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FRANCHISE DISCLOSURE DOCUMENT

Buff City Soap Franchising, LLC
(a Delaware Limited Liability Company)
3080 Stage Post Drive,
Suite Number 104,
Bartlett, TN 38133
(662) 288-8532
franchise@buffcitysoap.com
www.buffcitysoap.com

Buff City Soap Franchising, LLC offers franchises to operate a Buff City Soap® personal care product retail shop, providing consumers with high-quality, fresh, hand-made, plant-based soaps, bath soap "bombs," body and facial products and related custom services. The total estimated investment necessary to begin operation of a Buff City Soap retail shop franchise ranges from $229,050 to $349,500. This includes $50,000 that must be paid as an initial fee to us for your franchised unit. If you enter into a Multi-Unit Operator Agreement with us, the total investment necessary to begin operation of at least four retail shops ranges from $304,050 to $424,500, including the Multi-Unit Development fees of at least $125,000 that you pay to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Brad Kellum at Buff City Franchising, LLC, 3080 Stage Post Drive, Suite Number 104, Bartlett, TN 38133, via email at franchise@buffcitysoap.com or by phone at (662) 288-8532.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov 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.

The Issuance Date of this Disclosure Document is May 30, 2018.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit H for information about us, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND THE MULTI-UNIT OPERATOR AGREEMENT EACH REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE JUDICIAL DISTRICT WHERE OUR HOME OFFICE IS LOCATED, WHICH IS CURRENTLY IN MEMPHIS, TENNESSEE. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TENNESSEE THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND THE MULTI-UNIT OPERATOR AGREEMENT EACH STATES THAT TENNESSEE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Disclosure Document is either registered or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Registration Date

In all the other states, the effective date of this Disclosure Document is the issuance date of May 30, 2018 (the "Issuance Date").

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A Franchise Agreement including forms of Transaction Details; Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Lease Rider; Receipt of Operations Manual and Confidentiality Agreement; SBA Addendum

B Multi-Unit Operator Agreement

C Closing Acknowledgement

D General Release

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, we will use the words "we," "us" and "our" when referring to Buff City Soap Franchising, LLC (the Franchisor) and the words "you" and "your" when referring to the individual or legal entity which buys a Buff City Soap franchise (the Franchisee). The words "you" and "your" do not include any individual or business entity which owns an interest in you. We will require all individuals and business entities that own an interest in you to guarantee your obligations to us.

Franchisor, Parent, and Affiliates

We are a Delaware limited liability company formed on May 7, 2018. We are a wholly owned subsidiary of Buff City Soap Holdings, LLC, a Delaware limited liability company ("Parent"). Our principal business address and Parent's principal business address is 3080 Stage Post Drive, Suite Number 104, Bartlett, TN 38133. You will operate your Franchised Business under the name "Buff City Soap® Shop," (a "BCS Shop").

Buff City Soap LLC, a Tennessee limited liability company ("BCS") was formed in October 2013 to operate the initial Buff City Soap Shop retail location in Bartlett, Tennessee that opened on December 31, 2014. The owners of BCS created Buff City Soap Tennessee, LLC and Buff City Soap Colorado, LLC (collectively with BCS, the "Retail Affiliates") to operate joint venture BCS Shops in Memphis, Tennessee and Castle Rock, Colorado in 2017. On May 7, 2018, the business was reorganized and both store ownership entities, in addition to BCS, became subsidiaries of Buff City Stores OpCo, LLC, a Delaware limited liability company ("OpCo"), which manages the Bartlett, Memphis and the Colorado BCS Shops. OpCo is a wholly owned subsidiary of Parent. Also on May 7, 2018, we formed our subsidiary Buff City Soap Supply, LLC, a Delaware limited liability company ("BCS Supply"), which may supply or distribute certain products to our franchisees and affiliate owned Shops.

We have no affiliates offering franchises in any other line of business.

Agent for Service of Process

The names and addresses of our agents for service of process appear on Exhibit H to this Disclosure Document.

Prior Business Experience

We do not operate any BCS Shop. We conduct no business activities other than franchising. We have never operated a BCS Shop. We have offered BCS Shop retail franchises in the United States since the Issuance Date. BCS offered licenses of the Buff City Soap intellectual property to third parties who have licensed the property and operate BCS Shops in Covington, Tennessee, and Olive Branch, Tupelo, New Albany, Ocean Springs and Oxford, Mississippi. (the "Licensed Shops"). The license agreements with the Licensed Shops were assigned to us in the reorganization described above. We have not offered and do not offer franchises in any other line of business. OpCo is our affiliate that operates BCS Shops of the Retail Affiliates. None of Parent, OpCo, BCS Supply or the Retail Affiliates has ever offered franchises in any other line of business.

The Business and Franchise We Offer

We offer the opportunity to establish and operate a BCS Shop retail franchise (the "Franchised Business") at a single, defined location (the "Franchised Location") within the Protected Area (defined below) using our trademarks, service marks, trade names, logos and commercial symbols (the "Marks"), certain printed materials (the "Materials"), proprietary products and methods of operation (the "System") under a Franchise Agreement you sign with us and our Operations Manual that sets forth our System Standards (the "System Standards").

A Buff City Soap personal care product retail shop (a "BCS Shop" or a "Shop") is a clean, upscale, rustic and minimalistic retail body products shop, providing high-quality, fresh, hand-made, plant-based soaps, bath bombs, body and face products. Our products are targeted to both men and women ages 10 to 65, as well as to parents as a unique children's party offering. Our body products are made with our proprietary formulas and include our signature base products, scents, and colorants, all of which must be purchased from us or BCS Supply and must be made and sold according to our System Standards. Our shops have a well-designed, modular footprint with a standard and recognizable layout and a signature, color scheme and décor. Included in the décor is a signature reclaimed wood counter/workspace and wood display bins and tables to showcase body products. Most of our body products are produced on the premises of the shop at the Buff City Makery™ allowing customers the opportunity to witness the production of the products. A BCS Shop offers customers the opportunity to customize products to their own scent and color preferences. A BCS Shop also offers private parties (for both children and adults) and soap making classes at the Franchised Location to maximize the revenue opportunities at each location.

The Buff City Soap franchise system includes System Standards, policies and procedures for trade dress, product preparation, equipment, signage, sales and marketing, pricing guidelines, staff and employee training, customer service and retention programs, information technology (IT) and our assistance with advertising, promotion, public relations, and social media programs, all of which we may change, improve and further develop over time.

Specifications for build-out, equipment and décor will be included in the system's Operations Manual library. Locations will include 1,500 to 2,100 square feet in Class A anchored retail, downtown urban centers and lifestyle retail center locations in upscale, high traffic, high visibility areas. During the development of a franchisee's initial location, we, or our designee, will provide one on-site visit to review potential sites identified by you at no charge to you.

We also offer to qualified candidates a Multi-Unit Operator Agreement. Multi-Unit Operators will be provided an agreed upon protected territory in which they will be required to open and operate an agreed number of BCS Shop locations during an agreed period of time based upon a precise performance schedule for opening Shops. We anticipate four month opening cycles for Multi-Unit Operators and will base the performance schedule on that cycle. The Development Term of the performance schedule will usually be two years for a commitment of four Shops. We may extend the Development Term for a longer period for a commitment to develop more Shops. The Multi-Unit Operator Agreement is not a franchise agreement. A separate Franchise Agreement will be signed for each BCS Shop franchise that the Developer opens. During the term of the development schedule, you will be required to sign the original form of Franchise Agreement attached to the Agreement or at our option, the form of franchise agreement we then offer. If a Multi-Unit Operator fails to open and operate the Shops required under the Multi-Unit Operator Agreement, we may terminate the Multi-Unit Operator Agreement. If we terminate the Multi-Unit Operator Agreement, the Multi-Unit Operator may continue to operate the BCS Shop then open subject to compliance with the respective Franchise Agreements for the Shops. We reserve the right to require prospective franchisees to sign and perform Multi-Unit Operator Agreements in any market that

we believe that a single owner for multiple Shops is more appropriate than single Shops owned by different owners.

Market and Competition

The consumer market for a BCS Shop is highly competitive, generally mature and well developed. However, we believe that the segment of the soap and retail body products market targeted by us is still relatively unique and growing rapidly. We believe that the overall experience as a "retail theater" establishment as well as the quality of products offered by us will differentiate a BCS Shop in the marketplace and may provide a significant advantage over other soap and retail body products shops.

You will compete with national, regional and local retailers including company owned and franchised chains as well as independently owned personal care, soap and body product focused businesses. You may also compete with other shops owned by us, Affiliate owned or franchisee owned locations outside the Protected Area. Some competitors may be larger and have more financial resources than us. Some competitors may have stronger name recognition than us. Some may be privately held or publicly held entities.

We believe that the soap and retail body products market, while not seasonal, can fluctuate based on the schedules of the local schools, tourism and weather. The success of any Franchisee may be impacted by many factors including, but not limited to, local economic and market conditions, experience and location knowledge, geographic location, market competition, sales level reached and ability to retain customers.

Regulations

Buff City Soaps sells products that fall into two regulatory categories: (1) US Food and Drug Administration ("FDA") regulated cosmetics, and (2) non-FDA regulated consumer products, subject to regulation by the Consumer Products Safety Commission ("CPSC"). FDA has mandated certain cosmetic labeling requirements. Cosmetic labels must include: (1) a statement of identity (i.e. lotion), (2) the name and place of business of the manufacturer, packer, or distributor of the cosmetic, (3) a declaration of the net quantity of the product's contents, and (4) ingredients listed either alphabetically or in descending order of predominance. The majority of Buff City's products are FDA regulated cosmetics. Products intended for consumer use that are not applied to the body are subject to regulation by the CPSC. Examples include Buff City Soap's laundry soaps, soap sleeves, soap dish, and any other non-contact cleaning or related products. Non-FDA regulated products must comply with the Fair Packaging and Labeling Act ("FPLA"), which requires products to contain a statement identifying the commodity, the name and place of the manufacturer, packager, or distributor, and the net quantity of contents. The FPLA's labeling regulations are less stringent than FDA's cosmetic labeling regulations, and permit the use of trade names and do not require specific ingredient listings, among other things. We will provide instructions and prepared labels for Buff City products made in the Buff City Makery.

A franchisee will be required to comply with all federal, state and local laws and regulations that generally apply to private businesses. These include, but are not limited to, the Americans with Disabilities Act (the "ADA"); the Fair Labor Standards Act (the "FLSA"); the rules and regulations of the Equal Employment Opportunity Commission (the "EEOC"); the Occupation Safety and Health Administration ("OSHA"); Gramm-Leach-Bliley Act; the USAPATRIOT Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general location rules and regulations; and, any advertising or content related rules and regulations. As a public

accommodation, your Shop must be accessible to persons with disabilities. See https://www.ada.gov/smbusgd.pdf for more information.

Your Franchised Business must accept credit cards and will be obligated to comply with the Payment Card Industry Data Security Standard. The Standard includes 12 requirements for any business that stores, processes or transmits payment cardholder data. For more information see https://www.pcicomplianceguide.org/.

We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of your own legal counsel in that regard. It is your responsibility to independently determine if there are any legal requirements with which you must comply and business issues that might impact your Franchised Business and/or your possibility of generating a profit or loss. Neither we, nor our Affiliates, will be responsible for ascertaining your initial and continuing legal responsibilities. It is your responsibility, on an on-going basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

ITEM 2

BUSINESS EXPERIENCE

Management. We are a member managed limited liability company. Parent is our sole member and the Manager. Parent is a member managed limited company. The members of Parent who manage Parent and indirectly manage our business are Mr. Kellum, Mr. Vines and Mr. Kunkel.

BRAD KELLUM, Chief Executive Officer, Parent Member

Mr. Kellum has been our CEO since our formation in May 2018. He was the Chief Executive Officer of BCS from its formation in October 2013 until May 2018, when he became the CEO of Parent, OpCo and BCS Supply. Prior to founding BCS, Brad was a firefighter and paramedic in Memphis, Tennessee from July 2006 to November 2013.

MARK VINES, Parent Member

Mr. Vines became a member of Parent in May 2018. Since July 2016, Mr. Vines has served as the Chief Financial Officer for CirQuest Labs, LLC, a Memphis, Tennessee, provider of specialized lab services. From July 2015 until July 2016, he served as the President of the Southeast Lab for Schryver Medical, LLC, a Southaven, Mississippi, clinical laboratory. From October 2009 until July 2015, Mr. Vines was the Chief Executive Officer of Main Street Clinical Laboratory, Inc., a Southaven, Mississippi, clinical laboratory.

NICK KUNKEL, Chief Operating Officer, Parent Member

Mr. Kunkel has been our COO since our formation in May 2018, when he also became the Chief Operating Officer of Parent, OpCo and BCS Supply. From April 2016 until May 2018, he served as General Manager of BCS. From August 2006 until March 2016, Mr. Kunkel was a store manager at a Starbucks, Inc. store in Memphis, Tennessee.

PHILLIP A. HILL, In-House Legal Advisor

Mr. Hill became our In-House Legal Advisor in April 2018. He has served in the same capacity at Buff City Soap, LLC since December 2017. From September 2008 until September 2017, Mr. Hill was a Sales Associate for Mori Luggage & Gifts, Inc. in Franklin, Tennessee.

JENNIFER ZIEMIANIN, Operations Manager, Social Media Manager

Ms. Ziemianin has been our Operations Manager and Social Media Manager since our formation in May 2018. She has served in both positions at BCS since November 2013 and now serves in those roles at Parent, OpCo and BCS Supply. From June 2006 until July 2011, she was a Registered Nurse at St. Francis Hospital, Bartlett, Tennessee. She was not in the workforce between July 2011 and November 2013.

ANNE-MARIE GIANGROSSO, Factory and Internet Manager

Ms. Giangrosso has served as our Factory and Internet Manager since our formation in May 2018. She served in the same capacity at BCS since December 2015 and now serves in that capacity for Parent, OpCo and BCS Supply. She returned to the workforce in December 2015.

HANNAH CRANFORD, Regional Manager and Brand Ambassador

Ms. Cranford became our Regional Manager and Brand Ambassador in May 2018. She has served in the same capacity at BCS and now Parent, OpCo and BCS Supply since January 2018. From January 2016 until December 2017, she served as a store manager for the Memphis BCS Shop. From January 2015 until December 2015, Ms. Cranford served as a personal caregiver in Corinth, Mississippi. From December 2013 until December 2014, Ms. Cranford was the store manager of Warwick Estates, a Los Angles, California, company specializing in home decor. From January 2012 until October 2013, she was an administrative assistant for The Broken Spoke, a Pickwick, Tennessee, bar and grill.

PADEN HIGGASON, Regional Manager and Brand Ambassador

Mr. Higgason has been our Regional Manager and Brand Ambassador since May 2018. He has served in the same capacity at BCS and now Parent, OpCo and BCS Supply since January 2018. From May 2017 until January 2018, he served as a Shop manager for the Memphis BCS Shop. From July 2016 until May 2017, Mr. Higgason served as an employee of the Memphis BCS Shop. From July 2013 until July 2016, Mr. Higgason was an Arborist at Jeff's Tree Service, a Memphis, Tennessee, tree removal and stump grinding service.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

Ms. Ziemianin filed a personal Chapter 7 Bankruptcy case on December 16, 2015, Case No. 15-31909, in the United States Bankruptcy Court for the Western District of Tennessee. The case and the debtor were discharged on March 17, 2016.

Mr. Hill filed a Chapter 13 Bankruptcy case jointly with his former spouse, Nicole Thompson Roberts Greer-Hill, Case No. 3:09-bk-14568, in December 2009 in the United States Bankruptcy Court for the Middle District of Tennessee. The case and the debtors were discharged on April 1, 2015.

Other than these two cases, no bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

When you sign a Franchise Agreement for a Franchised Business, you must pay a non-refundable Initial Franchise Fee of $50,000 to us. The Initial Franchise Fee is not refundable unless the you or your designee fails to complete initial training to Buff City Soap's satisfaction. If you or your designee fail to complete our training program successfully, we will refund 50% of the Initial Franchise Fee paid less our costs to provide training, site inspection, sales commissions and other costs. You and your guarantors will be required to sign a General Release upon termination of the Franchise Agreement in exchange for the refund. We provide no financing for the Initial Franchise Fee.

We will offer to qualified individuals honorably discharged from any branch of the U.S. Military with an undeleted certified copy of your DD214 or individuals who currently serve or are retired as first responders (police, fire, EMT etc.) a $5,000.00 discount (the "Public Service Discount") of the Initial Franchise Fee you would otherwise pay. Such request must be made when you apply for a franchise.

When you sign a Multi-Unit Operator Agreement, you must commit to develop at least four BCS Shops. You must pay us a non-refundable Development Fee of at least $125,000 when you sign the Multi-Unit Operator Agreement, all of which is credited toward your Initial Franchise Fee of $50,000 for the first Franchised Business, plus a reservation fee of $25,000 for each additional Franchised Business you commit to develop. The Initial Franchise Fee for the second through fifth Franchised Business is $45,000, and the Initial Franchise Fee for the sixth and each additional Franchised Business you commit to develop is $40,000. Subject to our approval, the Initial Franchise Fee for a Franchised Business developed in excess of the number of Franchised Businesses you commit to develop under the Multi-Unit Operator Agreement during its term is $20,000. The minimum reservation fee payable to us when you sign a Multi-Unit Operator Agreement is $25,000 per Franchised Business you commit to develop. You must sign the Franchise Agreement, pay the balance of the Initial Franchise Fee and obtain our approval for your proposed BCS Shop locations by the dates specified in the Multi-Unit Operator Agreement to obtain the reduced Initial Franchise Fee for each BCS Shop. The Public Service Discount described above will be applied to the final payment of the Initial Franchise Fee for each BCS Shop.

The Development Fee is a non-refundable fee and not a deposit. We credit the identified portion of the Development Fee against each location's Initial Franchise Fee. The Multi-Unit Operator will execute the Franchise Agreement for the initial Franchise Business to be opened and the Multi-Unit Operator Agreement at the same time.

ITEM 6

OTHER FEES

Type of fee	Amount	Due Date	Remarks
Royalty Fee (See Notes 1, 2)	6% of Gross Sales; 5% of Gross Sales for Multi-Unit Operators if you satisfy certain conditions	Weekly	Payment must be made via electronic funds transfer; the discount rate applies after your fourth BCS Shop opens when required by your Multi-Unit Operator Agreement
Brand Fund Contribution (See Note 3)	2.00% of Gross Sales	Weekly with each Royalty Fee payment	Payment must be made via electronic funds transfer
Technology Fee (See Note 4)	Not currently charged; may be imposed in the future	Monthly with the first Royalty Fee payment each month	We may institute this fee to cover the cost plus overhead of technology we provide to you on at least 60 days' prior written notice; After such notice, the fee will be paid via electronic funds transfer
Loyalty Program Fees (See Note 3)	Not currently charged; may be imposed in the future	Monthly with the first each Royalty Fee payment each month	We may activate at any time on 90 days' notice to all franchisees. When activated, payment must be made via electronic funds transfer
Supplier Approval Fee	$500	As incurred	Payable when you request our approval for a supplier not then on our approved supplier list; you must also reimburse us for expenses paid to independent laboratories for testing

Type of fee	Amount	Due Date	Remarks
Regional Cooperative Fee	If activated, up to 2.00% of Gross Sales	Weekly with each Royalty Fee payment	Payable if we activate and collect the fees for a regional marketing or advertising cooperative
Additional Training Fee (See Note 5)	$500 per day plus trainer's travel, lodging, meal and incidental expenses for additional initial training requested by you	As Incurred	We may provide additional employee training at your Franchised Business. We may change this rate at any time in the Operations Manual
Transfer Fees (See Note 6)	25% of then current Initial Franchise Fee for each BCS Shop transferred; waived for existing franchisees with certain qualifications; $5,000 for training if transferee is new to Brand	Upon transfer	Payable in lieu of an initial franchise fee if you transfer the Franchise Agreement or Franchised Business or upon ownership change involving control of 50% or more of your equity interests
Relocation Fee	$5,000 or such greater amount necessary to reimburse us for costs associated with a franchisee relocating their BCS Shop location	As incurred	Payable if you request our approval to relocate a BCS Shop
Bank Fees	Actual Bank Fees charged for insufficient funds or denied access for EFT/ACH transfer plus $25.00 per event	As incurred	Payable if a bank charges us fees for a returned check or denied electronic funds transfer payment to us
Audit Results and Accounting Fees (See Note 7)	Underpaid Royalty Fees, Brand Fund Contributions and other fees; Cost of audit and accounting fees	Within 15 days after invoice date	Payable if you understate annual Gross Sales by more than 2%; paid in addition to the late charge
Late Charge	Lesser of 1.5% per month or highest rate allowed by law (10% in California)	Within 15 days after invoice date	Accrues from due date

Type of fee	Amount	Due Date	Remarks
Successor Fee (See Note 8)	25% of our the initial franchise fee we then charge for a similar Franchised Business	When you send your renewal notice	Paid if and when you renew and we confirm that you are eligible to renew and sign a successor franchise agreement
Securities Offering Fees	$10,000 for each offering, plus expenses that exceed the fee; Reimbursement for counsel and accounting fees for review of periodic reports	Upon request for approval of offering documents	Payable if you request our review of a placement memorandum or registration statement for any public or private offering your equity or debt securities; reimbursement for costs incurred to review of periodic reports
Indemnification, Insurance and Enforcement Costs (See Note 9)	As incurred	Within 15 days after invoice date	Payable to us for damages, costs and expenses incurred by us from third party claims arising from your operation of the business; includes our cost of defense and resolution; our costs for enforcing the Franchise Agreement and Multi-Unit Operator Agreement against you, including attorneys' fees, court costs, collection costs, expert fees and costs, discovery costs, and other costs we incur to obtain required insurance on your behalf or complete your post-termination obligations

Type of fee	Amount	Due Date	Remarks
Convention Fee	Annual Registration Fee for your attendance at our Brand Convention; initially $700 per attendee	Within 15 days after invoice date	Payable in advance of our annual convention if we hold one. We may increase the fee to up to $1,500 per attendee
Liquidated Damages (See Note 10)	Present Value of combined Royalty Fee and Brand Fund Contribution for the unexpired term, based on your average monthly Royalty Fee and Brand Fund Contribution payable during the one year preceding termination; discount rate is the Applicable Federal Rate published by the IRS for the period ending closest to the end of the term, plus 200 basis points; using monthly compounding	At termination of the Franchise Agreement	Payable if the Franchise Agreement terminates prior to expiration unless we breach and fail to cure or certain other events occur.

