenants under this Agreement, and/or any cause of action under the Lanham Act, and we shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

8.7 **Waiver of Jury Trial**

The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in this Agreement is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

8.8 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or Franchisor Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class- wide, associational or collective basis.

ARTICLE IX
INDEPENDENT CONTRACTORS; INDEMNIFICATION

We and you are independent contractors. Neither we nor you shall be obligated by or have any liability under any agreements, representations, or warranties made by the other that are not expressly authorized hereunder, nor shall we be obligated for any damages to any person or property directly or indirectly arising out of the operation of your business conducted pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act. We shall have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied upon you or your assets or upon us in connection with the business conducted by you, or any payments made by you to us pursuant to this Agreement or any Franchise Agreement. You agree to indemnify us and our subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees against and to reimburse them for all such obligations, damages, and taxes for which they are held liable and for all costs reasonably incurred by them in the defense of any such claim brought against them or in any action in which they are named as a party, including, without limitation, reasonable attorneys' and expert witness fees, cost of investigation and proof

of facts, court costs, other litigation expenses, and travel and living expenses. We shall have the right to defend any such claim against us. The indemnities and assumptions of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE X
NOTICES AND PAYMENTS

All notices and reports to us or you, if not personally served, shall be deemed so delivered one (1) business day after sending by telegraph or comparable electronic system or two (2) business days after deposit with Federal Express or a comparable overnight courier company or three (3) business days after being placed in the U.S. mail by Registered or Certified Mail, return receipt requested. All notices shall be sent postage prepaid and addressed to the respective party as follows, or as either party may from time to time designate in writing:

Notices to Franchisor: Blo Blow Dry Bar Inc.
1867 Yonge Street, Suite 600
Toronto, Ontario, Canada M4S 1Y5
Attention: President
Fax: (416) 630-6281

With a copy to: Spadea Lignana
232 N 2nd Street
Philadelphia, PA 19106

To Multi-Unit Developer: _____
_____
_____

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in _____ counterparts on the day and year first above written.

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT DEVELOPER

By:_____
Name:_____
Title:_____

EXHIBIT "A"

The Development Area referred to in Article I of the captioned agreement shall be:

_____

_____

_____

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT DEVELOPER

By:_____
Name:_____
Title:_____

EXHIBIT "B"

SECTION I

The Multi-Unit Developer Fee referred to in Article III of the captioned agreement shall be _____ Thousand Dollars ($_____). The Multi-Unit Developer Fee shall be paid by Multi-Unit Developer to Franchisor upon execution of this Agreement. The Multi-Unit Developer Fee is calculated as Forty Five Thousand Dollars ($45,000) for the first Bar, Thirty Thousand Dollars ($30,000) for the second Bar and Fifteen Thousand Dollars ($15,000) each for the third and subsequent Bars.

Notwithstanding anything to the contrary contained in the captioned agreement or in any Franchise Agreement, should Multi-Unit Developer terminate this agreement for any reason, then the Multi-Unit Developer Fee is non-refundable.

SECTION II

Multi-Unit Developer agrees to have each Bar open and operating at the end of the applicable Development Period:

Number of Bars	**Last Day of Development Period**
_____	_____, 20__ (First Development Period)
_____	_____, 20__ (Second Development Period)
_____	_____, 20__ (Third Development Period)
_____	_____, 20__ (Fourth Development Period)
_____	_____, 20__ (Fifth Development Period)
_____	_____, 20__ (Sixth Development Period)

The first Development Period commences on the date of the captioned agreement and expires on the date shown; each subsequent Development Period commences on the date succeeding the last day on the preceding Development Period and expires on the date shown. It is understood and agreed that the approval of the site for each Bar must be obtained from us within ninety (90) days following the execution of the applicable Franchise Agreement.

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT DEVELOPER

By:_____
Name:_____
Title:_____

EXHIBIT C TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Agreement.

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.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST

_____
Witness

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT DEVELOPER:

_____

_____
Witness

STATE ADDENDUM
REQUIRED BY THE STATE OF MARYLAND

The amendments to the Multi-Unit Development Agreement included in this addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Multi-Unit Development Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Multi-Unit Development Agreement shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Article VIII of the Multi-Unit Development Agreement is amended to provide that the limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

4. Article VIII of the Multi-Unit Development Agreement is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Article VII of the Multi-Unit Development Agreement is amended to state that the acknowledgements or representations of the franchisee made in the Statement which disclaim the occurrence and/or acknowledgement of the non-occurrence of acts that would constitute a violation of the Franchise Law 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.

6. Article III of the Multi-Unit Development Agreement is amended by the addition of the following language to the original language that appears therein:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST

_____
Witness

BLO BLOW DRY BAR INC.