All fees are imposed by and are paid to us. All fees are non-refundable. Except as noted below, all fees are uniformly imposed and collected. There are currently no franchisee cooperatives in existence, so there are no fees imposed by cooperatives and no voting power requirements for company-owned outlets.

Notes

1. *Royalty Fee.* You must pay us weekly a non-refundable royalty fee of 6.00% of the Gross Sales of your Franchised Business during the preceding week. Weekly Gross Sales are reported to us each Tuesday and weekly payments are made by electronic funds transfer on Wednesday for Gross Sales reported for the previous week ended on the close of business Sunday. Gross Sales means the aggregate of all revenue from operating your Franchised Business, whether payment is received in cash or by credit card, gift cards or other generally accepted form of payment, from the sale of products, services, merchandise (apparel and promotional items bearing any Marks) or other merchandise. Without limiting the scope of the term, Gross Sales shall include without limitation: (a) revenue received from employees for products or services furnished to employees at a discount; (b) the value of goods and services bought by customers by redeeming any Buff City Soap authorized gift cards; and (c) the proceeds from any business interruption insurance. Gross Sales are reduced by the amount of any discount given to customers employees, family members or other businesses owned or controlled by you if taken at the register at the time of sale so that the purchaser pays an amount net of the discount. Gross Sales also excludes the following: (i) sales taxes and other taxes separately stated, if any, collected from customers

and paid to taxing authorities; (ii) gratuities received from Shop customers and paid over to Shop employees; (iii) refunds and credits made in good faith to arms' length customers; (iv) the amount of any checks dishonored or returned; (v) proceeds from the sale of any Buff City Soap authorized gift cards to customers; (vi) proceeds from insurance with respect to your insured losses from property damage or liability; (vii) proceeds from any civil forfeiture, condemnation, or seizure by a government entity; and (viii) credits, allowances, adjustments or uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% of Gross Sales for any fiscal year of you. Subsequent collections of charged off amounts must be included in Gross Sales when they are collected.

2. *Credit for Multi-Unit Operators* To accelerate the opening of BCS Shops under Multi-Unit Operator Agreement, we offer a Royalty Credit equal to 1.00% of Gross Sales. When the Multi-Unit Operator opens its fourth BCS Shop, if the Operator and all related franchisees are in good standing (no defaults have occurred and are continuing) under the Multi-Unit Operator Agreement and the related Franchise Agreements, then the Royalty Credit will be applied to reduce the Royalty Fee to 5.00% of Gross Sales for all current and future Shops owned and operated by the Operator. The Royalty Credit will be suspended by us if the Multi-Unit Operator defaults under the Multi-Unit Operator Agreement or any related Franchise Agreement and fails to cure the default within the time permitted, if any. We may, in our discretion, reinstate the Royalty Credit if and when the default is cured to our satisfaction. During the suspension and if the Royalty Credit is not reinstated, the Royalty Fee would revert to the standard rate of 6.00% of Gross Sales.

3. *Brand Fund Contribution & Loyalty Program.* We have established a Brand Fund into which all Retail Affiliates and franchisees will contribute a weekly non-refundable Brand Fund Contribution of 2.00% of the Gross Sales of your Franchised Business during the preceding week. We may also undertake a Loyalty Program for frequent customers, consistent with retail industry practices and costs. See Item 11. You pay your Brand Fund Contribution by ACH Payment when you pay your Royalty Fee each week.

4. *Technology Fee.* We may in the future activate a Technology Fee to support the cost and overhead of providing technology and related assistance to our System Shops. We will give at least 60 days' prior written notice before we implement or change the Technology Fee. We may require that you enter into a separate technology service or license agreement covering these services.

5. *Additional Training Fee.* The Additional Training Fee covers training and operational support provided at your request beyond the training and opening assistance that we provide as part of your initial franchise fee as described in Item 11. We currently charge $500 per day plus the trainer's travel expenses for additional training. We reserve the right to change this fee at any time or to charge a reasonable amount for any optional additional training we make available after you open the Franchised Business.

6. *Transfer Fee.* You or the transferee must pay a non-refundable Transfer Fee equal to 25% of our then current Initial Franchise Fee for a single BCS Shop, plus an Initial Training Fee of $5,000 if you transfer the Franchise Agreement or Franchised Business, or in the event of an ownership change involving control of 50% or more of your equity interests. We will not charge a fee for any transfer of your equity interests among any of your existing owners, any member of your immediate family or an initial transfer from an individual to an entity controlled by that individual. We will also not charge a Transfer Fee if the transferee has been a System franchisee in good standing for at least five years, has managed a Franchised Business or Retail Affiliate BCS Shop for at least five years, or acquires the interest because of the transferee's death or disability. Transfers include sales, gifts, donations, and exchanges for value or without value. See Item 17.

7. *Audit Fee.* We may audit your accounts, books and records at our expense. You must pay any underpaid fees plus interest when we invoice you. If you understate Gross Sales by more than 2% but less than 5%, then you must reimburse us for the cost of conducting the audit including, without limitation travel, lodging, meals, wages, expenses and reasonable accounting and legal fees we incur. We may also, in our sole discretion, require that you engage an independent certified public accounting firm reasonably acceptable to us to audit your financial statements for the next two years and possibly longer. If the understatement for any one year, is more than 5%, or the understatement for three consecutive years is more than 2%, then we may terminate the Franchise Agreement without any right of you to cure, except as required by applicable law, or we give you notice that you will not be eligible to renew the franchise term for cause.

8. *Successor Fee.* The Franchise Agreement has an initial term of 10 years and provides for one renewal term of five years, subject to certain conditions. To renew the affiliation and continue under a successor Franchise Agreement, if you meet the conditions for succession, you must pay us a non-refundable renewal fee equal to 25% of our then current Initial Franchise Fee for a single BCS Shop. See Item 17.

9. *Indemnification, Insurance and Enforcement Costs.* You must defend, indemnify and hold us and our affiliates harmless from and against any claims asserted against us or our affiliates resulting from the operation of your Franchised Business. You must also indemnify us against costs we incur to enforce the Franchise Agreement or the Multi-Unit Operator Agreement against you, such as attorneys' fees, court costs, expenses for experts and advisors, and other expenses we incur to cause your compliance with the agreements or compensate us for costs we incur directly and indirectly as a result of your breach. These costs may include the costs we incur to perform your post termination obligations to package and return inventory, remove our signage and trade dress from the Shop, restore the Shop interior as your lease requires, and cause your Shop advertising and marketing activity to end. If we purchase required insurance for you when you fail to provide proof of insurance, we may charge you the cost of the premium we paid on your behalf plus an administrative fee of 25% of the premium amount.

10. *Liquidated Damages.* If the Franchise Agreement terminates prior to its expiration date for any reason other than our default and failure to cure, you must pay liquidated damages in an amount equal to the present value of the combined Royalty Fees and Brand Fund Contribution for the number of months remaining in your current term, based on the average monthly Royalty Fees and Brand Fund Contribution payable during the 12 month period preceding termination. The discount rate to compute the present value will the Applicable Federal Rate published by the Internal Revenue Service for debts with a maturity equal to the balance of the current term, plus 200 basis points. The IRS publishes the Applicable Rate monthly.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE SHOP					
Nature of Expenditure	**Low Estimate**	**High Estimate**	**Payment Method**	**When Due**	**Payment To**
Initial Franchise Fee	$50,000	$50,000	Lump sum	At signing of Franchise Agreement	Franchisor
Real Estate			As incurred	Before	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE SHOP					
Nature of Expenditure	**Low Estimate**	**High Estimate**	**Payment Method**	**When Due**	**Payment To**
				opening	
Construction and Leasehold Improvements	$35,000	$100,000	As incurred	Before opening	Suppliers
Less Landlord Contributions	(5,000)	($20,000)	As incurred	Before opening	Suppliers
Furniture and Fixtures	$7,600	$20,000	As incurred	Before opening	Suppliers
Equipment	$5,000	$7,500	As incurred	Before opening	Suppliers
Architects and Engineering	$250	$1,500	As incurred	Before opening	Suppliers
Other Professional Fees	$1,000	$1,500	As incurred	Before opening	Suppliers
Opening Inventory	$20,000	$27,000	As incurred	Before opening	Suppliers
Opening Supplies	$11,000	$15,000	As incurred	Before opening	Suppliers
Computers, software, Telecommunication, networking, security	$2,500	$5,000	As incurred	Before opening	Suppliers
Interior and Exterior Signs	$2,500	$10,000	As incurred	Before opening	Suppliers
Training and Pre-Opening Expenses	$9,000	$15,000	As incurred	Before opening	Suppliers
Pre-Opening Labor	$8,000	$12,000	As incurred	Before opening	Suppliers
Market Introduction	$25,000	$25,000	As incurred	Before opening	Suppliers
Insurance	$1,300	$1,500	As incurred	Before opening	Suppliers
Utility Deposits	$1,000	$1,500	As incurred	Before opening	Suppliers
Deposits and permits	$2,000	$2,500	As incurred	Before opening	Suppliers
Security System	$400	$1,500	As incurred	Before opening	Suppliers
Lease Deposit	$1,500	$5,000	As incurred	Before opening	Suppliers
Miscellaneous Expenses	$1,000	$3,000	As incurred	Before opening	Suppliers
Working Capital	$25,000	$40,000	As incurred	After opening	Various

YOUR ESTIMATED INITIAL INVESTMENT – SINGLE SHOP					
Nature of Expenditure	**Low Estimate**	**High Estimate**	**Payment Method**	**When Due**	**Payment To**
Total	$229,050	$349,500			

YOUR ESTIMATED INITIAL INVESTMENT 4 BCS SHOP MULTI-UNIT OPERATOR AGREEMENT					
Nature of Expenditure	**Low Estimate**	**High Estimate**	**Payment Method**	**When Due**	**Payment To**
Initial Franchise Fee	$125,000	$125,000	Lump sum	At signing of FA	Franchisor
Real Estate			As incurred	Before opening	Suppliers
Construction and Leasehold Improvements	$35,000	$100,000	As incurred	Before opening	Suppliers
Less Landlord Contributions	(5,000)	($20,000)	As incurred	Before opening	Suppliers
Furniture and Fixtures	$7,600	$20,000	As incurred	Before opening	Suppliers
Equipment	$5,000	$7,500	As incurred	Before opening	Suppliers
Architects and Engineering	$250	$1,500	As incurred	Before opening	Suppliers
Other Professional Fees	$1,000	$1,500	As incurred	Before opening	Suppliers
Opening Inventory	$20,000	$27,000	As incurred	Before opening	Suppliers
Opening Supplies	$11,000	$15,000	As incurred	Before opening	Suppliers
Computers, software, Telecommunication, networking, security	$2,500	$5,000	As incurred	Before opening	Suppliers
Interior and Exterior Signs	$2,500	$10,000	As incurred	Before opening	Suppliers
Training and Pre-Opening Expenses	$9,000	$15,000	As incurred	Before opening	Suppliers
Pre-Opening Labor	$8,000	$12,000	As incurred	Before opening	Suppliers
Market Introduction	$25,000	$25,000	As incurred	Before opening	Suppliers
Insurance	$1,300	$1,500	As incurred	Before opening	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT 4 BCS SHOP MULTI-UNIT OPERATOR AGREEMENT					
Nature of Expenditure	**Low Estimate**	**High Estimate**	**Payment Method**	**When Due**	**Payment To**
Utility Deposits	$1,000	$1,500	As incurred	Before opening	Suppliers
Deposits and permits	$2,000	$2,500	As incurred	Before opening	Suppliers
Security System	$400	$1,500	As incurred	Before opening	Suppliers
Lease Deposit	$1,500	$5,000	As incurred	Before opening	Suppliers
Miscellaneous Expenses	$1,000	$3,000	As incurred	Before opening	Suppliers
Working Capital	$25,000	$40,000	As incurred	After opening	Various
Total	$304,050	$424,500			

Notes to Item 7

General

1. We have based our estimates on the experience of our affiliates. Your investment, as shown in the first table of Item 7, is for one Franchised Business. Your actual cost of opening your BCS Shop will vary from our estimates based on many factors. These include but are not limited to your management capabilities, skills and experience: construction costs, prevailing labor costs, materials and other economic and local conditions in your market; the size of your location; real estate conditions; your ability to negotiate landlord financing of tenant improvements and other rent and lease financial concessions; the prevailing rents in your area; local zoning and permitting costs; utility and other costs and depositions; how well you follow the our System Standards; and, other factors outside of our control and influence. We do not guarantee that your costs will be the same as those included in Item 7 and you may have additional costs we have not identified. Regardless of any deviation or variance, you are responsible for the costs of developing your Franchised Business.

2. Please take your time in reviewing this offering and work with knowledgeable advisors including lawyers, accountants, location advisors, local contractors, engineers, architects, etc. before making any decision to invest in our franchise opportunity.

3. It is your responsibility and not ours to ensure that your Shop meets our Standards and requirements and that your Shop improvements and equipment are maintained and replaced as needed throughout the term of your franchise. You are responsible for compliance with all federal, state and local laws and regulations, including but not limited to the ADA, zoning and building codes. As a public accommodation, your Shop must be accessible to persons with disabilities.

4. Payments to us are not refundable. Payments made to third party vendors or suppliers are subject to the terms and conditions of those vendors.

5. We do not provide any direct or indirect financing for initial franchise fees or development fees, other fees or other costs paid to us or to third parties.

6. If you meet the credit requirements determined by third party vendors, you may be able to obtain financing. We do not determine the terms and conditions of any financing; we do not provide any guarantees for any financing provided to you by third parties.

Initial Fee

7. As discussed in Item 5, the Initial Franchise Fee paid by you and other similarly situated Franchisees will be the same. Our Initial Fee for a Single Unit Franchisee is $50,000. If you enter into a Multi-Unit development agreement your subsequent initial franchise fee will be as discussed in Item 5.

8. If you are entering into a Multi-Unit Operator Agreement with us, you will pay a Development Fee which will include a non-refundable fee of $50,000 for the first Franchised Business and $25,000 per additional Franchised Business, as discussed in item 5, for granting you the right and the obligation to open the number of Franchised Businesses we will agree upon before you sign the Multi-Unit Operator Agreement, and the time you will be granted to open each location. The Development Fee is non-refundable under all and any circumstances.

9. As discussed in Item 5, if you are a Multi-Unit Operator, your initial franchise fee for your 2nd to 5th location is $45,000 and for your sixth or more Shops your initial franchise fee will be $40,000. If you commit to develop, and we approve, additional Shops during the Development Term of the Multi-Unit Operator Agreement, your initial franchisee fee for those additional locations will be $20,000.

Leasehold Improvement and Site Development

10. Our Shop locations are between approximately 1,500 and 2,100 sq. ft. and our targeted location is based on $20 to $40 per sq. ft. rent. Lower rents may be found in strip centers and similar locations. We do not recommend that you construct or lease a standalone retail store. Higher rents are associated with shopping malls and lifestyle centers. Your rent will likely include base rent, additional rent related to the Gross Sales of the Shop, common area maintenance and marketing charges, and proportionate shares of property taxes, insurance and other costs. Your Shop must be able to accept and store bulk deliveries of product raw materials. Your lease covenants must allow for our signature reclaimed wood counter/workspace and wood display bins and tables to showcase body products. The lease terms must also allow for on-premises mixing and finishing of our products in the Buff City Makery located in the public space of the Shop.

11. We will provide you with assistance in identifying and approving the site that you will select for your first BCS Shop location. We contemplate one visit to your market, for your first Shop location only, to review with you sites that you have identified. You will reimburse us for our reasonable expenses for providing you any additional site selection or approval support including a fee of $500 together with travel, lodging, transportation, food and personnel costs incurred for any for subsequent visits.

12. We anticipate that you will lease rather than build your location. We therefore have not included any costs for land, building construction or related costs in our estimates.

13. Your net leasehold improvement costs will depend on the condition of your Shop location as delivered by your landlord and any tenant improvement allowance you may receive from your landlord in your lease. You may need to demolish existing finishes and reroute utility lines in space that was used for another purpose. You may need to finish first generation space with utilities, lighting and interior walls and ceilings. Our estimated range of costs for leasehold improvements is based upon our expectations that you will receive your Shop location from your landlord in good condition and ready for finishing with our décor package.

14. You may incur architect and engineering fees in the development of your location.

Equipment, Furniture, Fixtures and Signage

15. You will purchase your equipment from suppliers we have approved, which may include us or our affiliates. We will provide specifications for the models of equipment you will be required to purchase for your Buff City Soap location. Our affiliates or we may be the sole supplier for certain equipment.

16. We may negotiate with vendors for the price, warrantees, guarantees, delivery costs, maintenance contracts, etc. We do not represent that we will be able to obtain for you the lowest costs or best terms available.

17. The type and number of pieces of Furniture and Fixtures you require will be based on the size of the location you selected.

18. You will need to purchase signs for your location. All signage must be in compliance with our standards and your local building and other codes.

Computers and Telecommunications

19. You will be required to purchase or lease the point-of-sale and computer system we specify. The type and number of computers and other hardware, software, cameras and telecommunications equipment may vary depending on your location. We will specify the computer hardware, software and telecommunications equipment in the Operations Manual. We expect that technology will evolve during the term of your franchise and you will need to update the Shop technology at your expense when we determine such updating is necessary for the System to remain competitive in the highly competitive retail personal care product market. We cannot determine the cost of any additional investment you may be required to make.

Training

20. We will provide initial training for up to three people without any additional fee. Both you as the Franchisee and your Operating Principal, if any, must attend training and complete training to our satisfaction. In addition, we recommend that you bring to training your general manager and your in-store trainer. You may bring additional persons to initial training, without any additional fee, provided there is room in your scheduled training class.

21. Initial training will be a combination of classroom, on the job training and may also include training provided electronically and remotely. Training will be provided for your initial two locations only (manager only for second location), in Bartlett or in a location designated by us and will be approximately three weeks in duration. We will also provide up to five days assistance and training at your location for your initial two locations only.

22. In addition to incurring the costs of compensation and benefits for your staff, you will incur the cost for travel and other expenses during training. We have estimated a cost for travel, hotel, meals and local transportation for you and your staff during training. The costs of travel vary greatly based on the time of year and the choices you make for hotels, locations etc.

Working Capital

23. We have estimated your working capital requirements for the first three months. You will incur additional expense and will require sufficient working capital to cover your business' operating and other expenses and disbursements, including rent and debt service, until your business achieves break even on an operating basis. Our estimated working capital for the first three months is net of any revenue you receive during that period,

Other **Expenses and Prepayments**

24. We recommend strongly that you engage the services of professionals to assist you in evaluating our franchise opportunity and to help you establish your business. This will include your lawyer and accountant, etc. The cost of their engagements will vary.

25. We will specify the minimum insurance coverage we require you to have for your Franchised Business in this disclosure document and as modified in the Operations Manual.

26. You are responsible to identify and to acquire the permits, bonds, utilities, merchant accounts and licenses necessary to develop, open and operate the Franchised Business.

27. Your Market Introduction program will be developed by you with our input and approval, then you will execute the agreed Market Introduction program.

28. You may need to make deposits or pre-payments for rent, utilities, etc. Depending on the costs in your market, your credit and the rental terms offered in various areas of your market, you can expect significant differences in rent rates, terms and conditions. Our estimate is based on two months' rent as deposit and deposits for commercial lease parking.

29. You may incur additional expenses to develop your Shop.

30. The initial investment presented is our estimate of your investment. We expect and strongly recommend that you review our projected initial investment for the development of your Franchised Business, including but not limited to working capital, with legal and business advisors before you make a decision to invest in our franchise opportunity. We recommend that you consider the costs in your market, the availability and costs of leases and loans including terms for payment and interest, inflation, other costs we may not have identified in developing your business plan and evaluation. You are responsible for the costs of your Franchised Business development even if it is substantially higher than our estimate.

We have relied on the operators' experience in opening company-owned Shops, as well as the experience of licensees in opening their Shops, to compile the foregoing estimates. All payments to us are non-refundable. Any payments to third parties are subject to the refund policies of those third parties. We do not offer financing directly or indirectly for any part of the initial investment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved and Designated Suppliers

As of the Issuance Date, you must purchase all equipment, furnishings, fixtures, supplies, packaging, computer hardware and software, and signage from vendors of whom we approve and who meet our specifications. You provide us with prior written notice before using any vendor or supplier. We reserve the right to reject any vendor or supplier you propose, in our sole discretion. All purchases and leases must meet our standards and specifications except as we specify in the Operations Manual, or otherwise in writing. We have established Buff City Supply to be our affiliated supplier of raw materials and equipment you will need to open and operate your BCS Shop.