By:_____
Name:_____
Title:_____

MULTI-UNIT DEVELOPER:

_____

_____
Witness

EXHIBIT "C"

WASHINGTON ADDENDUM TO THE MULTI-DEVELOPMENT AGREEMENT, FRANCHISEE ACKNOWLEDGEMENT STATEMENT, AND RELATED AGREEMENTS

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

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

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

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

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

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

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

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business."

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR

FRANCHISEE

EXHIBIT F TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF THE OPERATIONS MANUAL

Introduction
Chapter 1: First Thing's First (get connected, licenses) page 4
Chapter 2: Compensation and Payroll page 8
Chapter 3: Connecting with Vendors page 11
Chapter 4: It's the Little Things That Count page 13
Chapter 5: Policies page 15
Chapter 6: Services and Pricing page 19
Chapter 7: The Most Important People In-Bar page 24
Chapter 8: We Can't Wait to Meet You...page 28

EXHIBIT G TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES
(as of December 31, ~~2021~~2022)

FRANCHISEES:

ALABAMA	
Mishali Inc. 350 Hallman Hall East, Suite 61 Homewood, AL 35209 Afsheen Ali (Opened 8/2018) 205-423-5575	
ARIZONA	
93143 E. Shea Boulevard LLC Angela Brown 9343 East Shea Blvd., Suite B-140 Scottsdale, Arizona 85260 480-268-7432 (Opened fiscal year 2017 transferred fiscal year 2020)	
CALIFORNIA	
BAKKS International LL 2659 Gateway Road, Suite 104 Carlsbad, California 92009 Alpana Patel 760-585-2155 (Opened 9/2013 transferred fiscal year 2020)	Head On Developments, LLC 6250 Hollywood Boulevard, Suite 500\ Hollywood, CA 90028 Julie Conte 323-469-2569 (Opened 1/2011)
8806 Grossmont Blvd LLC 8806 Grossmont Blvd. La Mesa, CA 91942 Angela Brown 619-825-7980 (Transferred 2021)	Tress to Impress, LLC 6694 Lonetree Boulevard, Suite 300 Rocklin, California 95765 Christie Webb and Patrice Fecanin 916 872 1124 (Opened 9/2019)
Marissa Torres 508 Westlake Ave, Westlake Shopping Center Dale City, CA 94015 (650) 296-3036	
COLORADO	

Blow Boulder LLC 1600 Pearl Street Unit 106, Boulder, Colorado 80302 Alexa Squillaro 720-390-7874 (Opened in fiscal year 2018 transferred in 2020)	Angel-Liz JRC LLC 5080 East Hampden Ave., Unit 2 Denver, CO 80222 Patrice Gendelman 720-638-5296 (Opened fiscal year 2019)
Blo LoDo Inc. 1750 Wewatta St, Suite 110 Denver, CO 80202 Alexa Squillaro 303-632-7566 (Opened fiscal year 2019 transferred in 2020)	Blow Me Beautiful Inc. 12225 Voyager Pkwy14 Colorado Springs, CO 80222 Terry Michaud 719-445-0705 (Opened fiscal year 2020)
Ian Blanchard Cherrywood Square, Unit #D6 7537 South University Boulevard Centennial, Colorado 80122 (720) 357-8934	
CONNECTICUT	
C For Charm, LLC 59 Memorial Road West Hartford, CT 06107 Jean Chriss 860-231-0443 (Opened in fiscal year 2013)	SMV Ventures LLC 6 Greenwich Avenue Greenwich, Connecticut 06830 Kari Valcich 203-340-9176 (Opened in fiscal year 2018, transferred fiscal year 2020)
DELAWARE	
Blo Bluegirl Inc. Samantha Diedrick 3801 Kennett Pike, Suite E-123 Greenville, DE 19807 302-652-1268 (Opened fiscal year 2017; Transferred 2021)	
FLORIDA	
Calycas LLC 900 South Miami Avenue Unit 129 Miami Florida 33130 Mendy Dos Santos 305 374 2565 (Opened 11/2011transferred fiscal year 2018)	The Coco Group LLC Heather Stankard 9210 San Jose Blvd. Jacksonville, FLA 32257 904-253-3368 (Transferred fiscal year 2019)