Proprietary Products

We will reveal the specifications, detailed descriptions, formulas, and personal care product "recipes" to you and provide you with the list of any ingredients, supplies, apparel, equipment, and any other merchandise or property that you must use or sell to operate the Franchised Business in accordance with the System which either (i) display the Marks or (ii) are specially configured, manufactured or produced by, or for, us in accordance with our specifications (collectively "Proprietary Products") that you must purchase, use, offer, sell and promote, and maintain in stock at Franchised Business in quantities needed to meet reasonably anticipated consumer demand, certain proprietary products, ingredients, equipment, furniture, signage and other merchandise constituting Proprietary Products. We may designate certain of these disclosures as confidential. You must purchase all Proprietary Products and ingredients for Proprietary Products from suppliers selected in our sole discretion of which we give you written notice. We may, in our discretion, as frequently as we deem necessary, change the identity, specifications, formulas, recipes, inventory requirements and designations, and add new products and delete existing products, from the items that we designate as Proprietary Products. You must conform to all changes immediately upon written notice from us unless our written notice specifies a later implementation date.

Non-Proprietary Products

We will designate all other products that are not Proprietary Products ("Non-Proprietary Products") which you may, or must, use, offer, sell or promote in operating the Franchised Business from suppliers selected in our reasonable discretion of which we give you notice, so long as such products meet our quality and other specifications. You have the right to purchase Non-Proprietary Products from suppliers you select in your reasonable discretion of which you give us notice. All changes in the specifications for Non-Proprietary Products shall be communicated to you by supplements to the Operations Manual or otherwise in writing. You shall not place a new order for any Non-Proprietary Products with a supplier after receiving written notice of changes in the Non-Proprietary Products' specifications or that our approval of the supplier has been withdrawn or revoked.

Insurance

Before you open your Franchised Business, you must obtain the type and amount of insurance coverage for the Franchised Business we specify in the Franchise Agreement, in the Operations Manual or otherwise in writing. You must obtain and maintain the specified insurance coverage during the term of the Franchise Agreement from a responsible carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI that we find acceptable. The type of coverage includes:

Commercial General Liability coverage ($1 million single limit per occurrence; $2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

"All Risk" property coverage including a property damage limit for the full cost of replacement of the BCS Shop and business interruption coverage for up to twelve months of projected earnings;

Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-owned autos), with a minimum of $1 million combined single limit each accident;

Workers' Compensation or legally appropriate alternative covering all employees and contractors working at the BCS Shop for statutory limits and employers liability with minimum limits of $500,000 bodily injury for each accident, $500,000 bodily injury by disease for each employee and $500,000 bodily injury disease aggregate;

Umbrella Policy having a limit of $1 million on an occurrence basis excess of covering excess of the underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area

Other insurance as may be required by the state or locality of the BCS Shop;

Employment practices liability insurance with a limit of $500,000; and

Employee Dishonesty/Fidelity insurance with a limit of $100,000.

All of the liability insurance policies, other than Workers' Compensation, must name us, Parent, and our respective officers, directors, members, shareholders, partners and employees as additional insureds on a primary basis for operations of BCS Shop. The form of additional insured endorsement will be ISO CG 2010 11 85 Form B or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance.

Approval of Alternative Suppliers; Product Specifications

If you want to use a good or service, or obtain a good or service from a supplier we have not yet approved, you first must submit sufficient information, specifications and/or samples for our determination whether the product or service complies with our System Standards or the supplier meets our approved supplier criteria. We may establish and revise our approved supplier criteria from time to time as we deem appropriate and will make them available to our franchisees upon written request. We may condition our approval of a supplier on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements. We also may impose limits on the number of approved suppliers, products and services. Our approval should not take more than 60 days in most instances. We reserve the right to test supplies and inspect the premises of suppliers before granting our approval. We will invoice you for the supplier approval fee then in effect, plus out-of-pocket costs and expenses we incur for any inspection or testing. We will not issue our approval of the supplier until you pay that invoice. We may terminate our approval of a supplier or any products or services at any time, with or without cause, upon reasonable written notice. Because

the use of the highest quality, natural ingredients is an important part of our business model, we will monitor your chosen suppliers and may require that you select a different supplier if the supplier does not consistently meet our System Standards for food freshness and quality.

We will formulate and modify our technology, product and ingredient specifications and standards by reviewing each product on an individual basis, taking into consideration the supplier's ability to provide consistently high quality products to you or our approved suppliers on a timely basis. We generally will formulate specifications and standards based on the quality of the products and other relevant factors. We periodically may review each product and respective supplier to make sure that the supplier is following the specifications and standards.

We may issue some of our technology, product and ingredient specifications and standards to our approved suppliers under appropriate confidentiality restrictions, but not to our franchisees. We may undertake other steps to maintain trade secrets and confidentiality of proprietary recipes and formulations, software and other items.

Revenue From Franchisee Purchases

As of the Issuance Date, we derive no revenue or other material consideration from franchisee purchases. We or Buff City Supply may derive revenue from suppliers from franchisee purchases in the future in our sole discretion.

Percentage of Total Purchases Represented by Required Purchases

Required purchases consist of items you must purchase from approved suppliers or under our established specifications. Your required purchases will represent approximately 90-100% of your total opening expenses (excluding the cost of real estate and improvements) and approximately 95% of your required purchases and leases.

Payments to Franchisor from Designated Suppliers

We intend to negotiate preferred vendor agreements with approved suppliers that we expect will provide favorable pricing and delivery terms to franchisees, as described below. These agreements may pay us revenues based on the volume of franchisee purchases, which may be measured in sales dollars or units sold. These arrangements are not in effect as of the Issuance Date, but we expect them to be in place in the future. We expect Affiliate BCS Shops to purchase at the same prices and terms as franchised terms from these suppliers.

Cooperatives

We will have the right to require you to participate in a national or regional approved purchasing cooperative for the area in which your Franchised Business operates. We do not have any purchasing or distribution cooperatives in place as of the Issuance Date.

Negotiated Purchases

We may negotiate purchase arrangements or discounts for your Franchised Business. Certain of our suppliers may allow you to participate in the volume discounts we receive. However, these volume discounts will extend only to pricing terms and will not include any of the credit terms we have negotiated. We do not otherwise negotiate purchase agreements on behalf of our franchisees or any distribution cooperative, and do not guarantee pricing, credit or other terms for vendors by our

franchisees. We do not represent and cannot guarantee that any particular supplier arrangement will be available to you as the availability of these arrangements may vary depending on whether the supplier services the area in which your Franchised Business will be located.

Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers. We reserve the right not to grant franchises or confer other benefits to any franchisee, for any reason or no reason, which may include the failure of a Franchised Business franchisee to follow and support the Franchised Business system, including its recommended advertising programs and approved supplier programs.

ITEM 9

FRANCHISEE'S OBLIGATIONS

Franchise Agreement

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	6(b)	11
b. Pre-opening purchases/leases	6(c), 6(f), 6(h), and 8(c)	8
c. Site development and other pre-opening requirements	6	6, 7 and 11
d. Initial and ongoing training	7(a), 8(a)	11
e. Opening	6(h)	11
f. Fees	5, 6(g), 8(a), 9(e), 15, and 19, 22(b), and 27	5 and 6
g. Compliance with standards and policies/operating manual	8	11
h. Trademarks and proprietary information	13	13 and 14
i. Restrictions on products/services offered	8(c)	16
j. Warranty and customer service requirements	N/A	N/A
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	8(c)	8
m. Maintenance, appearance, and remodeling requirements	8(e) and 8(f)	11
n. Insurance	21	6 and 8
o. Advertising	5, 16, and 19	6 and 11
p. Indemnification	34	6
q. Owner's participation/management/staffing	8(a) and 8(g)	11 and 15
r. Records and reports	14	6
s. Inspections and audits	15	6
t. Transfers	22	6 and 17
u. Renewals	4	17

Obligation	Section in Agreement	Disclosure Document Item
v. Post-termination obligations	11, 12, and 32	17
w. Non-competition covenants	11	17
x. Dispute resolution	31, 45,46, and 47	17
y. Other - Guaranty	24 and Attachment C	1, 15

Multi-Unit Operator Agreement

This table lists your principal obligations under the Multi-Unit Operator Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

Obligation	Section	Item
a. Site selection and acquisition/lease	6, 7 and 8	11
b. Pre-opening purchases/leases	N/A	N/A
c. Site development and other pre-opening requirements	N/A	N/A
d. Initial and ongoing training	N/A	N/A
e. Opening	N/A	N/A
f. Fees	5	5 and 6
g. Compliance with standards and policies/operating manual	N/A	N/A
h. Trademarks and proprietary information	N/A	N/A
i. Restrictions on products/services offered	N/A	N/A
j. Warranty and customer service requirements	N/A	N/A
k. Territorial development and sales quotas	3	12
l. Ongoing product/service purchases	N/A	N/A
m. Maintenance, appearance, and remodeling requirements	N/A	N/A
n. Insurance	N/A	N/A
o. Advertising	N/A	N/A
p. Indemnification	17	6
q. Owner's participation/management/staffing	N/A	N/A
r. Records and reports	N/A	N/A
s. Inspections and audits	N/A	N/A
t. Transfers	16	6 and 17
u. Renewals	None	None
v. Post-termination obligations	None	None
w. Non-competition covenants	None	None
x. Dispute resolution	15, 22, 23, and 24	17
y. Other - None	N/A	N/A

ITEM 10

FINANCING

We do not offer, directly or indirectly, any financing arrangements to our franchisees. We do not have any past or present practice or intent to sell, assign or discount any note, contract or other instrument executed by our franchisees. We do not receive any direct or indirect payments for placing or arranging any financing for our franchisees. Also, we do not guarantee notes, leases, or other obligations for franchisees.

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 Assistance

Before you open your Franchised Business:

(1) We will provide you with advice and consultation in the selection of sites for Franchised Location(s) through the use of the site selection and evaluation forms, criteria and supporting materials that we make available to franchisees. (Franchise Agreement Section 6(b); Multi-Unit Operator Agreement Section 10(a))

(2) We will review the information you submit for each proposed site for a Franchised Location, conduct any investigation of the proposed site we deem appropriate to evaluate the site, and accept or reject the site. (Franchise Agreement Section 6(b); Multi-Unit Operator Agreement Sections 6, 7 and 10(a))

(3) We will accept or reject each site within 30 days after your submission of all initial and supplemental information we request regarding a proposed site. If we accept the site, we will give you notice of any remaining conditions to that acceptance. Under the Multi-Unit Operator Agreement, we will tender the Franchise Agreement for the accepted site. If we reject the site, we will give you the reasons for the rejection. (Franchise Agreement Section 6(b); Multi-Unit Operator Agreement Sections 6, 7 and 9)

(4) We must approve the terms of your lease or purchase agreement for the approved site and any modifications or amendments, if applicable, before you sign the lease or purchase agreement. We will review the lease or purchase agreement and any modifications or amendments to the lease or purchase agreement, and accept or reject your lease or purchase agreement for the Location within 30 days after your submission of all initial and supplemental information we request regarding the proposed lease or purchase agreement. Each Franchised Location must be under lease to you and not to an affiliate if you do not own it. We do not review, provide advice on or approve any financing you obtain for your development costs. The "Commitment Date" is the date you sign the approved lease or purchase agreement and you must provide us with a copy of the signed document within five business days after the Commitment Date (Franchise Agreement Section 6(c)).

(5) We will have the right to terminate the Franchise Agreement if you fail to either (1)(i) gain our acceptance of your proposed Location, and (ii) sign a lease or a purchase agreement we approve as to form for the accepted Franchised Location so that the Commitment Date occurs within 60 days after

the date of your Franchise Agreement, or (2) open your completed BCS Shop with our authorization under Section 6(h) of the Franchise Agreement within 180 days after the Commitment Date. (Franchise Agreement Section 29(k)).

(6) We will designate the territory for your Franchised Location. (Franchise Agreement Sections 2 and 3)

(7) We will provide you with other resources and assistance that we may develop and make available to new franchisees and developers from time to time. (Franchise Agreement Section 7(h); Multi-Unit Operator Agreement Section 10(c))

(8) If you are operating under a Multi-Unit Operator Agreement, we will forward the Franchise Agreement for your proposed Franchised Location after you give us notice of your lease of an accepted site and the fully executed lease rider. (Multi-Unit Operator Agreement Section 9)

(9) We will provide you with our standards for finishes, specifications for layout of the interior, mechanical and electrical systems, equipment, décor and ironwork and signs for a prototype Franchised Business that we make available to franchisees. (Franchise Agreement Section 6(d))

(10) We will review your site plan and final plans and specifications for conformity to System Standards. (Franchise Agreement Section 6(d))

(11) We will loan you one copy of the Operations Manual or may grant access rights on our secure website for franchisees. (Franchise Agreement Sections 7(b) and 13(i))

(12) We will provide you with three weeks of training in one or more BCS Shops in Memphis, Tennessee and at your BCS Shop to assist you with the new Shop opening activities for your Franchised Business. (Franchise Agreement Section 7(a))

(13) We will provide you with the services of an on-site training team for a period of time to assist you with the pre-opening activities for your Franchised Business. (Franchise Agreement Sections 7(a), 7(d), and 8(a)).

Site Selection

We will not select the site for your Franchised Business. You will have responsibility for selecting the site for your location and submitting information on the site approval form we include in the Operations Manual. We have the right to accept or reject the site you select. In determining whether to accept or reject a site, we will consider demographic evaluations, traffic patterns, population density, proximity to activity centers and employers, physical site profiles, competition in the market area, and other factors. By accepting the site or the lease, we make no representation or guarantee that the site you select will be successful. We have no obligation to provide any assistance in locating a site, negotiating the lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies. You must propose a location, obtain our acceptance of your proposed location, and enter into a signed lease or a purchase contract we approve as to form for the approved site within 60 days after the date of the Franchise Agreement, described as the Commitment Date above. You have the option to secure a single 30 day extension of the 60 day period by written notice to us that you are exercising your extension option. The grant of any further extension of time to complete this phase of pre-opening is at our sole discretion.

Typical Length of Time to Open

Based on the experience of our company-owned Shops, we estimate that it will take approximately 60 days to select a location and execute a lease and an additional 60 days to build out the location. Except as extended by us, your Franchised Business must be open and operating within 180 days following the execution of the Franchise Agreement. A that requires renovation instead of a new build may take less time to design and build. Factors that may affect that time period include obtaining site acceptance from us, making any necessary financial arrangements, obtaining required permits, designing the space, ordering the equipment and inventory, and obtaining necessary labor and materials. Under the Franchise Agreement, you have up to 180 days after signing the Franchise Agreement in which to open your Franchised Business. (Franchise Agreement Sections 6 and 29)

Under our form of Multi-Unit Operator Agreement, you must agree to open at least four Franchised Locations under a specified performance schedule (the "Performance Schedule"). The first two BCS Shop locations generally must open within eight months after you sign the Multi-Unit Operator Agreement. You must open an additional BCS Shop every four months after that to satisfy the Performance Schedule. We may negotiate a Performance Schedule with shorter or longer opening time requirements when business circumstances warrant. You sign a Franchise Agreement for each BCS Shop to be developed under the Multi-Unit Operator Agreement and the deadlines for developing the BCS Shop and obtaining our approvals for the site and the lease described above become applicable. (Multi-Unit Operator Agreement Sections 3 and 9)

Post-Opening Assistance

(1) We will publish a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products and services become available, we will amend that list. (Franchise Agreement Section 7(c))

(2) We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Franchised Business using the System. (Franchise Agreement Section 7(e))

(3) We will conduct periodic field evaluations and quality assurance inspections of BCS Shop to test and promote its compliance with System Standards and quality controls. These evaluations and inspections may offer suggestions and recommendations about your staffing but you have no obligation to follow the suggestions or recommendations. (Franchise Agreement Section 7(f))

(4) We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we make available to our franchisees from time to time. (Franchise Agreement Section 7(g); Multi-Unit Operator Agreement Section 10(b))

(5) We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the System and our plans, policies, research, developments and activities to franchisees. (Franchise Agreement Section 7(g))

(6) We will provide you with other resources and assistance that we may develop and make generally available to all of our other franchisees. Under no circumstances will we act directly or indirectly to control, nor do we reserve the right to control, the terms and conditions of employment for

your employees or contractors, or advise you on your hiring, scheduling, supervision, discipline and termination decisions (Franchise Agreement Section 7(h); Multi-Unit Operator Agreement Section 10(c))

(7) We will provide directives about local advertising, in-store merchandising and messaging, suggestions about pricing and limited time offers, and review and comment on or approve your annual marketing plan (Franchise Agreement Sections 6(h), 16).

(8) We will renew your Franchise Agreement upon your satisfaction of the conditions described in the Franchise Agreement. (Franchise Agreement Section 4(b))

(9) We will review any proposed transfer of your Franchise Agreement and either approve or disapprove that proposed transfer. (Franchise Agreement Section 22)

(10) We will provide you with the services of an on-site training team for a period of time to assist you with the post-opening activities for your Franchised Business. (Franchise Agreement Sections 7(a), 7(d), and 8(a)).

Except as listed above, we do not have any obligation to provide you with assistance regarding (1) developing services or products your Franchised Business will offer to your customers; (2) the hiring or training of your employees; (3) the improving or developing your Franchised Business; (4) establishing prices; (5) establishing and using administrative, bookkeeping, accounting or inventory control procedures; or (6) resolving operating problems you may encounter.

Advertising

We will provide a Market Introduction Program to assist franchisees in introducing Buff City Soap to the local market and will review and approve your local annual marketing plan. The goal of the Buff City Soap Market Introduction Program is to assist the franchisee in building strong sales and in developing a loyal clientele but there is no guarantee that it will do so. Your local advertising must align with our directives about local advertising, messaging, and other factors. We may offer suggestions about pricing and limited time offers.

Franchisees will have the right and the obligation when they see fit, to suggest changes to the standard Market Introduction Program and annual marketing plans. We will review and if appropriate in our sole discretion, approve all changes to the standard plans after discussion and review with each franchisee before its plans is implemented by the franchisee. We intend to control the social media promotion related to the Buff City Soap brand to the greatest extent possible under the law.

We will conduct advertising in regional and national media using the funds available in the Brand Fund described below. We may use print, broadcast and on-line or electronic media, social media, direct mail and other promotional materials as funds permit. We will utilize a combination of in-house and advertising agency resources to produce advertising. The Franchise Agreement does not require us to spend any amount on advertising or other promotions in your Designated Marketing Area ("DMA"). We have no obligation to spend any additional amounts on advertising or promotion. (Franchise Agreement Section 19).

You may use your own advertising and promotional materials if you submit them to us for approval at least 30 days before making any financial commitment to use the materials. You may not use any advertising or promotional materials that we disapprove or have not approved. (Franchise Agreement Section 16).

Advertising Council

We currently have no advertising council composed of franchisees. We have no obligation to create an advertising council. We may develop such in future.

Local Marketing

We do not require you to spend a certain amount on local marketing and promotional expenses of the Franchised Business, but we recommend that you spend two percent (2%) of Gross Sales (in addition to the Brand Fund Contribution if and when activated) on local marketing on a quarterly basis on the annual marketing plan we have approved. We may, but are not obligated to, assist you with the review of local media campaigns. We may, but are not obligated to, provide you with standard print media advertising templates to use locally.

Local Advertising Cooperatives

We may establish one or more advertising cooperatives from time to time and, further, may change, dissolve, or merge any existing advertising cooperative at any time in our sole discretion. A cooperative will be formed for one DMA or multiple DMA's. All participants will contribute at the same rate or under the same formula. If the Franchised Business operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to 2% of the Gross Sales of the Franchised Business during each Reporting Period. All Franchised Business that we or our affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Business in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative. (Franchise Agreement Section 17)

Brand Fund

We have established a Brand Fund (the "Brand Fund"), effective as of the Issuance Date. You will pay a Brand Fund Contribution to us monthly equal to two percent (2.00%) of the Gross Sales of the Franchised Business for the preceding week. We will account for all Brand Fund Contributions we collect in a separate account. All other franchisees and all BCS Shops operated by Parent or another affiliate will contribute at the same rate to the Brand Fund. We also may deposit the marketing, promotional and other payments we receive from suppliers into the Brand Fund.

We will administer the Brand Fund and will disburse the Brand Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and company-owned locations. Those activities may include (without limitation) (a) market research, (b) technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, (h) developing and implement marketing strategies, annual Shop marketing plan templates and supporting the evolution of the Market Introduction Program, and (i) developing and protecting our intellectual property. We also may use the Brand Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Brand Fund. Any moneys in the Brand Fund not spent at the end of each fiscal year will remain in the Brand Fund, provided that amounts contributed to the Brand Fund may be used to pay taxes associated

with unspent amounts on deposit in the Brand Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Brand Fund. The Brand Fund will not be separately audited, and we have no obligation to make its financial statements available to franchisees. You acknowledge that we have no obligation to expend Brand Fund amounts for your benefit equivalent or proportionate to your Brand Fund Contributions, and we do not warrant or guaranty that you will receive or derive any benefit from Brand Fund activities. We will make all studies and reports produced by the Brand Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Brand Fund for franchisee use available to you at your expense. We may suspend, terminate and reinstate the Brand Fund at any time. The Brand Fund will not terminate, however, until we have spent all moneys in the Brand Fund for the purposes set forth above. (Franchise Agreement Section 19). Upon your written request, we will provide you a copy of our annual report of expenditures of the Brand Fund during the most recently ended fiscal year on a confidential basis.

We may initiate and administer, or outsource the administration of, a loyalty program that provides benefits to frequent customers. The funding of the loyalty program may be provided through the Brand Fund Contribution or separately. Loyalty program fees are usually charged on a per transaction or per dollar of Gross Sales basis for program members. Redemptions of program value usually take the form of certificates for free or reduced price products or Collateral Logo Merchandise. We may reimburse for redemptions at standard rates or count redemption values toward program contributions, Brand Fund Contributions or other funding requirements. We may modify, end, suspend, restart and set rules and regulations for a loyalty program at our discretion.

The Brand Fund has had no contributions as of the Issuance Date. We will not use the Brand Fund to solicit new franchise sales. Consumer advertising copy for which the Brand Fund pays may include solicitations of interest for prospective franchisees.