Lapau Inc. 360 San Lorenzo Avenue #1535, Coral Gables, Florida 33146 Jose Molina & Paula Rodriguez 305-901-5432 (Opened 11/2014)	Blown Away Tampa, LLC 4102-2 West Boy Scout Boulevard Tampa, Florida 33607 Karley Gerbenskey 813-877-2639 (Opened 7/2014 transferred in 2020)
You Blo Girl LLC 2349 Vanderbilt Beach Rd, Suite 516 Naples, Florida 34109 Tonya Krochuk 239-631-6128 (Opened 11/2014, transferred fiscal year 2018)	Blo Holdings, LLC 329 North Magnolia Avenue, Suite 104 Orlando, FL 32801 Katie Mayes 321-800-6672 (Transferred 2020)
Being Well 1, LLC Town Center Aventura 18795 Biscayne Blvd. Aventura, Florida 33180 Eric Snyder 786-613-7171 (Transferred fiscal year 2019)	JTC Group LLC 4348 FL-7 Coral Springs, FL 33073 Chris Oster 954 840 3750 (Opened 2020)
Haven 329, LLC 920 Central Ave St. Petersburg, FL 33705 Alice Burnett 727-954-8292 (Opened 2020)	The Coco Group LLC Heather Stankard 4688 Town Crossing Drive Suite 113 Jacksonville, FL 32246 (904) 203-9351
GEORGIA	
Silver Birch 1 3400 Around Lenox Drive, Suite 213 Atlanta, Georgia 30326 Erin Freer 404-390-3552 (Opened fiscal year 2017)	Silver Birch II 650 Ponce de Leon Avenue Suite 620B Atlanta, Georgia 30308 Erin Freer 404-549-3363 (Opened in fiscal year 2018)
~~Grace Massih~~ ~~1311 Johnson Ferry Road, #528~~ ~~Marietta, GA 30068~~ ~~678-310-0755~~ ~~(Opened fiscal year 2019)~~	

Grace Massih 1311 Johnson Ferry Road, #528 Marietta, GA 30068 678-310-0755 ~~(KMP 2012 LLC~~ ~~887 N Milwaukee Ave Suite 200~~ ~~Vernon Hills Illinois 60061~~ ~~Amit Mehta~~ Opened ~~10,~~fiscal year 2019 ~~224 504 2375~~)	KMP 2012 LLC 887 N Milwaukee Ave Suite 200 Vernon Hills Illinois 60061 Amit Mehta Opened 10, 2019 224 504 2375
INDIANA	
BBDB Indy LLC Theresa Shadley 11595 Whistle Dr., Unit 102A Fishers, IN 46037 317-~~436-1638~~464-9948	
IOWA	
Luz Carranza and Fernando Carranza 2453 53rd Ave. Bettendorf, IA 52722 563-232-1466 (Opened fiscal year 2019)	
KENTUCKY	
Michelle Krentz 118 Marion Suite 135 Lexington Kentucky 40517 859 309 1934 (Opened in fiscal year 2019)	
LOUISIANA	
Keosha Verret 5530 Magazine Street New Orleans, LA 70115 504-570-6101 (Opened 2013, Transferred fiscal year 2017, 2018 and 2021)	
~~**MARYLAND**~~	
~~AROM LLC~~ ~~10010 Reisterstown Road, Suite 40~~ ~~Owings Mills, MD 21117~~ ~~Rita Rae~~ ~~410-998-9253~~ ~~(Opened fiscal year 2019)~~	
MASSACHUSETTS	

DJGandhi LLC Burlington Mall 85 Middlesex Turnpike, Unit 3805 Burlington, MA 01803 Monika Gandhi 781-750-0694 (Opened 8/2020)	
MICHIGAN	
Oakland Blow, LLC Nicole Ashley and Amanda Faifogl 555 S. Old Woodward Birmingham, MI 48009 248-731-7373 (Opened fiscal year 2017)	~~Ewey Enterprises LLC~~ ~~Susan Peslar~~ ~~1500 Washington Boulevard~~ ~~Detroit, Michigan 48226~~ ~~313-315-3071~~ ~~(Opened in fiscal year 2018)~~
MISSOURI	
Tanya Popp 1644 Clarkson Road Chesterfield, Missouri 63017 636-812-2775 (Opened fiscal year 2017)	
NEW HAMPSHIRE	
JMTD LLC, Melissa Davis 7 Colby Court #210 Bedford, NH 03110 603-218-3083	
NEW JERSEY	
KSM&M Ventures, LLC 807 Franklin Lakes Ave. Franklin Lakes, NJ 07417 Kari Valcich 201-891-2378 (Opened fiscal year 2019)	Val Gals Ventures, LLC 160 Morgan St., Suite 3 Jersey City, NJ 07302 Kari Valcich 201-743-3010 (Transferred fiscal year 2019)
A Plus Beauty, LLCAlichia Pourezza 89 Morris Street Morristown, NJ 07960 973-998-6500	High Hawk, LLC Janina Hecht 80 Morristown Road Bernardsville New Jersey 07924 908 766 4800 (Opened fiscal year 2019)
NEW MEXICO	
A and C Ventures, LLC 6400 Holly Ave., Suite B Albuquerque, NM 79242 Jessica Carothers 505-431-5911 (Opened fiscal year 2019)	

NEW YORK	
Blo Dry Bar 64th Street, LLC 325 East 64th Street New York, New York 10065 646-490-4448 Henri Hedaya 917 843 4511 (Opened 6/2013)	Blo Dry Bar 72nd St Corp. 260 East 72nd Street New York, NY 10021 646-478-7988 (Opened 1/2014)
~~B for Brunette LLC~~ ~~50 Glen Cove Road~~ ~~Greenvale, New York 11548~~ ~~516-621-7750~~ ~~(Opened 11/2013)~~	
B for Brunette LLC 50 Glen Cove Road Greenvale, ~~UWS Blo Corp.~~ ~~Henri Hedaya~~ ~~287 Amsterdam Avenue~~ New York~~, NY 10023~~ 11548 ~~212-595-0550~~ 516-621-7750 (Opened ~~fiscal year 2016~~11/2013)	UWS Blo Corp. Henri Hedaya 287 Amsterdam Avenue ~~B For Blonde LLC~~ ~~142 East 49th Street~~ New York, ~~New York 10017~~NY 10023 ~~Jean Chriss~~ 212-~~751-7000~~595-0550 (Opened fiscal year ~~2017; Operating as Blo On the Go, bricks and mortar location closed due to COVID impact~~2016)
Gable Girl LLC 105 Nassau Street New York, NY 10038 Sara Gable 646 867 0210 (Transferred 2020)	~~Gable Girl LLC~~ ~~105 Nassau Street~~ ~~New York, NY 10038~~ ~~Sara Gable~~ ~~646 867 0210~~ ~~(Transferred 2020)~~
NORTH CAROLINA	
Charles Frank, LLC Colony Road Shops 2850 Selwyn Avenue Charlotte, NC 28209 704-375-7110 (Opened fiscal year 2013)	LKN Creation, LLC 20545 Torrence Chapel Road Cornelius, NC 28031 Liz Wilson 704-765-6500 (Opened fiscal year 2020)
PJP Enterprises LLC Pragati Patel 1800 East Franklin Street Unit 6 Chapel Hill, NC 27514 (908) 432-4299	

OHIO	
Jennifer Volak 262 Crocker Park Blvd, #1010 Westlake, OH 44145 440-471-4070	
OKLAHOMA	
1822, LLC 3509 S Peoria Avenue Suite 300 Tulsa, Oklahoma 74105 918-992-5330 (Opened in fiscal year 2018)	BloEdmond LLC Jerry Elledge 1308 West Covell Road, Suite 148 Edmond, Oklahoma 73003 (405) 906-2519
~~**PENNSYLVANIA**~~	
~~CJ Moguls~~ ~~3770 Dryland Way~~ ~~Easton, PA 18045~~ ~~Jessica Palmer~~ ~~610-258-1852~~ ~~(Opened fiscal year 2020)~~	
SOUTH CAROLINA	
J & E Charleston Enterprises LLC 905 Houston Northcutt Blvd., Suite 101 Mount Pleasant, SC 29464 Jeremy Bollington and Elaine Bollington 843-805-4068 (Opened fiscal year 2017)	
Shelley Raynes 4 Market Point Drive Greenville South Carolina 29607 (Opened 9, 2019) 864 283 6510	
TENNESSEE	
Southern Curls LLC 1556 W McEwen Drive #130 Franklin Tennessee 37067 Katelyn Eulau ** (Opened 7, 2019) 615 905 9957	Tennessee Tresses LLC 2111 Belcourt Avenue, Suite 100 Nashville, TN 37212 Katelyn Eulau (Opened 8, 2020) 615-953-7197
TEXAS	
Double A Divas, LLC Fifth Street Commons #145-1611 West 5th Street Austin, TX 78703 512-355-1256 (Opened 4/2011)	Bella Destino LLC 1925 Hughes Landing Blvd, Unit #500 The Woodlands, Texas 77380 281-465 -515 (Opened 11/2013)

NorKenz Corporation 4447 N. Central Expressway, Suite 105 Dallas, TX 75205 Henna Durani 214-520-2569 (Opened 1/2015)	Double A Divas, LLC 12600 Hill Country Blvd, Suite R-115 Bee Cave, TX 78738 512-428-6211 (Opened 5/2015)
Double A Divas, LLC 11011 Domain Drive Suite 112 Austin, TX 78758 512-386-1429 (Opened 4/2015)	A Reyes Ventures LLC The Shops at Lincoln Heights 999 E Basse Rd San Antonio, TX 78209 210-368-9473 (Opened 11/2014 transferred 8/2/2021)
Lapau Inc. Jose Molina & Paula Rodriguez 939 Garden Park Drive Allen, Texas 75013 972-590-8672 (Opened fiscal year 2017)	Lapau Inc. 5801 Long Prairie Road, Unit 790 Flower Mound, TX 75028 Jose Molina 214 285 2569 (Opened fiscal year 2017 transferred fiscal 2020)
Bella Destino LLC Katie Holditch 3939 Montrose Blvd., Suite M Houston, TX 77006 713-526-1369 (Opened fiscal year 2017)	If Locks Could Kill 4511 98th Street Lubbock, TX 79424 Hilary & Justin Sharbutt 806-370-5359 (Opened fiscal year 2017)
A Reyes Ventures LLC 22211 IH-10 West Suite 1107B San Antonio, TX 78256 Athena Boyd 210-437-1258 (Opened fiscal year 2017)	Dalani Inc. Lauro Gonzalez 5000 Belt Line Road, #260, Dallas, Texas 75254 469-607-7091 (Opened in fiscal year 2017 transferred fiscal 2019)
Jourie Ventures, LLC Nael Alkujok 1800 Post Oak Blvd, Suite 6114 Houston TX 77056 832-582-6165 (Opened in fiscal year 2018)	LAPAU INC 6751 North MacArthur Blvd., Suite 110 Irving, TX 75039 Jose Molina 972-872-8701 (Opened in fiscal year 2018 transferred in 2020)
Rameela LLC 5915 Forest Lane, Suite 310 Dallas, TX 75230 Rameela Asad 469-372-2100 (Opened fiscal year 2019)	CNIP-IT LLC 4759 Sweetwater Blvd. Sugarland, TX 77479 Phincy Thomas 281-980-2569 (Opened fiscal year 2019)