Computer Systems

You must purchase and install before opening your Franchised Business the hardware and software to run a computer-based point-of-sale ("POS") system and BCS Shop management system, including the appropriate recipe system equipment and/or printers. We will advise and work with you to select these systems from our approved solutions. We estimate the cost to purchase the required point-of-sale and BCS Shop management systems, including file server, touch-screen display, customer display, thermal printer, software and all related peripherals, from an approved vendor is $2,500 to $5,000.

At our request, you shall participate in any intranet or extranet system developed for use as part of the System. Such intranet or extranet system may be combined with that of our affiliates. You shall also sign such terms of use agreements concerning the use of such intranet or extranet system as we may prescribe, which agreements may contain, among other things: (a) confidentiality requirements for materials available and transmitted on such system; (b) password protocols and other security precautions; (c) grounds and procedures for our suspension or revocation of access to the system by you and others; and (d) a privacy policy governing the parties' access to and use of electronic communications posted on electronic bulletin boards or transmitted via the system. You shall pay any fee imposed from time to time by us, or a third party service provider in connection with hosting such system. (Franchise Agreement Section 9(e))

We may mandate that you offer free wireless internet access or other accepted means of communication for customers in your BCS Shop. Your point-of-sale system will store and allow you and us to access data on each transaction entered, including time of day, products purchased, method of payment, and other information that may useful in managing the BCS Shop and Buff City Soap brand. We may modify System Standards to require new technology at all Franchised Businesses, which may

require you to upgrade and update the systems you use in the BCS Shop and for customer engagement. There is no contractual limitation on our right to mandate upgrades and updates. The approved vendor of the hardware systems may charge you a fee for maintenance, repairs, updates and upgrades to hardware. The annual cost of such maintenance, repairs, updates or upgrades will depend upon your agreement with the relevant hardware vendor. We estimate the total annual cost to you of optional or required maintenance, updating or upgrading hardware is $500 annually for hardware and $1,000 every other year for software.

You will maintain your point-of-sale and management systems on-line so that we may independently access them remotely at our discretion, copy your POS and management data, update software, and view all records, files and reports available on or from those systems. You will not purge data unless so permitted under the Operations Manual. There are no contractual limitations on our right to access this information. (Franchise Agreement Section 9(b))

You should expect to update your BCS Shop customer service and entertainment systems, computer, product manufacture, business management, training, and communications technology periodically during the term of your Franchise Agreement to keep pace with the evolution of such technology and its applications in retailers. We may designate ourselves or an affiliate as the sole source of technology you are required to obtain, operate and maintain for the BCS Shop.

All personally identifiable information (names, addresses, email addresses, telephone numbers, corporate information, transaction data, demographic data, behavioral data, customer service data, correspondence, and other documents and information) obtained from consumers, suppliers or others in connection with any Buff City Soap product or service is considered Consumer Data. Subject to applicable law, we are the sole owner of all Consumer Data obtained by the Shops in the franchise system. You will only have transactional use of the Consumer Data during the term of your franchise and solely for the purpose of managing your location. You disclaim any ownership interest in Consumer Data in the Franchise Agreement.

You will not transfer any of the Consumer Data to any third-party other than to us, our affiliates or third-party agents that are providing operational or marketing services to you. Third parties cannot gain any ownership rights or interest in the Consumer Data; may have access to the Consumer Data only for the purpose of providing services to you; are prohibited from copying or distributing the Consumer Data; and, must return any Consumer Data to you after it has provided its services. You will not use any Consumer Data for activities not related to the Franchise location without our prior written approval.

You will transfer all Consumer Data, not automatically collected by our required software on at least a monthly basis to us and no longer than twenty days following the end of each month. You will make a final transfer of Consumer Data to us at the termination or expiration of the Franchise Agreement and is prohibited from retaining any of our Consumer Data after termination or expiration. The costs associated with such transfers will be paid by you.

You are required to meet all federal, state and local laws concerning the handling, distribution and use of Consumer Data. We may establish data security procedures and privacy policies for Consumer Data to which you must adhere and comply.

Operations Manual

The Table of Contents for the Operations Manual, showing the topics and number of pages dedicated to those topics, appears as Exhibit I to this Disclosure Document. The Operations Manual has a total of approximately 248 pages. We implement and enforce the Operations Manual and System

Standards to promote our brand, enhance consistency among our Shops, and protect the goodwill of the Marks. Any aspect of the Operations Manual that relates to any aspect of the terms and conditions of employment for your employees is not mandatory and is merely suggestive, or provides only recommendations.

Training

TRAINING PROGRAM

Subject	Pre-Training Hours	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Pre-Opening Marketing	4			Conference Call Meeting
Products, "Recipes" and Ingredients Review	2			Webinar
Concept Introduction		1		Corporate Office
Position Training, Customer Service and Quality Control		6	50	Corporate Office and Store Location
POS Training		2	5	Corporate Office and Store Location
Administration		4		Corporate Office
Personnel Management		3		Corporate Office
Marketing, Advertising and Promotion		4		Corporate Office
Financial Management		3		Corporate Office
Total Hours	4	23	55	

Training Program

We will provide an initial training program for you and/or your operating principal, one general manager, and a trainer. Your operating principal and manager (if different individuals) may also be the trainer. Where space is available in a regularly scheduled initial training program, you may bring additional personnel to training at no additional cost other than their personnel's travel and staff costs incurred. The Buff City Soap training program will be up to three weeks (15 days) in duration and will be held in the Bartlett area and/or another location selected by us as well as in your location.

While it is recognized that training and certification is a critical element to maintaining brand standards, we strive to equip you with the ability to conduct training and certification of its own staff in order to avoid joint-employment, vicarious liability and other concerns including brand standards, control and cost. Following the training and certification of completion by you, we, during periodic field visits, will evaluate the ability of your staff to perform their individual jobs to brand standards and will consult with you about retraining their staff if any deficiencies are noted. Management and staff training will be the responsibility of you and will be conducted by you and your management.

Buff City Soap's initial training program may include on-line training, classroom sessions, actual work experience and a train-the-trainer program. In addition, Buff City Soap may develop pre-training materials (print and electronic) that you and other attendees will be required to complete prior to attending initial training. You may be required to show competency in the pre-training material prior to attending training. Failure to show competency in the pre-training material may result in you not being able to attend initial training and may result in an additional training fee of $5,000.00.

There is no tuition or materials charge for initial or pre-training, but you will be responsible for all travel and living expenses for themselves, their staff, etc. Subject to the limitation of space being available, you may bring to initial training additional personnel, at no additional fee. You should consult with us in advance of training to determine if additional space is available.

You may also, during the term, send members of their management and staff to any regularly scheduled initial training program provided by Franchisor, without fee, subject to space availability. We reserve the right to establish additional training fees, other than those specified, during the term of the Franchise. Certain course material may not be available to all of your staff, and we reserve the right to determine which of your staff may attend certain modules of training.

Once the BCS Shop has been approved for opening by us, we will provide up to five (5) days of additional training and opening support locally including product production and on-site sales support. Such additional training will be provided only for your first and second BCS Shops developed under a Multi-Unit Operator Agreement. There is no additional fee paid to us for this initial on-site support and training. Additional opening support after the second location developed by you will be charged at the then existing fee charged by us. You will also receive periodic field support and consultation in person, electronically, etc. during the term without any additional fee (discussed further below).

We proctor the intensive, initial training program at the designated location for a period of three weeks. We will schedule your training program to occur after a Franchise Agreement has been signed and based on an established opening date. After operating principal, manager and trainer have been successfully completed initial training and are operating a BCS Shop, we offer additional training programs on an "as needed" basis. Training is coordinated by this team:

Trainer	Years of Experience in Retailing	Years of Experience with Us
Brad Kellum	6	6
Mark Vines	.5	.5
Jen Ziemianin	6	6
Nick Kunkle	12	2.5
Hannah Cranford	15	2.5
Padden Higgason	3	2
Anne Marie Giangrosso Margavio	5	3

The initial training program is mandatory for your operating principal, general manager and trainer and is to be completed at a minimum of sixty (60) days prior to the BCS Shop opening date. Upon the final week of the training program, we will conduct a thorough evaluation outlined in the training manual. The Operating Principal and general manager must score 90% or better on the evaluation to be certified to operate the Franchised Business. We may modify an opening date you propose based upon the projected date of successful completion of the training program by the Operating Principal and/or general manager. We require that you must always have a certified manager in the BCS Shop and/or be in the process of having a manager trained and certified.

The resources used during and after the completion of the required training are "Buff City Soap Training Manual." We currently do not charge for training material, but we may do so in the future.

There is a no tuition charge for the initial training program for a new BCS Shop. You are responsible to pay all compensation, benefits, travel expenses, living expenses, and any other personal expenses for your nominees enrolled in the training and support training programs. If a trained manager leaves your employment for any reason, you must hire a replacement manager within 30 days who must attend the next training program class slot we make available at a tuition charge of up to $2,500.

We may conduct training at an annual convention or regional meeting. We may require that your Operating Principal, general manager, assistant manager and shift leaders attend this training. We may include the training tuition in a convention or meeting fee, or may charge separately for training tuition.

ITEM 12

TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate a single Franchised Business at the Franchised Location. You must operate the Franchised Business only at the Franchised Location and you may not relocate the Franchised Location without first obtaining our written consent. You may not

establish or operate another Franchised Business unless you enter into a separate Franchise Agreement for that Franchised Business.

When you sign the Franchise Agreement, unless you have selected and we have accepted the precise location of the Franchised Business, we will designate an area defined by zip codes, a map, shopping areas, or other means (the "Target Area"). You must find a location acceptable to us within the Target Area during the 60 day period after you sign the Franchise Agreement. During this period, we will not grant a BCS Shop franchise to any other party and our Affiliates will not open or develop another BCS Shop within the Target Area. When we accept the location within the Target Area you propose, we will fix the boundaries of a "Protected Area" for the Franchised Business. Your Protected Area will be limited to the shopping center or retail center of the Franchised Location as identified on your Shop lease. During the term of the Franchise Agreement, the Protected Area will be your non-exclusive protected territory in which neither we nor our affiliates will operate, franchise or license any other person or entity to operate a BCS Shop. The Protected Area will be determined by us and stated in an amendment to Attachment A of the Franchise Agreement that we send you.

The continuation of territorial protection under the Franchise Agreement does not depend on the achievement of any specific sales volume, market penetration or other contingency. We retain no rights to modify your Protected Area. We generally will consider the relocation of a Franchised Business under the same criteria as we would consider for an application to approve any new location, such demographics, traffic patterns, physical site profiles, access, parking, competition in the market area, and other factors.

We retain the right to operate and license or franchise other persons to operate a BCS Shop at any location outside of your Protected Area. We retain the right to market and sell in your Protected Area under the Marks without compensation to you the same services and products as those offered as part of the Franchised Business System under the Marks through other channels of distribution, including, without limitation, the internet sales, mass gathering locations, and resorts other than Franchised Business. You are not entitled to any compensation for any sales that result from such efforts. We retain the right to market and sell within or outside the Protected Area without compensation to you at any location under trademarks, service marks, and commercial symbols different from the Marks. You do not have the right to establish any additional or alternative channels of distribution without the express written permission of us that may be withheld at our sole discretion.

There are no restrictions on your soliciting or accepting customers from any area. There are no restrictions on your soliciting or accepting custom orders and scheduling on-site parties and classes from customers located outside your Protected Area. You may use any channels of distribution to make sales outside your Protected Area, provided that all such activity is conducted from your Franchised Location.

Buff City Soap is a new brand and has limited experience with determining how many independently owned Shops can operate within a DMA. Although not a contractual obligation, we intend to use good faith good business judgment to avoid placing a new Shop location near another Shop if we reasonably believe that the second Franchised Location will result in sales of the existing Shop being significantly adversely affected.

We and our affiliates may conduct marketing, without limitation, anywhere. We may elect to establish minimum and maximum pricing and pricing guidelines for all Franchisee locations. We and our affiliates may develop alternative distribution channels for our proprietary products and those alternative distribution channels may compete with you. We provide no assurances that those alternative distribution channels will be offered as franchises or, if offered as franchises, that they will be offered to BCS Shop franchisees in those market areas.

We and our Affiliates retain all rights that are not expressly granted to franchisee to establish and operate a franchised or company-owned Buff City Soap business. While it is not our intent, at this time, to distribute the Buff City Soap products other than through company and franchisee owned locations, Buff City Soap reserves the right to distribute the Buff City Soap products to retail stores and other locations. We and our Affiliates also reserve the right to merge with, acquire or become associated with any business or stores of any kind under other system and/or other marks, which businesses may convert to or operate under the Buff City Soap Marks and offer or sell products and services that are the same as, similar to, or different than the products and services offered at or from a franchisee's location.

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.

We and our affiliates operate, license and may in the future franchise personal care product retailers under a different trademark (an "Affiliate Concept") that sells or will sell goods or services similar to those a System franchisee will offer, or goods and services that are not similar to those a System franchisee will offer. Such a business could be located or have an outlet in the Protected Area. Affiliate Concept outlets may compete with your BCS Shop. Such Affiliate Concept outlets could be located or have an outlet in or near the Protected Area. The Franchise Agreement and Multi-Unit Operator agreements we sign do not restrict or limit the ability of us or our affiliates to create, open, operate and franchise Affiliate Concepts within or outside the Protected Area. You have no right or option to participate in any franchise or license program, or to own an Affiliate Concept outlet, or to be paid any compensation relating to an Affiliate Concept outlet. We may join with our affiliates to leverage the buying power of all Affiliate Concept outlets and the System to obtain better quality service, pricing and availability from common approved suppliers, purveyors, and vendors of goods and services used by the BCS Shop chains.

Multi-Unit Operator Agreement

The Multi-Unit Operator Agreement identifies the Development Territory within which you must develop multiple Franchised Locations under the Performance Schedule. The Development Territory will be a geographic area described in Attachment A of the Multi-Unit Operator Agreement and chosen by a method of delineation that we determine is appropriate under the circumstances. During the term of the Multi-Unit Operator Agreement, neither we nor our affiliates will operate or license any other person or entity to operate a Franchised Business within your Development Territory, and we will not enter into another Multi-Unit Operator Agreement that overlaps its Development Territory with yours. We will determine the Development Territory and the Performance Schedule before you sign the Multi-Unit Operator Agreement, based on various market and economic factors such as an evaluation of the market demographics, the market penetration of the System and similar businesses, the availability of appropriate sites and the growth trends in the market. The continuation of your Multi-Unit Operator Agreement depends on your compliance with its Performance Schedule.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate a Franchised Business under the Marks. Parent has registered with the United States Patent & Trademark Office ("USPTO") on the Principal Register the following Marks identified in the "Registration No." column. Parent has applied for registration with the United States Patent & Trademark Office ("USPTO") on the Principal Register the following Marks identified in the "Application No." column.

Mark	Issuance Date/Filing Date	Registration No.	Application No.	Goods and Services
BUFF CITY SOAP	February 13, 2018	5399187	87/259,981	IC 003; IC 021
BUFF CITY SOAP (STYLIZED)	May 10, 2018		87/915,792	IC 003
SOAP MAKERY	May 10, 2018		87/915,782	IC 035
GOOD MORNING SUNSHINE	May 10, 2018		87/915,750	IC 003
FEROCIOUS BEAST	May 10, 2018		87/915,817	IC 003
WASH THAT ASH	May 10, 2018		87/915,691	IC 003
NARCISSIST	May 10, 2018		87/915,812	IC 003
GET FRESH WITH YOUR SOAP	May 10, 2018		87/915,779	IC 035
FROM FARM TO TUB	May 10, 2018		87/915,775	IC 035
BCS (Stylized)	May 10, 2018		87/915,485	IC 035

All required affidavits have been filed. No renewals have yet been required.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings affecting the Marks. There is no pending material federal or state court

litigation involving the use or ownership rights in a Mark. We know of no superior rights or infringing uses that could materially affect your use of our Marks.

Effective May 29, 2018, Parent licensed the Marks and the System to us under a trademark license agreement. We are granted a worldwide license of the Marks and System with the exclusive right to franchise the Marks and the System for 50 years. We are obligated to assure that all sublicensees comply with quality standards set by BCSH. The trademark license agreement can be terminated by BCSH only if we breach the agreement and fail to cure the breach within 30 days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws, and such involuntary case continues for more than ninety (90) days after its initial filing without dismissal. At termination of the trademark license agreement, we are obligated to assign to BCSH all license, franchise and sublicensing agreements which we have entered into for the use of the Marks and the System, which shall continue in full force and effect until the expiration of the terms then in effect. If such an assignment occurs, BCSH will not assume any liabilities that pre-date the assignment, for which we will remain liable.

We have no affirmative duty to protect your right to use the Marks but intend to take appropriate actions if the need arises. We have the right to control any administrative proceedings or litigation involving a Mark we license to you. If anyone institutes or threatens litigation involving any component of the System, including the Marks, against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We will have control over the defense and settlement of any administrative proceeding or litigation regarding the System. You also should notify us immediately when you learn about any infringing use of the Marks, any challenge to your use of the Marks, and any use or claim of the right to use any trademark or service mark confusingly similar to the Marks, by any third party.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving a Mark we license to you or if the proceeding is resolved unfavorably to you. If we must, or we decide to, change the System and discontinue the use of any of the Marks, we reserve the right to substitute different proprietary marks for use in your identifying the Franchised Business. We have no obligation to compensate you for the discontinuance or modification of any Mark, or the cost of changing "Buff City Soap" as the primary mark of the System.

You may not use the Marks to offer or sell any services or products not a part of the System that we do not first otherwise approve. You must comply with the rules and guidelines we issue for using the Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols, except for those which we license to you. You also cannot display or erect any other mark on your office, stationery, advertising, sales/promotional materials or other objects, except for those Marks licensed to you. You may not use any Mark to promote or identify the sale of an unauthorized product or service, or in a manner we do not authorize in writing.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Other than our copyright in our Operations Manual and the copyrights listed below, we do not own any patents or copyrights and have no pending patent applications material to the Franchised Business.

Copyright	Duration	Case Number	Registration Number and Date of Registration	Whether Franchisor can and intends to renew the copyright registration

We own certain proprietary information that constitutes trade secrets that you may use in the operation of a Franchised Business. You will have the right to use the proprietary information contained in the Operations Manual. Although we have not (yet) registered our copyright in the Operations Manual, we do claim a copyright in it and the information contained in it does constitute proprietary information. The Franchise Agreement will obligate you to protect our proprietary information from unauthorized use and disclosure, and to have your equity owners, managers, employees we designate in the Operations Manual sign a confidentiality agreement in the form we prescribe (Franchise Agreement, Attachment D). You must tell us promptly when you learn about any unauthorized use of the Operations Manual or the information contained in it. We have no obligation to take any action in that event; however, we will respond as we deem appropriate.

There are no currently effective material determinations of the United States Copyright Office or any court, or any pending material proceeding that would affect our copyrights. We have no agreements which would limit our right to license the use of any existing or future patents, copyrights or proprietary information. Although not obligated under any express provision of the Franchise Agreement, we intend to protect our rights in our existing and future patents, copyrights and proprietary information.

If anyone institutes or threatens litigation involving any of our patents, copyrights or proprietary information against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation.

We will have control over the defense and settlement of any administrative proceeding or litigation regarding any patents, copyrights or proprietary information relating to the Franchised Business System. You also should notify us immediately when you learn about any infringing use of our patents, copyrights or proprietary information or any challenge to your use of our patents, copyrights or proprietary information.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving any patents, copyrighted material, or proprietary information licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our patents, copyrighted materials, or proprietary information relating to the System, we reserve the right to substitute different materials and/or information for use in your Franchised Business, but we have no obligation to compensate you for the discontinuance or modification of any patents, copyrighted material, or proprietary information. We know of no infringing rights that could materially affect you.

We intend to renew any future registered copyrights when the registration expires.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A franchisee has responsibility for the operation of its Franchised Business. At least one person who has a significant equity ownership position in the franchisee (at least 5%) must be designated the "Owner-Operator" or "Operating Principal" of the franchisee and attend the training program. You may hire an "on-premises" manager (or general manager) to handle the day-to-day operations of your Franchised Business, but any such manager must have completed our training program. Your on-premises manager must sign a written agreement at the time of employment to maintain the confidentiality of the trade secrets and other proprietary information contained in Item 14 and to comply with the covenants not to compete described in Item 17. The form is included in the Franchise Agreement as Attachment D and a copy of the fully executed agreement must be sent to us promptly after signing, and before we begin training for the manager.

If you operate as a corporation, partnership, limited liability company or other form of business entity, each of your owners must guarantee your obligations and agree to a restriction on the transfer of their equity ownership interests under the Guaranty and Restriction Agreement attached as Attachment C to the Franchise Agreement. In community property states (Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.), we may ask a spouse to sign the guaranty if the source of funds for the franchise is community property.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Franchised Business under the System as specified in the Franchise Agreement, the Operations Manual, and in our standards and policies. You may not engage in any business or offer any other services or products at your Franchised Location that is or are not a part of the System or without our express authorization in advance. You must offer for sale all of our products and services except those items we designate as optional. You may not offer additional products or services without our prior written consent. We retain the right to modify the Operations Manual to modify, discontinue or add to the goods and services that you must sell in your Franchised Business, which may include new or modified products and recipes, methods of product preparation, and the installation and use of new or modified manufacturing equipment. There are no limits on our right to make these changes.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationary used in the Franchised Business) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium, (including websites, Internet postings or markings) must be conducted in a dignified manner and must conform to the standards and requirements in the Operations Manual, the Franchise Agreement or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans. You must obtain our written approval of the content and design of your website or Internet posting or marketing in advance of such use and such use must be in compliance with our policies including the use and presentation of the Marks. We may furnish or sell to you apparel and other promotional items to use or resell at the Franchised Business.

We have the right to establish a customer survey feedback program, and any similar programs that we elect, in our sole discretion, to implement. We may use the scores and comments from such

program to evaluate whether or not you meet System Standards, are eligible for additional franchises or Multi-Unit Operator agreements, or comply with your Franchise Agreement. As of the Issuance Date, we have not established a guest survey feedback program.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

Franchise Agreement

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in that agreement attached as Exhibit A to this Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	4	The Franchise Agreement runs for a term of 15 years unless terminated earlier under the Franchise Agreement.
b.	Renewal or extension of the term	4	You may renew the franchise for a five-year renewal term two times. You may not renew if (i) you or any of your Affiliates are in default under any Franchise Agreement with us, (ii) any monetary obligations to us or our Affiliates are unsatisfied, or (iii) if your BCS Shop performs in the bottom quartile of Gross Sales for all Franchised Business. We will notify you if you choose to renew and you do not meet these conditions.
c.	Requirements for you to renew or extend	4	You must give us 30 months advance notice of renewal, sign our then current form of the Franchise Agreement, execute a general release of claims, complete any retraining program we may require, and pay a renewal fee of 25% of our then current initial franchise fee. At the end of the initial term and the first renewal term, you must also upgrade your BCS Shop to our current entry standards and design elements, complete any retraining we require, upgrade to our current kitchen equipment package and install our current point-of-sale system and other equipment. At the end of the fifth or tenth year of the initial term, we may, at our option, require that you make any changes that are necessary to meet our then current standards for new Shops.
d.	Termination by you	28	You may terminate the Franchise Agreement only if we substantially fail to perform any of our material obligations to you under the Franchise Agreement. You must give us written notice of and 60 days to cure the failure. If the failure is not cured within 60 days you may terminate the Franchise Agreement upon written notice.

	Provision	Section in Franchise Agreement	Summary
e.	Termination by us Without cause	None	We may not terminate your Franchise Agreement without cause.
f.	Termination by us with cause	29 and 30	We may terminate your Franchise Agreement after written notice of a curable default if you fail to cure within the time permitted or such longer period as required by law, or immediately upon written notice of an incurable default unless a longer notice period is required by law.
g.	"Cause" defined - curable defaults	30	A curable default consists of (1) the breach of any of your obligations under any agreement with us or our affiliates, other than an incurable default listed below, or (2) any condition which makes the continued operation of your Franchised Business a danger to public health or safety. If you do not remedy a curable default within 30 days after notice of a non-monetary default or within five days after notice of a monetary default, we may terminate your Franchise Agreement. These cure or notice periods may be extended by applicable law in your state.
h.	"Cause" defined - non-curable defaults	29	A non-curable default occurs if (1) You close or abandon the Shop for a period of (i) three consecutive business days, (ii) five days in any 12 month period, (iii) during the hours and days of required Shop operation under the Operations Manual, except for any closure, remodeling or vacation we approve in advance, and except during the pendency of any force majeure event beyond your control; (2) You or any of your Owners who is a Guarantor request the appointment of a receiver or have a receiver appointed for the Shop, you or any of your or their assets; (3) You or any of your Owners who is a Guarantor become insolvent or make a general assignment for the benefit of your or their creditors; (4) You or any of your Owners who is a Guarantor commence a case for relief or have an order for relief entered for you or them under the United States Bankruptcy Code or any foreign equivalent, or file or have filed against you a case for reorganization that is not dismissed within 60 days after filing; (5) You or any of your Owners suffer a conviction for, or plead guilty or *nolo contendere* to a crime involving moral turpitude or any other offense, or an incident occurs at or involving the Shop or an off-premises service provided by the Shop, reasonably likely, in our opinion, to have an adverse effect on the goodwill of the Proprietary Marks or name and reputation with the consuming public of Buff City Soap Shops; (6) We discover a material

	Provision	Section in Franchise Agreement	Summary
			inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee, or make materially false statements to us or any of our Affiliates; (7) You underreport Gross Sales for any calendar quarter or calendar year (i) by two percent or more at least three times in any 36 month period, or (ii) by at least five percent for any Reporting Period or calendar year; (8) You maintain false books or records or submit materially false reports to us or any of our Affiliates, including submission of false tax returns and forms or you have collected from customers for taxes and fail to turn over such amounts, unless you are properly contesting your obligation to pay or the amount of taxes due; (9) You fail to obtain our advance written permission when required under this Agreement; (10) You breach the same provision of this Agreement on three occasions within any 12-month period, with our having given you the required notice of the first two breaches (whether or not timely cured by you); (11) You violate any of Sections 8(b)(7) (compliance with laws), 9(i) (prohibited mark usage or transactions), 11 (competition covenants), 12 (confidential information), 22 (transfers), 23 (rights of first refusal), 25 (transfer on death or disability), 26 (temporary disability), or 27 (securities offerings), or commit a breach which, by its nature, you cannot cure or with regard to which you notify us that you do not intend to cure; (12) A court, administrative tribunal, health department having jurisdiction over the Shop or an independent laboratory determines that a preventable incident of illness is attributable to the Shop, and we determine in good faith that such incident resulted from your breach of System Standards or this Agreement; (13) You operate the Shop, or allow the Shop to be used, in a manner that, in our sole discretion, in any way jeopardizes the safety or welfare of customers, the public or the Shop staff, violates applicable law, or is damaging or potentially damaging to the goodwill, reputation and good name of the Proprietary Marks and the Brand; (14) You default under any indebtedness with an outstanding principal amount of at least $100,000, such indebtedness is accelerated and you do not repay, refinance or cause the reversal of the acceleration of the indebtedness to restore its original payment terms within 30 days; or (15) You fail to either (1) (i) gain our acceptance of your proposed Location, and (ii)

	Provision	Section in Franchise Agreement	Summary
			sign a lease we approve as to form, or a purchase agreement for the accepted Location within 60 days (or 90 days if you exercise your extension option) after the Effective Date, or (2) open your completed Shop with our authorization under Section 6(h) within 180 days after the Commitment Date.
i.	Your obligations on termination/non-renewal	32	You must (1) abide by the non-competition provisions of the Franchise Agreement; (2) promptly pay us and our affiliates all amounts owed; (3) not use or adopt the System or any of our Marks or intellectual property; (4) remove from the BCS Shop all signs, emblems and displays identifying it as associated with the System; (5) cease to use and return to us the Operations Manual and other confidential materials delivered to you; (6) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us; (7) change the exterior and interior design and décor of the BCS Shop and make all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Franchised Business; and (8) transfer to us all telephone listings, domain names, and web pages for your Franchised Business or which contain, use or display any of our Marks or intellectual property.
j.	Assignment of contract by us	22(a)	We may transfer, assign or pledge our interest in the Franchise Agreement, in whole or in part, to any person.
k.	"Transfer" by you-defined	22(b)	Any transfer of any interest in your Franchise Agreement or in you, either directly or indirectly, will constitute a "transfer" of your Franchise Agreement or you.
l.	Our approval of transfer by you	22(b)	You generally may not transfer any interest in your Franchise Agreement or an equity interest in the franchisee entity without our consent.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for our approval of transfer	22(b)	We may impose any condition for our approval, including (1) the proposed transferee must satisfy all of the requirements and conditions then being used to qualify a person as a new franchisee; (2) the proposed transferee must comply with Section 24 of the Franchise Agreement relating to business entities; (3) you must satisfy all of your accrued monetary obligations to us and our affiliates; (4) you must cure all existing defaults under the Franchise Agreement; (5) you must execute and deliver a general release of all claims against us and our affiliates; (6) the transferee must execute and deliver our then current form of franchise agreement; and (7) you must pay us a transfer fee (See Item 6) unless the transfer is an initial transfer from an individual to an entity or to any of your existing owners or any member of your immediate family.
n.	Our right of first refusal to acquire your business	23(a)	We have a right of first refusal to purchase your Franchised Business or any controlling interest in you that you propose to sell on the same terms and conditions offered to you by a third party.
o.	Our option to purchase your business	23(b)	We have an option to purchase your Franchised Business for its fair market value upon the termination or expiration of the Franchise Agreement. If you and we cannot agree on fair market value, then the purchase price will be the book value of the assets as shown on your balance sheet dated within 30 days before termination or expiration, or three times your EBITDA for the preceding 12 months, whichever is greater.
p.	Death or disability of you	22(b)	In the event of your death or permanent disability, the Franchise Agreement will terminate within 90 days unless we give our written consent to the assignment of the Franchise Agreement to your lawful successor under the other provisions of Section 22(b) of the Franchise Agreement.
q.	Non-competition covenants during the term of the franchise	11	You may not engage, either directly or indirectly through any financial or beneficial interest in any other person, in any "competing business," other than a Franchised Business. A "competing business" means any retailer selling personal care products to consumers or any wholesaler selling personal care products to retailers.

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	11	For a period of two years after the termination or expiration of the Franchise Agreement, you may not engage in any competing business other than a Franchised Business, within your Protected Area and within 10 miles from from any BCS Shop listed on our web site, or any directory we provide to you, at the time of termination, either directly or indirectly through any financial or beneficial interest in any other person.
s.	Modification of the agreement	51	We may alter the System or Operations Manual as we deem necessary. We and you must agree in writing to any modifications to your Franchise Agreement.
t.	Integration/merger clause	39	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	46	Not applicable
v.	Choice of forum	46	Any legal action must be brought in the judicial district where our headquarters is located, which is currently, Bartlett, TN. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at Exhibit C.
w.	Choice of law	45	Tennessee and applicable federal law will apply to your Franchise Agreement and all rights and duties under the Franchise Agreement. See the Disclosure Document Addenda for Certain States at Exhibit C.

Multi-Unit Operator Agreement

The following table lists certain important provisions of the Multi-Unit Operator Agreement. You should read these provisions in that agreement attached as Exhibit B to this Disclosure Document.

	Provision	Section in Multi-Unit Operator Agreement	Summary
a.	Length of the franchise term	4	The Multi-Unit Operator Agreement has a Development Term during which you must complete the performance schedule, which is usually 2 years from its effective date. The term expires when your Shop Franchise Agreements expire, or earlier if you no longer meet the conditions for the Royalty Credit.

	Provision	Section in Multi-Unit Operator Agreement	Summary
b.	Renewal or extension of the term	None	You may not renew the Multi-Unit Operator Agreement.
c.	Requirements for you to renew or extend	None	You may not renew the Multi-Unit Operator Agreement.
d.	Termination by you	None	You may not terminate the Multi-Unit Operator Agreement.
e.	Termination by us Without cause	None	We may not terminate the Multi-Unit Operator Agreement without cause.
f.	Termination by us with cause	13 and 14	We may terminate your Multi-Unit Operator Agreement 30 days after we give you written notice of a curable default that you fail to cure or immediately upon written notice of an incurable default.
g.	"Cause" defined - curable defaults	13	A curable default consists of the breach of any of your obligations under any agreement with us or our affiliates, other than an incurable default listed below. Requesting the appointment of a receiver or assigning your interest may also constitute a curable default. If you do not remedy a curable default within 30 days after notice, we may terminate your Multi-Unit Operator Agreement.
h.	"Cause" defined - non-curable defaults	13	An incurable default will occur if you fail to comply with the performance schedule set forth in the Multi-Unit Operator Agreement or any incurable default occurs under Section 29 of any of your existing Franchise Agreements.
i.	Your obligations on termination/non-renewal	14	You must cease to select or develop any sites for a Franchised Business or hold yourself out as a Franchised Business developer. However, the termination of the Multi-Unit Operator Agreement will not affect your right to open and operate a Franchised Business under any effective Franchise Agreement.
j.	Assignment of contract by us	16(a)	We may transfer, assign or pledge our interest in the Multi-Unit Operator Agreement, in whole or in part, to any person.
k.	"Transfer" by you- defined	16	Any transfer, assignment or pledge of the Multi-Unit Operator Agreement will constitute a "transfer" of the agreement.
l.	Our approval of transfer by you	16(b)	You may not transfer any interest in your Multi-Unit Operator Agreement without our express written consent.
m.	Conditions for our approval of transfer	16(b)	You may not transfer any interest in your Multi-Unit Operator Agreement without our express written consent.
n.	Our right of first refusal to acquire your business	N/A	N/A

	Provision	Section in Multi-Unit Operator Agreement	Summary
o.	Our option to purchase your business	N/A	N/A
p.	Death or disability of you	None	Your death or permanent incapacity, in and of itself, will not affect your Multi-Unit Operator Agreement.
q.	Non-competition covenants during the term of the franchise	None	You may not develop or operate any competing business within the Development Area.
r.	Non-competition covenants after the franchise is terminated or expires	None	If the Multi-Unit Operator Agreement terminates without your completion of the performance schedule, then you may not develop any competing business within the Development Area and within the Protected Area of any BCS Shop during a period of two years after termination of the Multi-Unit Operator Agreement.
s.	Modification of the agreement	28	You and we must agree in writing to any modifications to the Multi-Unit Operator Agreement.
t.	Integration/merger clause	19 and 31	Only the terms of the Multi-Unit Operator Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Multi-Unit Operator Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	15	Not applicable
v.	Choice of forum	23	Any legal action must be brought in the judicial district where our headquarters is located, which is currently Bartlett, TN. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at Exhibit C
w.	Choice of law	22	Tennessee law will apply to the Multi-Unit Operator Agreement and all rights and duties under the Multi-Unit Operator Agreement. See Disclosure Document Addenda for Certain States at Exhibit C.

ITEM 18

PUBLIC FIGURES

There are no public figures involved with us or this 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.

Table 1: Gross Sales & Cost of Goods Sold

Table 1 below presents the following unaudited information concerning each of the two Reporting BCS Shops that were open for the periods of 2016 and 2017: (1) the Gross Sales for the periods 2016 and 2017; (2) the Cost of Goods Sold for the periods 2016 and 2017; (3) the Cost of Goods Sold percentage for the periods 2016 and 2017

Location		2016	2017
Bartlett, TN	Gross Sales	$92,054.74	$578,682.86
	Cost of Goods Sold	$2,877.17	$85,917.18
COGS %		3.13%	14.8%
Olive Branch, MS	Gross Sales	$355,831.74	$465,013.46
	Cost of Goods Sold	$87,917.44	$115,380.68
COGS %		24.7%	24.8%

Notes to Table 1

Gross Sales are defined in the same manner as Gross Sales described in Item 6. Cost of Goods Sold includes the costs of ingredients, packaging, and labels but does not include direct labor costs, management, administrative, occupancy, or other operating expenses of the Shops.

Table 2: Monthly Gross Sales for First 6 Months of Shops Open Less Than One Year

Table 2 below presents the unaudited monthly Gross Sales for each of the five Reporting BCS Shops for their first six-month period after opening. Gross Sales is defined in the same manner as described in Item 6.

Location	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Totals
Castle Rock, CO	$12,252.27	$8,332,79	$9,218.86	$10,141.21	$10,794.19	$5,968.89	$48,375.42
Birmingham, AL	$16,747.22	$10,873.45	$12,870.42	$11,868.44	$12,347.57	$$10,659.52	$75,366.62
Downtown Memphis, TN	$17,565.53	$15,379.34	$30,376.64	$11,147.59	$15,641.07	$31,778.91	$121,889.08
Covington, TN	$31,797.92	$19,077.87	$35,466.44	$91,389.77	$18,496.15	$39,277.19	$235,505.34
New Albany, MS	$18,483.88	$48,504.06	$13,908.19	$$20,352.16	$18,023.66	$14,363.91	$113,283.70
Monthly Average	$19,369.36	$23,458.68	$20,368.11	$31,136.75	$15,060.53	$20,409.68	$118,884.03

Median	$17,565.53	$17,228.61	$13,908.19	$11,508.02	$15,641.07	$14,363.91	$113,283.70

Notes to Table 2

These Gross Sales amounts are derived from the point of sale system based on historical performance of these Shops for their first six months of operation. These amounts have not been audited or verified independently. The number of open Shops is shown on Attachment I. None of these Shops has been open for one year.

Buff City Soap Shops may experience higher than normal volumes in the months of December for the holiday season and May for Mother's Day. Covington, Downtown Memphis and New Albany all had December fall within their first six-month period. Birmingham and Colorado Springs had May fall within their first six-month period.

The BCS Shops in Castle Rock, Downtown Memphis, and Covington are operated by Retail Affiliates. The Shops in Birmingham and New Albany are operated by licensees.

BCS Shops are open in suburban locations, except for downtown Memphis, TN. The market where your BCS Shop will be located may not have the same demographics as these suburban markets and these results may not be typical for those in your area. We believe that a BCS Shop should be located in locations serving affluent consumers that attract strong foot traffic with accessible parking, particularly from women shopping for a high quality personal care products. These locations should support a unique children's party experience. We believe that Class A anchored centers, downtown urban centers, and lifestyle retail centers and environments will be suitable, particularly in markets where consumers accept and may prefer handmade, natural, plant-based personal care products and other natural or organic products.

Some Shops have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

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 our management by contacting Brad Kellum, via email at brad@buffcitysoap.com or by phone 662-288-8532, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary for Years 2015-2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchisee	2015	0	0	0
	2016	0	0	0
	2017	0	5	+5
Company-Owned	2015	1	2	+1

	2016	2	2	0
	2017	2	5	+3
Total	2015	1	2	+1
	2016	2	2	0
	2017	2	10	+8

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than The Franchisor)
For Years 2015-2017

Column 1 State	Column 2 Year	Column 3 Number of Transfers
TOTAL	**2015**	**0**
	2016	**0**
	2017	**0**

Table No. 3
Status of Franchise Outlets[1]
For Years 2015-2017

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Mississippi	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	3	0	0	0	0	3
Tennessee	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
TOTAL	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	5	0	0	0	0	5

[1] We are treating the licensed locations as franchises for the purposes of this Item 20.

Table No. 4
Status of Company-Owned Outlets
For Years 2015-2017

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the 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
Colorado	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
Mississippi	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Tennessee	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	2	0	0	0	3
TOTAL	2015	1	0	0	0	0	1
	2016	2	0	0	0	0	2
	2017	2	3	0	0	0	5

Table No. 5
Projected Openings as of Issuance Date

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	1	0
Colorado	0	1	0
Mississippi	0	1	0
New York	0	1	0
Tennessee	0	1	1
Total	0	5	1

During the year preceding the date of this Disclosure Document, no franchise agreements, license agreements or joint venture arrangements were terminated, and we have not yet entered into any franchise agreements. We did not cancel or fail to renew any licensed unit or any unit operated under a joint venture arrangement and no such units ceased to do business voluntarily. No licensee or joint venture investor has failed to communicate with us during the 10 weeks prior to the date of this Disclosure Document.

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

Confidentiality Clauses

As a standard practice, when we enter into settlement agreements with a franchisee or former franchisee, we will require them to agree to maintain as confidential all information that the franchisee or former franchisee has about us. We have not entered into any such agreements in the last three fiscal years. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees, but be aware that not all of these franchisees will be able to communicate with you.

Franchisor Sponsored and Independent Trademark Specific Franchisee Organizations

We have not created, sponsored or endorsed any trademark-specific franchisee organization, and no independent franchisee organization is incorporated or otherwise organized under state law and asks us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

We have included our opening day audited balance sheet dated May 17, 2018 as Exhibit G to this Disclosure Document. Our fiscal year end is December 31. We have not been in business for three years or more and cannot include all financial statements required by the FTC Franchise Rule.

ITEM 22

CONTRACTS

We have included copies of our Franchise Agreement, Termination and Release Agreement, Authorization Agreement for Pre-Authorized Payments, Guaranty and Restriction Agreement, Management Confidentiality and Non-Competition Agreement, Lease Rider, Receipt of Operations Manual and Multi-Unit Operator Agreement to this Disclosure Document. Our forms of Closing Acknowledgment, General Release and Non-Disclosure and Non-Use Agreement are included as Exhibits C, D and E. The Closing Acknowledgment is used for all new franchisees. The General Release is used for all transfer and successor transactions. The Non-Disclosure and Non-Use Agreement is used if you would like to review any of our confidential materials before you sign a Franchise Agreement or Multi-Unit Operator Agreement.

ITEM 23

RECEIPT

Duplicate copies of the receipt appear after the exhibits as the last two pages of this Disclosure Document.

ATTACHMENT I

SHOP LOCATIONS

Affiliate-Owned Shops

Castle Rock, CO
5050 Factory Shops Blvd, Suite 175
Castle Rock, CO 80108
720-508-4923

Olive Branch, MS
5338 Goodman Road
Olive Branch, MS 38654
844-762-7772

Bartlett, TN
6269 East Stage Plaza
Bartlett, TN 38134
844-468-7627

Memphis, TN
101 South Main Street
Memphis, TN 38103
901-570-3941

Covington, TN
102 East Court Square
Covington, TN 38019
901-603-6636

Licensee-Owned Shops

Birmingham, AL
5361 Highway 280, Suite 105
Hoover, AL 35242

New Albany, MS
119 West Bankhead Street
New Albany, MS 38652
662-539-1051

Ocean Springs, MS
1206 Government Street
Ocean Springs, MS 39564
238-334-5969

Tupelo, MS
3194 Tupelo Commons
Tupelo, MS 38804
662-840-2791

Jackson, TN
1319 Union University Drive, Suite E
Jackson, TN 38305
731-513-1523

4843-1678-3203
2943146-000001

Exhibit A

Franchise Agreement

Buff City Soap

FRANCHISE AGREEMENT

between

BUFF CITY SOAP FRANCHISING, LLC

and

_____

Shop Location:

_____

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FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made and entered into as of the Effective Date, by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we," "us" or "our"), as Franchisor, and _____, a _____ ("you" or "your"), as Franchisee. For good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree as follows:

1. Definitions. Words and phrases used in initially-capitalized form in this Agreement have the meanings assigned in Section 53 of this Agreement unless the context indicates otherwise.