Lourdes Ticas 14625 Memorial Drive Houston Texas 77079 (Opened 7, 2019) 281 589 0046	CEM GROUP INC 3700 Vision Drive, Suite 10 Fort Worth, TX 76109 Jeremy Ragan 817-818-4256 (Opened fiscal year 2020)
A Reyes Ventures LLC Allison Reyes 923 N Loop 1604 E Unit 112 San Antonio, TX 78232 (210)908-9079	ABA Glow LLC Bindhu Issac 5700 Slaughter Lane #230, Austin, Texas 78749 (713) 256-4091
EON Innovations LLC Velma McMillan 2245 Ridge Road Suite 101 Rockwall, TX 75087 (214) 695-8545	Affluent Group LLC Tiffany Douglas Park Village Shopping Center Unit 284 1161 E Southlake Blvd Southlake, TX 76092 (817) 791-2465
UTAH	
Bridget Loyd 1202 E. Wilmington Ave., Suite 150 Salt Lake City, UT 20037 801-466-2090 (Opened fiscal year 2019)	
WASHINGTON	
Justin & Jennifer Schallmann 16306 Bothell Everett HWY Mill Creek Blvd Mill Creek, WA 98012 425-948-6164	

** Designates Multi-Unit Developer

Franchisees who had signed a Franchise Agreement, but whose outlet had not yet opened as of December 31, ~~2021~~2022.

~~Colorado~~	
~~Ian Blanchard, 720-229-2323~~	
Florida	
Hollie Christmas, 813-833-4245	
Iowa	
Jackie Lane, LLC* Dana Ranniger, 515-417-8344	
~~Indiana~~	
~~BBDB Indy, LLC*, Theresa Shadley, 317-436-1638~~	
Texas*	

~~Affluent Group LLC, Tiffany Douglas & Maria Venegas, 817-230-4519~~	~~EON Innovations LLC, Velma McMillan, 214-695-8545~~
Blo Kingwood LLC*, Mike & Stephanie Winsor, 616-218-0491	A. Reyes Ventures LL, Allison Reyes, 923 N Loop 1604 E Unit 112, San Antonio, TX 78232, 210-908-9079*

* Designates Multi-Unit Developer

EXHIBIT ~~H~~G TO THE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

(as of December 31, 2021)

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

Nancy Ayala 3900 Paradise Road, Suite S Las Vegas, NV 89169 702-929-3342	Zans Enterprises LLC 435 Island Avenue San Diego, CA 92101 619-431-5400
Kenneth Elmore 9210 San Jose Blvd. Jacksonville, FL 32257 904-253-3368	MMBHammer, Inc. Greenwich, Connecticut 06830 203-340-9176 (Franchisee Transfer)
Phil Beasley Consulting, LLC Scottsdale, Arizona 85260 480-268-7432 (Franchisee Transfer)	G.M.G Inc. Chestnut Hill, MA 02467 Gina Gesamondo 617 426 0874 (Franchisee Transfer)
Stein Investments, LLC Carlsbad, California 92009 760-585-2155 (Franchisee Transfer)	PEPR, LLC Dallas, TX 75205 Stephanie Necaise 214-520-2569 (Franchisee Transfer)
Lalani Group , LLC Miami, FL 33130 786 866 5962 (Franchisee Transfer)	Elegance Inc 5027 Pacific Coastal Highway Torrance, CA 90505 Sandra Mayoral 424-452-6368
Wilson & Associates LLC 8806 Grossmont Blvd. La Mesa, CA 91942 Marina Wilson 619-825-7980 (Franchisee Transfer)	Salmon Blo Bar LLC 2126 P Street NW Washington, DC 20037 Keith Salmon 202-293-2256
My Better Half, LLC 4102-2 West Boy Scout Boulevard Tampa, Florida 33607 Cynthia & Brian Keenan 813-877-2639 (Franchisee Transfer)	Christopher Leno 1750 Wewatta St, Suite 110 Denver, CO 80202 & 1600 Pearl St. Boulder, CO 80302 303-632-7566 (Franchisee Transfers)
B fort Blonde LLC	B for Blonde LLC