2. Grant of Franchise.

(a) Grant. Subject to the terms and conditions in this Agreement, we grant to you the right, license and privilege to operate a Shop, only at the Location, and the right, license and privilege to use and employ the Franchised System, the Proprietary Marks, and the Intellectual Property at that address during the Term.

(b) Reservation of Rights. We and our Affiliates reserve the rights to engage or authorize others to engage in any business activity at any location within or outside the Protected Area under the Proprietary Marks or otherwise except as expressly limited under this Agreement. There are no implied covenants or obligations regarding territorial rights arising from this Agreement or any other agreement or arrangement between us and you. You have no right to participate in or benefit from any such other business activity. In addition, we reserve all rights of ownership, control, modification, revision, updating and termination with regard to the Franchised System. Your only rights with regard to the Franchised System are limited to the license as we expressly grant to you under this Agreement during the Term, and the parties intend that no implied covenants or rights attach or arise under the license you accept in this Agreement.

(c) Designation of Owner-Operator. Unless you operate as a sole proprietorship, you will designate one person from among the list of Owners with at least five percent of your outstanding equity on Exhibit A who will be your "Owner-Operator." In such capacity, the Owner-Operator shall devote his or her full time and attention to the management, supervision and operation of the Franchised Shop. We may rely upon communications and decisions of the Owner-Operator as fully authorized by all necessary corporate action and legally binding on you. You may designate another Owner to serve as Owner-Operator by written notice to us as long as designee owns at least the required percentage of your equity as listed on Exhibit A at the time of designation.

3. Protected Area.

(a) When you sign this Agreement, unless you have selected and we have accepted the precise location of the Franchised Shop, we will designate an area defined by zip codes, a map or other means (the "Target Area") described on Attachment A. You must find a location acceptable to us within the Target Area during the period of 60 days after you sign this Agreement. During this period, we will not grant a Shop franchise to any other party and our Affiliates will not open or develop another Shop within the Target Area. When we accept the location within the Target Area you propose, we will fix the Location and the boundaries of a "Protected Area" for the Franchised Shop by unilaterally completing and sending you the notice appended to Attachment A. Your Protected Area will be limited to retail

shopping center or commercial building in which the Shop is located, or the building in which the Shop is located if it is a standalone location. Your signature is not required for that notice to be effective and binding on you.

(b) We and our Affiliates will not operate a Shop and will not license any other Person to operate a Shop within the Protected Area. You acknowledge and agree that we and our Affiliates will have the right to operate, to franchise and license other Persons to operate a Shop at any location outside of the Protected Area.

(c) We may, at our discretion, by written notice to you restrict your solicitation, acceptance and fulfillment of orders for off-premises private parties or classes to your Protected Area, or to an area that does not encompass the trading area of another Shop.

(d) You also acknowledge and agree that we will have the right (a) to market and sell the same and similar services and products as those offered under the Franchised System under trademarks, service marks, and commercial symbols different from the Proprietary Marks through the same, similar or different distribution channels; (b) to market and sell the same services and products as those offered as part of the Franchised System through alternate distribution channels, including (without limitation) the Internet, mass gatherings, and retail outlets other than Shops; and (c) to advertise, market and sell those services and products on the Internet and otherwise. These rights include the offer and sale of Personal Care Products and related services under the Proprietary Marks in spas, salons, boutiques, supermarkets, discount, warehouse, department and convenience stores, and other retail and wholesale channels, within and outside the Protected Area. We may restrict certain products to these retail channels.

4. Term. The "Term" consists of the Initial Term and the Succession Terms described below.

(a) Initial Term. This Agreement shall be effective as of the Effective Date and shall continue for an "Initial Term" of fifteen (15) years from the Opening Date, unless terminated earlier under this Agreement.

(b) Succession Terms. You may enter into a new Franchise Agreement that will succeed this Agreement to continue the affiliation of your business as a Franchised Shop for two (2) additional "Succession Terms" of five (5) years each, subject to satisfaction of the conditions for succession in this Section. THERE ARE NO OTHER RENEWAL RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

(c) Succession Notice & Eligibility. If you intend to enter into a succession agreement, you must give us written notice of your intent at least 180 days and not more than one year before the end of the Initial Term and the Succession Term, if any. Your "Successor Fee" of 25% of our then current initial franchise fee must accompany the succession notice and is not refundable. You will be eligible to continue affiliation if at the time you must give notice of your intent to continue affiliation and at all times through the end of the Term then ending, (i) you and your Affiliates are not in default under the payment or performance obligations of this Agreement or any other franchise agreement or multi-unit operator agreement with us; (ii) you and your Affiliates have satisfied all monetary obligations then due and owing to us and our Affiliates, to suppliers of Proprietary Products and to the landlord of the Lease; (iii) the Franchised Shop is not in the bottom quartile of franchised Shops for Gross Sales for the preceding fiscal year, (iv) you have not suffered more than one material default under any agreement with us or any Affiliate that occurred during the first year such agreement was in effect, (v) you have not suffered more than one cured or uncured material default under any franchise agreement or multi-unit

operator agreement with us during any 24 month period. We will notify you within 30 days after we receive your succession notice if you are not eligible to continue affiliation. We may waive, in our sole discretion, any disqualifications for any Franchised Shop or franchisee to enter into a succession agreement for its franchise. No such waiver will provide or confer any right or benefit on any Person except the affected franchisee. If you are not eligible for a successor agreement, at your request we will assist you to market and sell the Franchised Shop to a buyer who is eligible to continue the Shop's affiliation with us under a Franchise Agreement that has a full initial term and successor options.

(d) Additional Conditions. Our consent will be further conditioned on maintaining eligibility to renew through the end of each Term, and on your satisfaction of the following conditions: You and your Owners must, at the times we specify, (i) at our request and after any disclosure required by law, execute our then current form of franchise agreement and personal guaranty; (ii) perform the remodeling, repairs and renovations described below that we may require; (iii) complete, at your expense, any retraining program we may require; and (iv) execute a general release of any and all claims you, your Owners and any guarantor may have against us and our Affiliates as of that time, except for such claims as may not be released in advance under applicable law. At the end of the Initial Term and the first Succession Term, you must also upgrade your Franchised Shop to our current entry standards and design elements, upgrade to our current equipment package and install our current point-of-sale system and other equipment. At the end of the fifth and tenth year of the Initial Term, we may, at our option, require that you upgrade your Franchised Shop to our current entry standards and design elements, upgrade to our current equipment package and install our current point-of-sale system and other equipment.

5. Fees & Security Interest.

(a) Initial Franchise Fee. You will pay us a non-refundable franchise fee when you sign this Agreement in the amount specified on Attachment A.

(b) Royalty Fee. You will pay us a "Royalty Fee" equal to 6.00% of the Gross Sales of the Franchised Shop during the preceding week.

(c) Brand Fund Contribution. You will pay us, when you pay your Royalty Fee, a Brand Fund Contribution if, as and when required under this Agreement. You will pay the Brand Fund Contribution to us in addition to the amounts you must spend under Sections 16 and 17 of this Agreement. The rate of the Brand Fund Contribution will be 2.00% of Gross Sales of the Franchised Shop during the preceding week.

(d) Payments. You must pay us Royalty Fees and Brand Fund Contributions weekly based on the Gross Sales of your Franchised Business during the preceding week. You must report weekly Gross Sales to us each Tuesday and make the weekly payments by electronic funds transfer on Wednesday for Gross Sales reported for the previous week, which ends on the close of business Sunday. All other monthly payments are made with the first weekly payment each month based on the Gross Sales reported for the month just ended.

(e) Technology Fee. We reserve the right to charge you a Technology Fee in the future to cover the cost plus overhead if we provide you with access to technology such as a license of software tools, database management, software maintenance and help desk support. We will impose this fee on at least 60 days' prior written notice and may modify, increase, decrease, suspend, reactivate, or terminate the Technology Fee on at least 30 days' prior written notice to you. We may require that you will enter into a separate service or license agreement for these services.

(f) Interest. Any late payments that you make pursuant to this Agreement will bear interest from their due date until paid at a rate equal to the lower of (a) 1.50% per month or (b) the maximum interest rate allowed by applicable law.

(g) Taxes. You will pay us an amount equal to any federal, state, provincial or local sales, gross receipts, use, value added, excise or similar taxes assessed against us on the royalty and Marketing Contributions by the jurisdictions where your Franchised Shop is located, including any income tax, franchise or other tax levied on us for our privilege of doing business in your State. You will pay Taxes to us when due.

(h) EFT Payment. You will pay all amounts due to us after your Franchised Shop opens by electronic means under the Automated Clearing House Payment Authorization attached as Attachment B, or under any substitute form of authorization that we may require during the Term so that your fees will be paid by means of electronic funds transfer without the necessity of your transmitting a paper check to us.

(i) Security Agreement and Interest. As security for the payment of the foregoing amounts and performance of your obligations under this Agreement, you grant to us, our successors and assigns a security interest in this Agreement, all signs, signage, décor items, goods, supplies, equipment, and inventory containing any of the Proprietary Marks located at the Franchised Shop. You grant us the authority and power to file a copy of the signature page of this Agreement as part of any financing statement necessary to perfect and maintain our security interest during the Term, in any and all appropriate offices and public records. We may notify your other creditors and lenders about the security interest and have no obligation to subordinate our interest to that of any other lender or secured creditor.

(j) Public Service Discount on Certain Fees. We have established a program to benefit active duty and retired military and first responders (police, fire, EMS) by granting a ten percent reduction in Initial Franchise Fees, Successor Fees and Transfer Fees. We may modify or discontinue this program at any time. If you qualify, or your transferee qualifies, then we will apply the discount to the calculation of the Initial Franchise Fee, Successor Fee or Transfer Fee payable to us. The program details appear in our Franchise Disclosure Document and Operations Manual.

(k) Relocation Fee. If you apply to relocate the Shop after the Opening Date, then you will pay us a Relocation Fee of $5,000 when you apply to relocate. You will reimburse us for any costs we incur in excess of the Relocation Fee to analyze and support the relocation.

(l) Convention Fee. If we hold a Brand convention, you must pay us when we invoice you for at least one convention registration whether or not you or your representative attends the convention. As of the Effective Date, we expect the convention registration fee to be $700. We may increase the amount that you must pay, as specified in the Operations Manual, to not more than $1500 per attendee. We may charge additional convention registration fees for additional attendees.

(m) Bank Fees. If we are unable to collect your check or electronic funds transfer when due, we will invoice you for the fees and charges we pay our bank plus $25.00. The invoice is due on receipt.

6. Franchised Shop Development.

(a) Development Oversight. Except as specified in this Agreement and the Operations Manual, we are not obligated to provide any assistance in locating a site, negotiating the lease,

conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies.

(b) Location Selection. We will provide you with advice and consultation in the selection of sites for the Location through the use of the forms, criteria and materials that we make available to franchisees. We will review the information you submit for each proposed site for the Location, conduct any investigation of the proposed site if we deem appropriate to evaluate the site, and accept or reject the site within 30 days after your submission of all initial and supplemental information we request regarding a proposed site. If we accept the site, we will give you notice of any remaining conditions to that acceptance. If we reject the site, we will give you the reasons for the rejection. Effective upon our acceptance, you acknowledge that you have selected and we have accepted the Location, and that our acceptance of your selection does not guarantee or warrant that the Location will be successful or that it represents the best site for the Franchised Shop from among those available to you. You acknowledge that we may have provided you with advice and consultation in the selection of sites for your Franchised Shop through the use of the forms, criteria and materials that we make available to franchisees. We may have delivered our written review and evaluation of any proposed sites you propose. You have had the opportunity to obtain independent advice on the site for your Franchised Shop and are not relying on our review and evaluation. We will provide you with one site approval visit. If required by us or requested by you, additional site review visits may be arranged, subject to our availability for a fee of $500 per additional site visit in addition to all expenses associated with each site visit.

(c) Lease/Purchase Agreement. You must own or lease the Location at all times during the Term and provide us with a copy of the fully executed deed or lease of the Location within five (5) days after signing and delivering the same before commencing development of the Franchised Shop. The "Commitment Date" is the date of the fully executed lease or purchase agreement. We must approve the form and content of any Location lease or the purchase agreement and any modifications or amendments thereto before you sign the document. We will review the lease or purchase agreement, and, if applicable, any modifications or amendments to the lease, and accept or reject your lease or purchase agreement for the Location within 30 days after your submission of all initial and supplemental information we request regarding the proposed lease or purchase agreement. You must obtain as part of the lease documentation a signed Lease Rider with the landlord in substantially the form attached as Exhibit E when you provide us with a copy of the signed Location lease (the "Lease"). You must deliver a fully executed Lease or purchase agreement for an approved site within 60 days after the Effective Date. You have the option to secure a single 30 day extension of the 60 day period by written notice to us that you are exercising your extension option. The grant of any further extension of time to complete this phase of pre-opening is at our sole discretion.

(d) Plans. We will provide you with our standard renovation and finish plans, specifications and layouts for the interior build-out, mechanical and electrical systems, equipment, décor and signs for a prototype Shop that we make available to franchisees. We will review your site plan and final plans and specifications for conformity to System Standards. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, contractors or the like. Our review does not cover technical, architectural or engineering factors, or compliance with federal, state or local laws, regulations or code requirements. You are responsible for designing and building the Shop to meet applicable requirements of the Americans with Disabilities Act, state and local government laws, and related regulations governing the service of persons with disabilities in public accommodations. We will not be liable to your lenders, contractors, employees, customers, others or you on account of our review

or approval of your plans, drawings or specifications, or our inspection of the Franchised Shop before, during or after renovation or construction.

(e) Construction of Franchised Shop. You will complete the construction or remodeling of the Franchised Shop within the time specified on Attachment A. You will construct or remodel the Franchised Shop in strict conformity with the site layout, plans and specifications we approve. If we determine (before the Opening Date) that you have not constructed or remodeled the Franchised Shop in strict conformity with the site layout, plans and specifications we approved, we may terminate this Agreement for cause, or obtain an injunction from a court of competent jurisdiction against the opening of the Franchised Shop and to compel you to specifically perform your obligation to construct or remodel the Franchised Shop in strict conformity with the approved site layout, plans and specifications, in addition to any other remedies available to us at law or in equity, without any obligation to furnish any bond or security. You will bear the expense of all engineering and architectural services incurred for your final construction plans and for obtaining approvals by the appropriate governmental authorities required under applicable law to construct, remodel and occupy the Franchised Shop.

(f) Furnishings, Fixtures, Equipment, and Other Personalty. You will install in and about the Franchised Shop equipment, fixtures, furnishings and other personal property that strictly conform to System Standards, and specifications we specify in the Operations Manual or otherwise. You will not display any other sign or advertising at the Franchised Shop without our consent other than as permitted under the Operations Manual.

(g) Technical Services. You may engage any architect, construction manager or contractor to assist you in developing the Franchised Shop as long as the party you engage is duly licensed in the state of the Location. You shall secure for us and our agents the right to inspect the construction site and related materials stored off site at any reasonable time. You shall correct, upon our request and at your expense, any deviation from the approved site plans and specifications. You shall furnish to us a copy of the certificate of occupancy and a certificate from your architect that the Franchised Shop was built in accordance with the approved final plans and specifications, and in compliance with all applicable building codes and in compliance with all applicable local, state and federal laws, ordinances and regulations, including but not limited to the Americans with Disabilities Act and related regulations.

(h) Opening. The Franchised Shop shall be opened to the public at the Location on the Opening Date only after you receive our authorization to do so, which you must request in writing on or after the date you receive the certificate of occupancy and at least 7 days in advance of the desired date for such opening. In addition to and not in lieu of your other advertising obligations, you will conduct local advertising and promotion for the Franchised Shop's grand opening (the "Market Introduction Program") described below. You will not open the Franchised Shop without our prior written authorization. We will have the right to withhold that authorization until (i) you complete (to our satisfaction) the construction or remodeling of the Franchised Shop and furnish copies of all governmental approvals required before opening under applicable law, (ii) you complete preparation of the Franchised Shop for the commencement of operations per the Operations Manual, (iii) your management personnel and store personnel to be employed on the Opening Date complete the initial training program as required in this Agreement, (iv) your furnish copies of permits and licenses for Shop operation; (v) you deliver to us proof of insurance required under this Agreement, (vi) you have paid or reimbursed us for all amounts due for pre-opening expenses, (vii) you have the required inventory, equipment and supplies for the Shop, and (viii) you are not otherwise in default under this Agreement or any other agreement with us. You will notify us when you open for business. We will confirm the Opening Date in writing for the purpose of fixing the expiration date of the Initial Term.

7. Our Obligations. During the Term, we will provide you with the following services:

(a) Training.

1. We will provide you (or if you are an entity, your Owner-Operator) and your General Manager with two weeks of Buff City Soap manager training ("BCST"), covering the Franchised System and methods of operating a Franchised Shop. This training is conducted at our offices in Bartlett, TN or at another location designated by us. Additionally, this training is provided to you and your General Manager after the mandatory completion of pre-training modules as set forth in the BCST manual. This training and information will include a standard chart of accounts for use in the daily and periodic accounting of the Franchised Shop. We will provide orientation training for no additional tuition fee to your Owners who are not your Owner-Operator if this is their first Shop franchise at the times and places and for the duration we may designate. The initial BCST program is mandatory for the Owner-Operator and the proposed General Manager and is to be completed at a minimum of four weeks prior to the Franchised Shop Opening Date. Upon the final week of the BCST program, our Training Director and/or Operations Director will conduct a thorough evaluation of the trainees as outlined in the BCST manual. Each manager trainee must score 90% or better on the evaluation to be "certified." We may modify an Opening Date you propose based upon the projected date of successful completion of the BCST program by the General Manager and/or the Owner-Operator.

1. We require that you must always have a certified manager in Franchised Shop and/or be in the process of having a manager certified by attending and passing the BCST program. We will provide training at the times and places and for the duration we may designate for replacement managers. We may charge tuition that reflects our costs for training for replacement managers and for retraining of existing managers. You must pay the tuition for training in advance, and we will not refund the tuition if the replacement manager does not attend the training session.

2. We may charge you reasonable tuition and reimbursement of our expenses if we provide additional training at your request in your Franchised Shop, or an Additional Training Fee plus expenses as described in Section 8(a). We currently do not charge for training material, but we may do so in the future. We may publish in the Operations Manual the fees and charges for additional training.

(b) Operations Manual. We will grant you access rights to our Operations Manual located on our secure Website for franchisees. Access to our Operations Manual will be limited to authorized-personnel that have signed the Confidentiality Agreement in Attachment G. You may not duplicate the manual and may not provide pass codes to unauthorized personnel.

(c) Products, Services and Suppliers.

1. Proprietary Products. We shall reveal the specifications, formulas, and product preparation instructions to you and provide you with the list of Proprietary Products that you must manufacture, purchase, use, offer for sale, sell and promote, and maintain in stock at Franchised Shop in quantities needed to meet reasonably anticipated consumer demand, certain proprietary products, ingredients, equipment, furniture, signage and other consumable and non-consumable merchandise constituting Proprietary Products. We may designate certain of these disclosures as Confidential Information. You shall have the obligation to purchase all Proprietary Products and ingredients for Proprietary Products solely from suppliers selected in our sole

discretion of which we give you notice. We may, in our discretion, as frequently as we deem necessary, change the identity, specifications, formulas, product preparation instructions, inventory requirements and designations, and add new products and delete existing products, from the items that we designate as Proprietary Products. You shall conform to all changes immediately upon written notice from us unless our written notice specifies a later implementation date.

2. Non-Proprietary Products: Alternative Suppliers.

We will designate all Non-Proprietary Products which you may, or must, use, offer, sell or promote in operating the Franchised Shop from suppliers selected in our reasonable discretion of which we give you notice, so long as such products meet our quality and other specifications.

To the extent any Non-Proprietary Products constitute inventory sold to the public, or ingredients or raw materials used to prepare Personal Care Products sold to the public, you shall maintain sufficient quantities of the Non-Proprietary Products in stock at the Franchised Shop to meet reasonably anticipated consumer demand.

You have the right to purchase Non-Proprietary Products from suppliers you select in your reasonable discretion of which you give us notice. All changes in the specifications for Non-Proprietary Products shall be communicated to you by supplements to the Operations Manual or otherwise in writing. You shall not place a new order for any Non-Proprietary Products with a supplier after receiving written notice of changes in the Non-Proprietary Products' specifications or that our approval of the supplier has been withdrawn or revoked.

3. Supplier Lists & Changes. We will publish a list of approved suppliers and their respective Proprietary Products and Non-Proprietary Products in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products and services become available, we will amend that list. We may also publish in the Operations Manual the procedures and fees for obtaining approval of any supplier you wish to nominate to become an approved supplier. We may deny approval of any nominee in our sole discretion.

4. Supply Benefits. We or an Affiliate may be the sole approved suppliers for Proprietary Products, or for goods and services we deem to be integral parts of the Franchised System that must be supplied on a consistent, uniform basis to all franchisees. We or our Affiliates may earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers, and from Collateral Logo Merchandise.

(d) Opening Assistance. We will provide you with the services of one or more trainers for a period of up to five days before and after opening to assist you with the opening of the Franchised Shop at no fee to you. You must reimburse us for reasonable travel and living expenses of the trainers while performing this service. Subject to availability, we will provide the trainer services for additional days to continue to assist you with the opening of the Franchised Shop at a per diem charge per trainer that we establish, which will be no more than the Additional Training Fee described in Section 8(a) then in effect.

(e) Marketing Assistance. We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Shop using the Franchised System. We may establish minimum and maximum prices for products and services, engage in limited time offers affecting the price or quantity of products offered at

the Shop, and establish unilateral policies on minimum and maximum advertised prices of Shop products and services.