1668 Division Street Chicago, IL Tanya Popp 312-598-2920 EMED LLC 329 North Magnolia Avenue, Suite 104 Orlando, FL 32801 Erica Benjamin 321-800-6672 (Franchisee Transfer)	3821 N. Southport Avenue Ground Floor Chicago, IL 60613 Tanya Popp 773-360-8024
SDJ Family Corp 2323 Forest Drive Annapolis, Maryland 21401 Sharmeen Ferrell 410-573-1088	T For Tresses, LLC & B for Beauty LLC 437 Colmbus Avenue Boston, MA 02 Jean Chriss 617-262-0105
Stafford Franchise Holdings, LLC 800 6th Avenue New York, New York 10001 Mark Stafford 212-725-4500	The 6971 Company, Inc. 113 West 10th Street New York, NY 10011 Lisa Scheiring 212-256-0111
D For Dream, LLC 460 3rd Avenue New York, NY 10016 Jean Chriss 917-675-7600 Henri Hedaya 331 East 81st Street New York, NY 10028 646-952-0401 (Relocating to Lexington, NY)	Carity LLC 105 Nassau Street New York New York 10038 Lauren Goldman 646 867 0210 (Franchisee transfer)

Barbosa & Armitage Enterprises LLC 2 Summit Square Unit H Langhorne Pennsylvania 19047 Nigel Armitage 215 968 1636	J & E Charleston Enterprises LLC 430 King Street Charleston, SC 29403 Jeremy Bollington and Elaine Bollington 843-724-9493
PEPR, LLC 4447 N. Central Expressway, Suite 105 Dallas, TX 75205 Stephanie Necaise 214-520-2569 (Franchisee transfer)	NDWXC Inc. Mariam Abdo 6751 North MacArthur Blvd., Suite 110 Irving, TX 75039 972-872-8701 (Franchisee Transfer)
Dawillia Wealth Creation, LLC 235 Prospect Ave., West Orange, NJ 07052 Dawanna Williams 862-252-6521 (Opened fiscal year 2019)	Nina Holmes
Kerry Welsh 3801 Kennett Pike, Suite E-123 Greenville, DE 19807 302-652-1268 (Opened fiscal year 2017)	FG & PG Holdings, LLC 360 San Lorenzo Avenue #1535, Coral Gables, Florida 33146 Francisco Gonzalez/Paola Hernandez 305-901-5432 (Opened 11/2014)
Silver Birch 1 3400 Around Lenox Drive, Suite 213 Atlanta, Georgia 30326 Erin Freer 404-390-3552 (Opened fiscal year 2017)	Silver Birch II 650 Ponce de Leon Avenue Suite 620B Atlanta, Georgia 30308 Erin Freer 404-549-3363 (Opened in fiscal year 2018)
Roy Laccoste 5530 Magazine Street New Orleans, LA 70115 504-570-6101 (Opened 2013, Transferred fiscal year 2017 & 2018)	Ginger Comstock 287 Amsterdam Avenue New York, NY 10023 212-595-0550 (Opened fiscal year 2016)
Double A Divas, LLC The Shops at Lincoln Heights 999 E Basse Rd San Antonio, TX 78209 210-368-9473 (Opened 11/2014)	Double A Divas, LLC 22211 IH-10 West Suite 1107B San Antonio, TX 78256 Athena Boyd 210-437-1258 (Opened fiscal year 2017)
Luxe Bars, Inc. Sam Darwish	B For Blonde LLC 142 East 49th Street

939 Garden Park Drive Allen, Texas 75013 972-590-8672 (Opened fiscal year 2017)	New York, New York 10017 Jean Chriss 212-751-7000 (Opened fiscal year 2017; Operating as Blo On the Go, bricks and mortar location closed due to COVID impact)
Ewey Enterprises LLC Susan Peslar 1500 Washington Boulevard Detroit, Michigan 48226 313-315-3071 (Opened in fiscal year 2018)	CJ Moguls 3770 Dryland Way Easton, PA 18045 Jessica Palmer 610-258-1852 (Opened fiscal year 2020)
AROM LLC 10010 Reisterstown Road, Suite 40 Owings Mills, MD 21117 Rita Rae 410-998-9253 (Opened fiscal year 2019)	

LIST OF TRANSFERS
(as of December 31, 2022)

FRANCHISEES:

ARIZONA	
Reagans Light LLC Amy Norris 9343 East Shea Boulevard Suite B 140 Scottsdale, AZ 85260 (602) 820-0215	
CALIFORNIA	
Delray Blo Dry Bar LLC Marina Allen 8806 Grossmont Boulevard La Mesa, CA 91942 (816) 522-8582	
GEORGIA	
Bouye/Elie LLC Laureynn Elie 3400 Around Lenox Drive Suite 213 Atlanta, GA 30326 (704) 564-7694	Bouye/Elie LLC Laureynn Elie 650 Ponce de Leon Avenue Suite 620B Atlanta, GA 30308 (704) 564-7694
MISSOURI	
AMA Beaty Bar LLC Ruffina Ankleasaria 1644 Clarkson Road Chesterfield, MO 63017 (314) 608-6203	
SOUTH CAROLINA	
Moon Landing LLC Marne Franklin 4 Market Point Drive Greenville, SC 29607 (864) 735-5202	Beaus Regard LLC Lynn Fleer 905 Houston Northcutt Boulevard Suite 101 Mount Pleasant, SC 29466 (251) 366-3892
TEXAS	

Affluent Group LLC Tiffany Douglas 4447 N Central Expressway Suite 105 Dallas, TX 75205 (817) 791-2465	Dalani Inc. Lauro Gonzales 5915 Forest Late Suite 310 Dallas, TX 75230 (214) 973-2359
Bella R Ventures LLC Rania Edlebi 1800 Post Oak Boulevard Suite 6114 Houston, TX 77056 (832) 209-9533	

EXHIBIT ~~I~~H TO THE DISCLOSURE DOCUMENT
~~GENERAL RELEASE~~

~~THIS AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 20___ by and between Blo Blow Dry Bar Inc., a Delaware corporation having its principal place of business located at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5 (the "Franchisor"), and _____, an individual residing at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:~~

~~1. **Release by Releasor**:~~

~~Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law~~

~~or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.~~

~~2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.~~

~~3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.~~

~~4. Delaware law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.~~

~~5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Delaware.~~

~~6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.~~

~~IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.~~

~~Witness: RELEASOR:~~

~~_____ _____~~

~~_____ (Name)~~

~~Witness: BLO BLOW DRY BAR INC.:~~

***NOT FOR USE IN CALIFORNIA AND MARYLAND**

BLO BLOW DRY BAR INC ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.

1. ~~By:~~_____
~~Name:~~_____
~~Title:~~_____

~~EXHIBIT J TO THE DISCLOSURE DOCUMENT~~
~~FRANCHISEE ACKNOWLEDGEMENT STATEMENT~~

Franchisee ~~hereby acknowledges the following:~~

1. ~~Franchisee~~ (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

_____
~~Initial~~

_____
Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

_____
~~Initial~~

_____
Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement~~.~~ (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

_____
~~Initial~~

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents

incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement~~.~~ (or Multi-Unit Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement~~.~~ (or Multi-Unit Development Agreement).

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5. Franchisor expressly disclaims the making of, and Franchisee (or Developer) acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement~~.~~ (or Multi-Unit Development Agreement).

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6. Franchisee (or Developer) acknowledges that Franchisor's approval or acceptance of Franchisee's (or Developer's) Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
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_____ Initial

7. Franchisee (or Developer) acknowledges that it has received the Blo Blow Dry Bar Inc~~.'s~~., Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

_____ Initial

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~~Initial~~

8. Franchisee (or Developer) acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee (or Developer) with respect to the Franchise Agreement (or Multi-Unit Development Agreement) or the relationship thereby created.

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9. Franchisee~~,~~ (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement~~.~~ (or Multi-Unit Development Agreement).

Initial

~~Initial~~

10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

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Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT~~,~~ (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ~~FRANCHISOR ENTITY, IP ENTITY, HOLDING ENTITY, ANY OTHER AFFILIATES~~BLOW BLOW DRY BAR INC., BLO BLOW DRY BAR HOLDINGS, INC., AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS,

AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT~~,~~ (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

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FRANCHISEE: PRINCIPAL:

_____

By: _____

~~Initial~~

~~FRANCHISEE:~~

~~By:~~ _____
~~Name:~~ _____
~~Title:~~ _____
~~Date:~~ _____

~~PRINCIPAL:~~

~~By:~~ _____
~~Name:~~ _____
~~Date:~~ _____

_____

_____

_____

(Print Name)

_____,

(Print Name, Title) Date:

Date:

PRINCIPAL:

_____

_____

(Print Name)

Date:

State Effective Dates – 2023

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 states below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	~~April 29, 2022~~Pending
~~Florida~~	~~Effective~~
~~Utah~~	~~Effective~~

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

EXHIBIT ~~K TO THE~~I

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF BLO BLOW DRY BAR INC ~~RECEIPT~~

~~(RETAIN THIS COPY FOR YOUR RECORDS)~~

This ~~disclosure document~~Franchise Disclosure Document summarizes certain provisions of the ~~franchise agreement~~Franchise Agreement and other information in plain language. ~~—~~Read this ~~disclosure document~~Franchise Disclosure Document and all ~~agreements~~exhibits carefully.

If Blo Blow Dry Bar Inc~~.~~., offers you a franchise, it must provide this ~~disclosure document~~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 to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Blo Blow Dry Bar Inc., 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Patrick Pantano
1867 Yonge St., Suite 600
Toronto, ON M4S 1Y5 Canada
(416) 630-6280

Issuance Date: April 18, 2023

I received a Disclosure Document dated April 18, 2023, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: State Addenda
EXHIBIT C: Financial Statements of Blo Blow Dry Bar Inc
EXHIBIT D: Franchise Agreement (ad Exhibits)
EXHIBIT E: Multi-Unit Development Agreement (and Exhibits)
EXHIBIT F: Operations Manual
EXHIBIT G: List of Franchisees
EXHIBIT H: Franchisee Acknowledgement Statement
EXHIBIT I: Receipt

Date Received: DATE:
(If other than date signed)

Print Name:

Print Address:

City, State:

(Signature of recipient)

Please return signed receipt to Blo Blow Dry Bar Inc.,
1867 Yonge St., Suite 600
Toronto, ON M4S 1Y5 Canada

EXHIBIT I

RECEIPT~~disclosure document~~ OF FRANCHISE DISCLOSURE DOCUMENT OF BLO BLOW DRY BAR INC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Blo Blow Dry Bar Inc., 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 you to receive this Franchise 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 Blo Blow Dry Bar Inc~~.~~., does not deliver this ~~disclosure document~~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 listed on Exhibit A.~~

~~The franchisor is Blo Blow Dry Bar Inc., located at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5. Its telephone number is (416) 630-6280.~~

~~Issuance date: April 29, 2022~~

~~The name, principal business address and telephone number of the franchise seller for this offering is:~~

Patrick Pantano 1867 Yonge St., Suite 600 Toronto, ON M4S 1Y5 Canada; (416) 630-6280

I have received a disclosure document dated April 29, 2022, that included the following Exhibits:

A List of State Administrators/Agents for Service of Process	F Table of Contents of the Operations Manual
B State Specific Addendum	G List of Franchisees
C Financial Statements	H Franchisees Who Have Left the System
D Franchise Agreement (and Exhibits)	I General Release
E Multi-unit development agreement (and Exhibits)	J Franchisee Acknowledgment Statement

Dated: _____

_____
Signature of recipient

_____
Name of recipient

_____
Legal residence address

You may return the signed receipt either by signing, dating and emailing a copy to patrick@blocorporate.com, or by faxing a copy of the signed and dated receipt to Blo Blow Dry Bar Inc. at (416) 630-6281.

~~EXHIBIT K TO THE DISCLOSURE DOCUMENT~~
~~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 Blo Blow Dry Bar Inc. 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 Blo Blow Dry Bar Inc. 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~~to your state ~~agency~~authority listed on Exhibit A.

~~The franchisor is Blo Blow Dry Bar Inc., located at 1867 Yonge Street, Suite 600, Toronto, Ontario, M4S 1Y5. Its telephone number is (416) 630-6280.~~

~~Issuance date: April 29, 2022~~

The name~~,~~ and principal business address and telephone number of ~~the~~each franchise seller ~~for this~~ offering the franchise is:

Patrick Pantano
1867 Yonge St., Suite 600
Toronto, ON M4S 1Y5 Canada~~;~~
(416) 630-6280

Issuance Date: April 18, 2023

I ~~have~~ received a ~~disclosure document~~Disclosure Document dated April ~~29, 2022~~18, 2023, that included the following Exhibits:

~~A List of State Administrators/Agents for Service of Process~~	~~F Table of Contents of the Operations Manual~~
~~B State Specific Addendum~~	~~G List of Franchisees~~
~~C Financial Statements~~	~~H Franchisees Who Have Left the System~~
~~D Franchise Agreement (and Exhibits)~~	~~I General Release~~
~~E Multi-unit development agreement (and Exhibits)~~	~~J Franchisee Acknowledgment Statement~~

~~Dated:~~ _____ _____

_____ EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process

EXHIBIT B: State Addenda

EXHIBIT C: Financial Statements of Blo Blow Dry Bar Inc

EXHIBIT D: Franchise Agreement (ad Exhibits)
EXHIBIT E: Multi-Unit Development Agreement (and Exhibits)
EXHIBIT F: Operations Manual
EXHIBIT G: List of Franchisees
EXHIBIT H: Franchisee Acknowledgement Statement
EXHIBIT I: Receipt

Date Received: DATE:
(If other than date signed)

Print Name:

Print Address:

City, State:

(Signature of recipient~~-~~)

~~Name of recipient~~

~~Legal residence address~~

~~You may return the signed receipt either by signing, dating and emailing a copy to patrick@blocorporate.com, or by faxing a copy of the signed and dated receipt to Blo Blow Dry Bar Inc. at (416) 630-6281.~~

KEEP FOR YOUR RECORD