(f) Evaluation Program. We will conduct periodic field evaluations and standards assessment inspections and reviews of the Franchised Shop to test and promote its compliance with System Standards and quality control. We may implement customer evaluation and feedback programs, mystery shopper programs, and independent inspection programs. We may publish the results of our tests and evaluations.

(g) Advice & Communications. We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we may make available to our franchisees from time to time. We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the Franchised System and our plans, policies, research, developments and activities to franchisees.

(h) Other Assistance. We will provide you with the other resources and assistance that we may develop and make generally available to all of our other franchisees.

8. Your Obligations. During the Term, your obligations are as follows:

(a) Training. You will not open or operate the Franchised Shop without having at least one individual working full time at the Franchised Shop who has completed our BCST program. If a certified manager leaves your employment for any reason, you must hire a replacement manager within 30 days who must attend the next BCST training program slot we make available. You must pay any tuition and additional fees for materials we charge for training of additional operators after the first two attendees, at a rate of up to $500.00 per person. As of the Effective Date, we charge an "Additional Training Fee" of $500.00 per day plus travel, lodging and meals for trainers we provide at your request for additional training at your Franchised Shop. We may change the amount of this Fee at any time in the Operation Manual. You are responsible to pay all compensation, benefits, travel expenses, living expenses, and any other personal expenses for your designees enrolled in the BCST program. You must furnish proof of worker's compensation insurance coverage for such persons before their training begins. Your trainees will not be considered borrowed servants of ours or our Affiliates for any purpose, and they will at all times remain under your control and supervision. Any of your employees who attend our operators training must sign a Management Confidentiality and Non-Competition Agreement before such training starts in substantially the form attached as Attachment D.

(b) Operation of Franchised Shop.

1. You will maintain and operate the Franchised Shop under the Franchised System in strict conformity with System Standards and policies, all as amended. You will maintain the Location and the Franchised Shop in clean, safe and sanitary condition, consistent with sound health and sanitation practices. You will use and comply with the System Standards for customer service and satisfaction, which may include money back guarantees and no-question refunds.

2. You will use the site of the Franchised Shop exclusively for the purpose of operating a Shop. You will not engage in any business or offer any Personal Care Products or services at the Franchised Shop not a part of the Franchised System without first obtaining our written consent. We may withdraw such consent in our sole discretion. All Personal Care

Products, Proprietary Products, Non-Proprietary Products, Collateral Logo Merchandise and other goods and services you offer and sell shall be of the highest quality and sold only in containers and with packaging and other materials approved by us. You shall not use or sell any ingredients or Personal Care Products that are outdated or unsafe for human use. You will offer and sell all Personal Care Products, ancillary products and services we designate in the Operations Manual as mandatory and you may sell products and services we designate in the Operations Manual as optional at your discretion. You set the retail prices, terms and conditions of sale subject to our established maximum and minimum prices where permitted by law, and any limited time mandatory offers we establish to market products and services.

3. You understand and agree that the Franchised System may include, in our sole discretion, requirements concerning organization, graphics, use of brand names and other product descriptions, illustrations and other design and content features. We may implement changes in (among other things) for Personal Care Products, Proprietary Products, Non-Proprietary Products, Collateral Logo Merchandise, and other goods and services at selected Buff City Soap Shops or within selected regions, all in our sole discretion. We may, from time to time, authorize any franchisee to test new product items, methods and product preparation instructions of manufacture, goods or other services and you agree to cooperate in any test marketing programs in compliance with our guidelines, without reimbursement or compensation of any kind beyond your retention of your related Gross Sales, net of the Royalty Fee.

4. You shall, at your sole expense, conform to all changes implemented by us to Franchised System immediately upon written notice from us unless our written notice specifies a later implementation date. We shall allow you a reasonable time to sell off your inventory of discontinued Collateral Logo Merchandise. You shall not offer for sale or sell any other kind of products, merchandise or services, or otherwise deviate from our current System Standards or specifications for services, products or merchandise, except with our prior written consent.

5. You shall conform to our prescribed inventory control procedures, including, without limitation, using prescribed proprietary systems to document inventory sold, remaining inventory levels and other information pertinent to inventory and restocking. Such information shall be conveyed to us electronically and, upon request, in writing.

6. You shall operate the Franchised Shop on all of the days and during the hours prescribed in the Operations Manual, unless you obtain our written approval of different days or hours or your Lease provides for different hours of operation. Before the Opening Date, you shall advise us about operating hours required or limited by the Lease. You shall prominently disclose the operating hours to the public in the manner required by the Operations Manual. You shall open the Franchised Shop and be fully prepared to conduct business during all posted operating hours.

7. You will maintain and operate the Franchised Shop in compliance with all applicable governmental laws, rules, regulations and ordinances. Any conflict between System Standards and any applicable governmental requirement will be resolved in favor of the more stringent standard. You will obtain as and when needed all governmental permits, licenses and consents required by law to construct, acquire, renovate, operate and maintain the Franchised Shop and to offer all products and services you advertise or promote. You will pay when due or properly contest all federal, state and local payroll, withholding, unemployment, beverage, permit, license, property, ad valorem and other taxes, assessments, fees, charges, penalties and interest, and will file

when due all governmental returns, notices and other filings. You will comply with all applicable federal, state and local laws, regulations and orders applicable to you and/or the Franchised Shop, including those combating terrorism such as the USA Patriot Act and Executive Order 13224.

(c) Approved Products, Services and Suppliers. You will follow the System Standards and specifications we establish for Proprietary Products, Non-Proprietary Products, Collateral Logo Merchandise and other goods, products and services procured for and in the operation of the Franchised Shop. We will have the right to require you to obtain any product or service used in the operation of the Franchised Shop from us, our Affiliates, or suppliers we approve. We will have the right to require you to participate in a national or regional approved purchasing cooperative for the area in which the Franchised Shop operates. You acknowledge that this agreement allows the System to maintain uniformity and consistency in Franchised Shop products, services, technology, support and management information systems. We may discontinue or terminate the System requirement to use these vendors and allow such agreements to expire without succession or be terminated consistent with their respective terms, at our discretion.

(d) Telephone Listings, Domain Names, and Web Pages. You will establish and maintain a published telephone listing for the Franchised Shop in all telephone books that we designate. You will not register, acquire or maintain control over any domain name or web page that describes or advertises the Franchised Shop or otherwise contains uses or displays our Proprietary Marks or Intellectual Property, or links to our websites, without our prior consent.

(e) Franchised Shop Condition. If the Franchised Shop suffers physical damage, you will restore the Franchised Shop to reflect the then current image, design and specifications of a Shop. If a casualty substantially destroys the Franchised Shop and your Lease terminates or you are permitted to terminate the Lease, you may elect to terminate this Agreement when you terminate the Lease in lieu of restoring the Franchised Shop unless your financing obligates you to restore and operate the Franchised Shop.

(f) Upgrades of Franchised Shop. We may require you to upgrade your Franchised Shop to conform to changes in our System Standards, which may include new signage, image, décor, equipment, technology and image standards for new Buff City Soap Shops. We will not require any such upgrade within 2 years before the expiration date of the Initial Term or the Succession Term. At the end of the Initial Term, you must also upgrade your Shop to our current entry standards and design elements, complete any retraining we require, upgrade to our current equipment package and install our current point-of-sale system and other equipment. At the end of the fifth and tenth year of the Initial Term, you must upgrade your Shop to our current entry standards and design elements, complete any retraining we require, upgrade to our current equipment package and install our current point-of-sale system and other equipment. We may encourage you at any time to make a voluntary upgrade because of economic circumstances, competition, technological advances, brand imaging opportunities, or other compelling events or circumstances. Your voluntary agreement to perform an upgrade in those cases will not constitute a required upgrade under this paragraph.

(g) Your Employees. You must recruit, hire, train, schedule, equip, dress, discipline, manage and supervise a competent, conscientious staff to meet our System Standards, compliant with such uniforms and/or dress code as we may prescribe in the Operations Manual, and take such steps as are necessary to ensure that your employees preserve good customer relations and the goodwill of the Franchised System.

(h) Life Safety. You must operate and maintain the Franchised Shop to meet the health and life safety standards and ratings applicable to the operation. You must furnish to us, within five days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Shop. The Franchised Shop's failure of any health, sanitation, life safety inspection is a material breach of this Agreement and must be remedied within the time frame specified in the applicable regulations or code.

(i) Material Contracts. You must timely comply with your payment and performance obligations under the Lease and any note, indebtedness, mortgage, deed of trust, security deed, equipment lease, supply agreement for Proprietary Products and material Non-Proprietary Products, utility contract, service agreement and other material contracts ("Material Contracts") applicable to you or the Franchised Shop and necessary to operate the Franchised Shop in compliance with System Standards. You shall furnish to us, within 10 days after your receipt, a copy of all notices, letters, warnings, or any other communications from the counterparty of any Material Contract regarding any default under or termination of any Material Contract. You must furnish a copy of any amendment, modification, replacement or supplement to the Lease.

(j) Compliance with Laws & Regulations. You must operate the Shop in compliance with applicable laws and regulations. We will provide instructions on compliance with laws applicable to Personal Care Products in the Operations Manual. If you obtain competent advice that you must effect compliance in a manner that differs from our instructions, or local laws require that you deviate from the instructions, then you are free to do so and you will not be in violation of this Agreement.

(k) Meetings and Conventions. We may conduct meetings and annual conventions to promote and support franchisees, provide information on the Brand and matters of mutual interest to Shop franchisees and managers, and to provide mandatory and optional training to Owners, Operating Principals and General Managers. We may charge you a Convention Registration Fee for one or more attendees in the amount specified herein, which is payable when invoiced and not refundable, even if you or your representative do not attend the convention. We may charge additional fees and tuition for additional attendees you are required or have the option to send to the event.

9. Technology, Communications And Internet.

(a) Computer Systems and Required Software. We have the right to specify in the Operations Manual or otherwise in writing that you acquire and use in the operation of the Franchised Shop electronic data collection, storage, reporting, exchange and interchange capability and services, including certain brands, types, makes and models of communications, hardware and software systems, peripherals and equipment, including without limitation: (i) back office accounting, inventory and management systems, (ii) storage, retrieval and transmission systems for data, audio, video and voice files, (iii) point of sale systems or such other types of cash registers as we may designate or approve ("Cash Register Systems"), (iv) physical, electronic and other security systems and procedures, (v) archival back-up systems, (vi) internet access capability and connectivity, and (vii) customer-facing marketing, ordering, entertainment, audio, video, internet access points and service systems (together, the "Technology"). We have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs and accounting system software that you must use as part of the Technology ("Required Software"). You shall install, learn, use and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. We may specify in the Operations Manual or otherwise the tangible media upon which you shall record data, the database file

structure of the Technology and the requirements to ensure your compliance with legal and payment card industry security standards. You must enter all transactions at the Franchised Shop on the Cash Register System as and when they occur. You shall implement and periodically make upgrades and other changes to the Technology as we request in writing (together, "Technology Upgrades") for all Franchised System Shops. We may be the sole supplier of proprietary Technology or Technology Upgrades that we develop or acquire for use at all Franchised Shops.

(b) Data. We may specify in the Operations Manual or otherwise in writing the information that you shall collect and maintain on the Technology. You will maintain your Cash Register System and management systems on-line so that we may access them remotely at our discretion, copy stored data, update software, and view all records, files and reports available on or from those systems. You shall not purge data unless so permitted under the Operations Manual. You shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data you provide to us, transfer to us from your Technology and download from us to your Technology will be owned exclusively by us or the data source we identify. We will have the right to use such data in any manner that we deem appropriate without compensation to you. All other data you capture, create or collect in the operation of the Franchised Shop or from your affiliation with us (including, without limitation, consumer and transaction data), is and will be owned exclusively by us during the Term of, and following termination or expiration of, this Agreement. You must provide to us in the format we require copies or original files of such data at our request. We license the use of such data back to you, at no additional cost, solely for the Term and solely for your lawful use in the business franchised under this Agreement or in any other business that you own. You may not lease, sell or rent such data to others.

(c) Customer Facing Technology. We may mandate that you offer free wireless internet access or other accepted means of communication for customers of the Franchised Shop. We may also mandate customer facing technology to accept and process orders, payments, entertainment options and other means of providing service and an attractive environment to customers.

(d) Privacy & Security. You shall abide by all applicable laws and payment card industry standards pertaining to the privacy and security of consumer, employee and transactional information ("Privacy Laws"). You shall comply with our System Standards and policies pertaining to Privacy Laws. If there is a conflict between our System Standards and policies pertaining to Privacy Laws and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel to determine the most effective way, if any, to meet our System Standards and policies pertaining to Privacy Laws within the bounds of applicable law. You shall not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You shall encrypt personally identifiable information about customers and employees as required by Privacy Laws or the Operations Manual and follow all notification requirements, with a copy of all of your outbound notices to us, if any data breach, hack or unauthorized access event occurs.

(e) Extranet. We may, but are not required to, establish a dedicated Website with secure access for communication with and among franchisees and to offer information content relevant to operation of the Franchised Shop (the "Extranet"). If we establish an Extranet, then you shall comply with our requirements set forth in the Operations Manual or otherwise in writing for connecting to the Extranet and utilizing the Extranet in the operation of the Franchised Shop. The Extranet may include, without limitation, and if so, will satisfy our obligations under this Agreement to provide to you, the Operation Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall pay any fee imposed from time to time by us, or

a third party service provider, in connection with hosting such Extranet, as set forth in the Operations Manual.

(f) Websites. Unless we otherwise approve in writing, you shall not establish a separate Website (the term "Website" is defined to mean a group of related documents that can be accessed through a common internet address), but shall only have one or more references or webpage(s), as we designate and approve in advance, within our Website. However, you may request to establish a separate Website and shall submit to us with your request, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots) and non-visible content (including, without limitation, meta tags) in the form and manner we may reasonably require. You may activate the Website only if we so approve in advance in writing (which we are not obligated to approve and which approval we have the right to revoke at any time), in which case then the following conditions shall apply:

1. Any Website owned or maintained by or for your benefit shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval of content and appearance under Section 16.

2. You may not add inbound or outbound hyperlinks to or from, or modify the Website without our prior written approval as to such proposed hyperlinks or modification.

3. You shall comply with System Standards for Websites that we may prescribe in the Operations Manual or otherwise in writing.

4. You will establish such hyperlinks to our Website and others as we may request in writing.

5. You will not permit the entry, acceptance or confirmation of delivery or orders on the Website that would violate Section 3.

(g) Online Use of Marks and E-mail Solicitations. You shall not use the Proprietary Marks or any abbreviation or other name associated with the Franchised System or us as part of any e-mail address, domain name and/or other identification of you or your Owners in any electronic medium. You will not transmit or cause any other party to transmit on your behalf advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail advertisements or solicitations and (b) your plan for transmitting such advertisements. You shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, as amended (known as the "CAN-SPAM Act of 2003"). Under no circumstances shall you send any e-mail to a person or address outside the United States.

(h) Internet & Social Media Use. We reserve the right to establish, modify and terminate policies and procedures about Internet marketing, publicity, social media, blogging and other activity as part of System Standards included in the Operations Manual. You shall not register, purchase or obtain the right to control content that includes any Proprietary Mark offered under any domain name or Website except as authorized under our marketing program then in effect or with our consent. You may generate, post, modify and withdraw content for social media accounts at your discretion and without our specific consent so long as the content is consistent with our marketing program then in effect and the applicable System Standards. We reserve the right to establish policies and to control your access to social media for accounts related to the Franchised Shop, including without limitation the right to hold

administrative privileges and rights for password and access control and to post and remove all photographs on such accounts. We may deny, suspend or revoke your access to such accounts if you are in default under this Agreement or you violate our System Standards regarding social media content and use. Under no circumstances shall you use social media accounts associated with the Franchised Shop to defame or disparage us, any of our Affiliates, any other franchisee or their Affiliates, any supplier or any customer or patron of your Franchised Shop, or engage in any publication or activity that is unlawful or detrimental to the goodwill of the Proprietary Marks, Buff City Soap brand or the Franchised System.

(i) Prohibitions. You are prohibited from using the Proprietary Marks, including "Buff City Soap" to: (i) incur any obligation or indebtedness on behalf of yourself or us; and (ii) be all or part of your entity name or other legal name, or as part of any e-mail or other electronic media address, domain name, URL, social media identifier, user name or other identification of you or your Owners in any electronic medium, or as a metatag, paid search term, or in any search engine optimization program, except as we expressly authorize in writing, in the Operations Manual or in any policy we issue regarding Internet advertising, marketing, social media, email and other on-line activity. You are also prohibited from engaging in any "gray market" transactions in which you buy from or sell to any person outside the United States without our prior written consent. You are also prohibited from engaging in any transaction in which you know, or reasonably should know, that the products sold by you or the Shop are purchased for wholesale purposes or are intended for resale to consumers inside or outside the United States.

(j) No Outsourcing without Prior Written Approval. You shall not hire third party or outside vendors other than our Affiliates to perform any services or obligations related to the Technology, Required Software, or any other of your obligations under this Section, without our prior written approval. We may condition our consideration of any proposed outsourcing vendor(s) upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form we provide.

(k) Changes to Technology. The parties acknowledge that technology used in the Shop business is dynamic and not subject to predictable patterns of development and change. To keep pace with technological needs and opportunities and to support the competitiveness of the Franchised System, you acknowledge that we shall have the right to establish, in writing, new and revised System Standards for the implementation of technology as part of the System. You shall abide by those new or revised System Standards as promulgated by us for implementation in all Franchised System Shops.

10. E-Mail Communication. You acknowledge that we are entitled to rely upon e-mail to communicate with you as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail to exchange information between you and us, you will maintain e-mail capabilities as specified in the Operations Manual. You authorize the transmission of e-mail from and to us, vendors and our Affiliates on matters pertaining to the business contemplated under this Agreement. You will provide us with the current e-mail address, and shall immediately notify us of any change of e-mail address and any technical problems with the e-mail account of you and your Owners that would make communications delayed or impossible. If any such e-mail account becomes disabled for any reason, you shall immediately provide us with an alternative e-mail address. You will cause your officers, directors, members and employees (as a condition of their association or position with you) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as we may reasonably require) to transmission of our e-mails to them, and such persons shall not opt-out, or otherwise ask to no longer receive e-mails from us during the time that such person works for or is affiliated with you. You acknowledge that if you opt-out, or otherwise ask to no longer receive e-mails from us during the Term you will be in material breach of this Agreement.

11. Covenants Not to Compete. During the Term, you may not engage, either directly or indirectly through any financial or beneficial interest in any other Person, in any Competing Business, other than a Shop licensed by us. For a period of two years after the termination or expiration of this Agreement for any reason, you may not engage in any Competing Business, other than a Shop licensed by us, within your Protected Area and within ten miles from your Shop and any Shop open at the time of termination or then being developed, as then listed on our Website or any directory we provide to you. We may reduce the duration and/or geographic scope of this provision by written notice to you for applicable law. You will not employ or seek to employ any individual who, at the time, currently works or worked during the preceding three months for any of our other licensees or franchisees or for us, except with the consent of the affected licensee or franchisee or with our consent (as applicable). We will not employ or seek to employ any individual who, at the time, currently works or worked during the past three months for you, except with your consent.

12. Confidential Information. You acknowledge you have no interest whatsoever in the Franchised System except the license in this Agreement. You acknowledge that the Franchised System constitutes our proprietary information including some Confidential Information and that the use or duplication of the Franchised System other than as permitted under this Agreement will constitute an unfair method of competition. You will not use the Franchised System in any business or any capacity for the benefit of any Person except as permitted under this Agreement or another written agreement with us. You will take all appropriate actions to preserve the confidentiality of all Confidential Information. Access to Confidential Information should be limited to persons who need the Confidential Information to perform their jobs and are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed a confidentiality agreement in the form attached to this Agreement, included in the Operations Manual or otherwise acceptable to us. You will not permit copying of Confidential Information (including, as to computer software, any translation, decompiling, decoding, modification or other alteration of the source code of such software). You will use Confidential Information only for the Shop and to perform under this Agreement. Upon termination (or earlier, as we may request), you shall return to us all originals and copies of the Operations Manual, policy statements and Confidential Information "fixed in any tangible medium of expression," within the meaning of the U.S. Copyright Act, as amended. Your obligations under this subsection commence when you sign this Agreement and continue for trade secrets (including computer software we license to you) as long as they remain secret and for other Confidential Information, for as long as we continue to use the information in confidence, even if edited or revised, plus three years. We will respond promptly and in good faith to your inquiry about continued protection of any Confidential Information.

13. Franchised System Management.

(a) Ownership. We represent with respect to the Proprietary Marks that we, or one of our Affiliates, is the owner of all rights, title and interests in and to the Proprietary Marks. We and our Affiliates have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks.

(b) Display of Marks. Your use and display of the Proprietary Marks will be subject to the following: (i) You shall use only the Proprietary Marks we designate, and use such Proprietary Marks only in the manner we authorize and permit; (ii) you shall use the Proprietary Marks only for the operation of the Franchised Shop and only at the Location authorized under this Agreement, or in advertising for the Franchised Shop; (iii) unless we otherwise authorize or require, you shall operate and advertise the Shop only under the name "Buff City Soap," without prefix or suffix; (iv) during the Term, you shall identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Shop when you make any use of the Proprietary Marks, including, but not limited to, uses on invoices, order

forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Shop as we may designate in writing; (v) your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement and the Operations Manual, and any unauthorized use thereof shall constitute an infringement of the rights of the owner of the Proprietary Marks; and (vi) you shall execute any documents deemed necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

(c) Infringements. You shall promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks we license to you. You acknowledge that we shall have the sole right to direct and control any civil, administrative or other proceeding involving the Proprietary Marks, including any settlement. We shall also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If we undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, including, without limitation, becoming a nominal party to any legal action.

(d) Our Defense of You. If you use the Proprietary Marks in compliance with this Agreement, we will defend you at our expense against any third party claim, suit or demand involving the Proprietary Marks arising out of your proper use thereof. We will reimburse you for your out-of-pocket costs in doing what we request under this Section, excluding the compensation costs of your employees, and we will pay the costs of any judgment or settlement. If such litigation is the result of your use of the Proprietary Marks in a manner not in compliance with this Agreement, you shall reimburse us for the costs of such litigation, including, without limitation, our attorney's fees and the cost of any judgment or settlement.

(e) Reservation of Property Rights. You expressly understand and acknowledge that: (i) we and our Affiliates are the owners of all rights, title and interests in and to the Proprietary Marks and the goodwill associated with and symbolized by them; (ii) the Proprietary Marks are valid and serve to identify the Franchised System and those who are authorized to operate under the Franchised System; (iii) neither you nor any of your Owners shall directly or indirectly contest the validity or the ownership of the Proprietary Marks, nor shall you, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with our express prior written consent; (iv) your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement; (v) any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted under this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks; and (vi) the right and license of the Proprietary Marks granted to you is not exclusive, and we have and retain the rights, among others:

1. To use the Proprietary Marks ourselves to offer and sell products and services;

2. To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

3. To develop and establish, or to become affiliated with, other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you.

(f) Substitute Marks. We reserve the right to substitute different Proprietary Marks for use in identifying the Franchised System and the Shop businesses operating thereunder if our currently owned Proprietary Marks no longer can be used, or if we determine that substitution of different Proprietary Marks will be beneficial to the Franchised System.

(g) Control of Franchised System. We will control and establish requirements for all aspects of the System. We may, in our discretion, change, delete from or add to the Franchised System, including any of the Proprietary Marks or System Standards, in response to changing market conditions. We may, in our discretion, permit deviations from System Standards, based on local conditions and our assessment of the circumstances.

(h) Improvements. All present and future distinguishing characteristics, improvements and additions to or associated with the Franchised System by us, you or others, including, without limitation, all new and improved methods, product preparation instructions, and preparation instructions for Personal Care Products, ingredients, new Personal Care Products and the like, and all present and future service marks, trademarks, copyrights, patents, and service mark and trademark registrations used and to be used as part of the Franchised System, and the associated goodwill, shall be our property and will inure to our benefit. You acknowledge that System Standards include non-functional trade dress that is an integral part of the System, and you covenant that you will not, directly or indirectly through an Affiliate, use the trade dress in any structure that is not the Franchised Shop. You also acknowledge that such Intellectual Property includes any product preparation instructions, ideas, inventions, concepts, instructions, techniques of manufacture, preparation, display or service, or other know-how developed, marketed, or licensed as part of the Franchised System, whether created by us, an Affiliate, a predecessor, licensor or by you with our approval as outlined in the Operations Manual. You grant to us a non-exclusive, perpetual, royalty-free worldwide license of all product preparation instructions, concepts, instructions, ideas, inventions, techniques of manufacture, preparation, display or service, or other know-how, advertising materials and trade secrets created by or for you for use in, by or for the Franchised Shop, and you acknowledge that we and our Affiliates may incorporate, modify, supplement, sublicense or otherwise commercialize such information as part of the Franchised System or in any other manner. At our request and expense, we may require you to execute and deliver an assignment of the ownership rights to any such Intellectual Property or such other writing as we may request to transfer ownership to us, or pursue registration or other legal protection for such Intellectual Property.

(i) Operations Manual. During the Term, we will provide you with access to the Operations Manual, in a format we choose (including, without limitation, paper, CD/DVD or online). We may from time to time revise the contents of the Operations Manual, and you will follow our instructions to make corresponding revisions to all of your copies of the Operations Manual and to comply with each change in any System Standard. If there is any dispute as to the contents of the Operations Manual, the master copy of the Operations Manual we maintain in our home office shall be controlling.

(j) Manual Controls. The Operations Manual shall at all times remain our sole property regardless of format and shall at all times be kept, and the access codes and procedures for electronic versions shall be kept, in a secure place on the Franchised Shop premises. You shall at all times treat the Operations Manual, any other written material created for or approved for use in the operation of the Franchised Shop and the information contained therein as confidential and shall use all

reasonable efforts to maintain such information as proprietary and confidential. Except for those portions of the Operations Manual that we designate in writing as appropriate for copying and use at the Franchised Shop, you shall not at any time copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

14. Reports and Records. On Tuesday of each week, you will deliver to us a statement of the Gross Sales of the Franchised Shop for the preceding week of the Reporting Period. Within 20 days after the end of each calendar quarter, you will deliver to us a complete profit and loss statement for the Franchised Shop in a form prescribed by us (and any other statistical reports which we may require under the Operations Manual) for the previous quarter. You will also send us a copy of each monthly profit and loss statement showing a loss for the month within 10 days after the end of the month. You also will send us a copy of all sales tax returns filed for the Franchised Shop as and when filed with each appropriate taxing authority. Within 90 days after the end of each fiscal year, you will deliver to us a complete profit and loss statement covering the operations of the Franchised Shop for the preceding fiscal year and a balance sheet dated as of the close of that fiscal year. You will keep all records of the Franchised Shop for at least seven years after the end of the fiscal year in which they are created in a manner and form satisfactory to us and will deliver any additional financial, operating and other information and reports which we may request on the forms and in the manner we prescribe in the Operations Manual. We will have the right to assemble and disseminate to third parties financial and other information regarding you and other franchisees to the extent required by law or to the extent necessary or appropriate to further the interests of the Franchised System as a whole. We will have the right to disclose your business name, address and telephone number as they appear in our records in our franchise disclosure documents and to any Person making inquiry as to the ownership of the Franchised Shop. We will not disclose specific financial information regarding you or the Franchised Shop to any Person without (a) your consent or (b) compulsion of law.

15. Inspection, Testing and Audit.

(a) Inspections. We will have the right to inspect your Franchised Shop at any time during or immediately before or after regular business hours during the Term, with or without notice to you as part of our evaluation and quality assurance programs. You will also permit us or our agents, at any reasonable time, to remove samples of Personal Care Products from your inventory, or from the Franchised Shop, without payment for such items, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether said samples meet our then current System Standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

(b) Audits. We also will have the right to audit your accounts, books of original entry, records and tax returns (including, without limitation, state and local sales tax reports and federal, state and local income tax returns) at all times during and after the Term. You will make copies of those items available for audit at our corporate offices at your cost. If the audit discloses that Gross Sales actually exceeded the amount you reported, you immediately must pay us any additional fees required by Section 5 plus interest at the rate specified in Section 5. If the audit discloses that Gross Sales actually exceeded the amount reported by an amount equal to 2% of the originally reported Gross Sales or more, you also must reimburse us for our out-of-pocket costs and allocable administrative costs and overhead incurred for the audit and its enforcement.

16. Market Introduction Plan, Annual Marketing Plan & Local Marketing.

(a) We will provide you with our base line Market Introduction Plan, including a budget template, at least 60 days before the anticipated opening of the Shop, including our market introduction materials, which are intend to facilitate the introduction of the Brand to the market and support the opening of the Shop through a concentrated, consistent marketing commitment from you during the immediate pre-opening and post opening periods. You will develop and submit to us, at least 30 days before the anticipated opening date, your Market Introduction Plan for our comment and acceptance or rejection. The Market Introduction Plan should provide for spending at least $25,000 during this period on advertising, marketing and promotion of the Shop. We will respond with comments and acceptance or rejection of the Market Introduction Plan within five business days. Once accepted, you must proceed to execute and complete the Market Introduction Plan according to its timeline. We will require proof of your expenditures and execution of the Plan as accepted. We do not guarantee that the Market Introduction Plan will cause the Shop to open successfully.

(b) We will provide you with a template for an "Annual Marketing Plan" when we provide the Market Introduction Plan and annually thereafter if there are any changes. The Annual Marketing Plan template may be published in the Operations Manual. You must complete and submit the Annual Marketing Plan on or before November 15 each year for our review. We will comment on and accept or reject the Annual Marketing Plan within 15 business days after submission. Once accepted, you must execute and implement the Annual Marketing Plan, including its timeline, for the year beginning January 1, or the balance of the first year of Shop operation.

(c) During each fiscal quarter, we recommend that you spend at least 1% of Gross Sales for local marketing and promotional expenses of the Franchised Shop consistent with the Annual Marketing Plan. Local marketing and promotional expenses include the cost of direct mail solicitations, public relations activities, community events and sponsorships, newspaper advertisements, telephone book listings and advertisements, and other distributed promotional materials. Local marketing and promotional expenses do not include amounts spent on sign rental, consumable paper products for use in the Shop, or packaging for Personal Care Products which may contain one or more of the Proprietary Marks. You will conduct all marketing and promotional activities that use the Proprietary Marks or refer to the Franchised Shop in a dignified manner and in compliance with the System Standards and requirements we specify. You will submit for our approval samples of all advertising and promotional materials that you wish to use at least 30 days before making any financial commitment to use the materials. We will give you notice of any objections to the proposed materials within 10 days after their receipt. If you fail to discontinue the use of any unapproved materials within five days after notice from us, we may enter the Franchised Shop, remove any unapproved materials and hold the materials for proper disposition according to your instructions.

17. Advertising Cooperative. We may establish one or more advertising cooperatives from time to time and, further, may modify, terminate and reform any existing advertising cooperative at any time in our sole discretion. If the Franchised Shop operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to 2% of the Gross Sales of the Franchised Shop during each Reporting Period. Any such payments made to any cooperative will count towards satisfaction of your minimum local advertising spending under Section 16. All Shops that we or our Affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Shops in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each

cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative.

18. Gift Cards. You shall participate in promotional programs we develop for the Franchised System in the manner we direct in the Operations Manual or otherwise in writing. Additionally, we may sell or otherwise issue gift cards or certificates (together, "Gift Cards") that have been prepared utilizing the standard form of Gift Card we provide or designate. You shall fully honor all Gift Cards that are in the form we provide or approve, regardless of whether a Gift Card was issued by us or another sponsor. You will sell, issue and redeem Gift Cards in compliance with procedures and policies we specify in the Operations Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Franchised System Shops and for making timely payment to us or other franchisees of Gift Cards issued from your Franchised Shop honored elsewhere.

19. Brand Fund. We have established a brand fund (the "Brand Fund"). You must pay a Brand Fund Contribution to us in an amount equal to 2.00% of the Gross Sales of the Franchised Shop during the preceding week. We will account for all Brand Fund Contributions we collect in a separate account. We also may deposit the marketing, promotional and other payments we receive from suppliers into the Brand Fund. We will disburse the Brand Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit Buff City Soap Shops, and their administration. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, and (g) product research and development. We also may use the Brand Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Brand Fund. Any moneys in the Brand Fund not spent at the end of each fiscal year will remain in the Brand Fund, provided that amounts contributed to the Brand Fund may be used to pay taxes associated with unspent amounts on deposit in the Brand Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Brand Fund. We generally will administer the Brand Fund for the benefit of all Shops. You acknowledge that we have no obligation expend Brand Fund amounts for your benefit equivalent or proportionate to your Brand Fund Contributions, and we do not warrant or guarantee that you will receive or derive any benefit from Brand Fund activities. We will make all studies and reports produced by the Brand Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Brand Fund for franchisee use available to you at your expense. We will not use the Brand Fund for advertising and promotion to promote franchise recruitment only, but we may include franchise recruitment language in public relations materials, general social media, the Brand website and consumer marketing materials and content. We may suspend, terminate and reinstate the Brand Fund at any time. The Brand Fund will not terminate, however, until we have spent all moneys in the Brand Fund for the purposes set forth above.

20. Publicity and Promotional Materials. We will have the right to photograph the Franchised Shop and to use the photographs in any of our publicity or advertising programs. You consent to such photography and use, and covenant to cooperate in securing the photographs and the consents of any individuals pictured. You will place franchise recruitment advertising and promotional materials for Buff City Soap franchises in the Franchised Shop if and when we so request.

21. Insurance.

(a) Before opening the Franchised Shop, you must obtain and thereafter maintain during the Term the following minimum amounts and policy forms of insurance from a responsible

carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI and that we find acceptable. The type of coverage includes:

1. Commercial General Liability coverage ($1 million single limit per occurrence; $2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

2. "All Risk" property coverage including a property damage limit for the full cost of replacement of the Franchised Shop and business interruption coverage for up to twelve months of projected earnings;

3. Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-owned autos), with a minimum of $1 million combined single limit each accident;

4. Workers' Compensation or legally appropriate alternative covering all employees and contractors working at the Franchised Shop for statutory limits and Employers Liability with minimum limits of $500,000 bodily injury for each accident, $500,000 bodily injury by disease for each employee and $500,000 bodily injury disease aggregate;

5. A $1 million Umbrella Policy on an occurrence basis excess of covering excess of the underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area

6. Other insurance as may be required by the state or locality of the Franchised Shop;

7. (Optional) Employment practices liability insurance with a limit of $500,000; and

8. Employee Dishonesty/Fidelity insurance with a limit of $100,000.

(b) Other Provisions. All of the liability insurance policies, other than Workers' Compensation, must name us, Buff City Soap Franchising, LLC, Buff City Holdings, LLC, Buff City Supply. LLC and their respective officers, directors, members, shareholders, partners and employees as additional insureds on a primary basis for operations of the Franchised Shop. The form of additional insured endorsement will be ISO CG 2010 11 85 Form B or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance. Your policies must constitute primary policies of insurance with regard to other insurance, must contain a waiver of subrogation provision in favor of us as it relates to the operation of the Franchised Shop, and must provide for at least 30 days' notice to us prior to cancellation, non-renewal or amendment. Your policies may provide the minimum limits set forth above through a single policy or through the combination of primary and umbrella policies. We may modify the policy limits, policy requirements and coverage types during the Term in the Operations Manual.

(c) Certificate of Insurance. Before you commence renovation or construction of the Franchised Shop, you must furnish us with certificates of insurance evidencing that you have obtained the required insurance in the forms and amounts as specified above. You must deliver evidence of the continuation of the required insurance policies at least 30 days prior to the expiration dates of each existing insurance policy. If you fail to acquire and maintain the required insurance coverage, we will have the right (but not the obligation), at your expense, to acquire and administer the required minimum insurance coverage on your behalf. We may end all of our duties with respect to the administration of any required insurance policies by giving you 10 days' notice.

(d) Remedial Insurance. If you, for any reason, shall fail to procure or maintain the insurance required by this Agreement and the Operations Manual, we shall have the right and authority (without any obligation to do so) immediately to procure such insurance and to charge the cost to you, together with a reasonable fee for acquiring each policy. You shall pay the same to us immediately upon notice.

22. Assignments & Transfers.

(a) Our Assignments. We may assign, delegate or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. You are not the third party beneficiary of any contract with a third party to provide services to you under this Agreement, but we are responsible for the performance of all of our obligations to you under this Agreement. We may dissolve, terminate and wind up our business under applicable law but we will transfer the System and this Agreement to a party that will perform the franchisor's obligations and that will assume this Agreement in writing. We will have no obligations to you after you are notified that our transferee has assumed our obligations under this Agreement except those that arose before we assign this Agreement.

(b) Your Assignments. This Agreement is personal to you (and your Owners if you are an entity). We are relying on your experience, skill and financial resources (and that of your Owners and the Guarantors, if any) to sign this Agreement with you. You may not directly or indirectly transfer, assign, grant a security interest in, or pledge any direct or indirect interest in this Agreement, the Franchised Shop, the Location or in you to any Person without our prior consent, which we may withhold or condition in our sole discretion.

(c) Transfer Conditions. We condition our consent to a transfer or assignment on satisfaction of one or more of the following: (i) the proposed transferee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours; (ii) the proposed transferee must comply with Section 24; (iii) you must satisfy all of your monetary obligations then due and owing to us and our Affiliates; (iv) you must cure all existing defaults under this Agreement; (v) you and your guarantors must execute and deliver a general release of all claims and causes of action against us and our Affiliates; (vi) the transferee must execute and deliver our then current form of franchise agreement with the same Royalty Fee and the same expiration date and remaining Succession Term (if any) as set forth in this Agreement; and (vii) you must pay us a "Transfer Fee" equal to 25% of the then current initial franchise fee for the Franchised Shop if you transfer this Agreement or the Franchised Shop, or in the event of an ownership change involving a change of Control unless the transfer is (1) an initial transfer of the Franchised Shop and this Agreement from an individual to an entity owned by the individual or (2) equity interests conveyed to any of your existing owners or any member of your immediate family. If you are an individual, then in the event of your death, permanent disability or appointment of a guardian for you, this Agreement will terminate 90 days after your death, permanent disability or appointment of a guardian unless we give our consent within that 90-day period to the

assignment of this Agreement to a successor in compliance with this paragraph. The Transfer Fee is not refundable once paid.

(d) Transfer to Preferred Transferee. The Transfer Fee will be waived if the transaction meets the following criteria for transfer to a "Preferred Transferee," which we define as any of the following: (i) any entity controlled by the transferor franchisee, (ii) an entity or wholly owned subsidiary of an entity that has been a System franchisee for at least five years prior to the transfer date and has had, during such five year period, no defaults that remained uncured after the expiration of the cure period and no events that would have allowed us to terminate without a right to cure under any Franchise Agreement with us, (iii) an entity that is owned and subject to Control by a person who has owned or managed a Buff City Soap Store for a period of at least five years, or (iv) the transfer occurs as a result of the death or disability of an Owner and the steps required in Section 25 are observed. The transferee will be required to take and pay for BCST at our then current tuition charge, which as of the Effective Date is $5,000.

23. Rights of First Refusal and Purchase Option.

(a) Prior to the sale or transfer of any interest that constitutes Control (the "Offered Interest") of the Franchised Shop or of you, you must notify us of the proposed sale or transfer and deliver to us the name and address of the proposed purchaser or transferee, the proposed purchase price, and all other terms and conditions of the proposed sale or transfer of the Offered Interest. In addition, you must deliver to us one photocopy of all proposed purchase agreement, if any and all other agreements and instruments signed and to be signed in the transaction, and copies or electronic access to all diligence, offering and other materials furnished to the proposed purchaser as part of the selling process. Within 30 days after we receive the foregoing notice and materials, we will have the right and option to send notice to you that we intend to acquire the Offered Interest on the same terms and conditions as contemplated by the third party. If we do not send notice of our intent to acquire the Offered Interest within the 30-day period, you may proceed with the sale or transfer as disclosed to us, subject to our rights as set forth in Section 22 of this Agreement, as long as the terms and conditions of the sale or transfer stay identical to those as originally disclosed to us. If we do not exercise our right of first refusal, you have 60 calendar days or as stipulated by law to complete the sale. Our failure to exercise our right of first refusal will not constitute a waiver of any other provision of this Agreement, or our right of first refusal as to any subsequent proposed sale or transfer. Any material change in the terms of the proposed sale or transfer prior to closing will constitute a new sale or transfer, subject to the same right of first refusal by us as for the initial sale or transfer. Any sale or transfer attempted without first giving us the right of first refusal specified in this Section 23 will render the attempted sale or transfer null and void. We may utilize the remedy of specific performance to enforce this right.

(b) Within thirty (30) days before or after the termination or expiration of this Agreement, we have the right and option to purchase the Franchised Shop tangible assets and assume the Lease for the Location. We will give you notice of our intent to purchase within this time frame, and in response you will provide us with current copies of the Lease for the Location, a complete schedule of the Franchised Shop's tangible assets and their book value, a profit and loss statement for the twelve full months preceding the date of the notice and a copy of all federal and state sales and income tax returns and tax payment verification of the Franchised Shop and your franchisee entity filed during or for that period, a list of employees and their current compensation, and a list of all vendors and suppliers for the Franchised Shop. We will send you a written offer to purchase the assets at fair market value within ten (10) days after we receive all of this information, together with conveyancing documents. If you do not accept the offer within that time, you may make a counter offer within ten (10) days after you receive our offer. If we do not accept the offer and we elect to proceed with the transaction, than the purchase price

for the tangible assets will the greater of (i) the book value of the tangible assets shown on the schedule you send us, or (ii) three (3) times the earnings before interest, taxes, depreciation and amortization shown on the profit and loss statement you sent to us. We will hold back from the purchase price an amount equal to unpaid state sales taxes for the months you have not paid plus two months' average sales tax payments until you provide a state sales tax clearance letter from your state. We will close the transaction within ten (10) days after the purchase price has been determined or agreed, subject to your first obtaining consent of the landlord of the location to assignment of the Lease. If that consent has not been obtained within twenty (20) days after the price has been determined, then we may abandon the transaction at any time before the consent is obtained. We will cooperate to obtain such consent, but will not agree to modification of the Location Lease or providing a personal guaranty as a condition to such consent.

24. Business Entity Franchisee. If you constitute a business entity, each of your Owners must execute the Guaranty and Restriction Agreement attached as Attachment C. Your certificate of incorporation, shareholders' agreement, partnership agreement, trust agreement, operating agreement, or other similar agreement (a "Core Agreement") must provide that your purpose will consist only in the development, ownership, operation and maintenance of Buff City Soap Shops. The Core Agreement must prohibit the issuance of any additional equity ownership interests or the transfer, assignment or pledge of any issued equity ownership interests without our consent and must provide that each certificate or document issued to evidence any equity ownership interest will contain a legend disclosing the foregoing restriction. In giving our consent under Section 22 to any issuance or transfer of your equity interests, we may in our discretion impose one or more conditions, including (without limitation) the requirement that the individual beneficial owner of the equity ownership interest execute the form of Guaranty and Restriction Agreement attached as Attachment C or a supplement to the original such Agreement acceptable to us in form and substance adding such person as a "Guarantor." You must deliver to us all of the documents demonstrating compliance with this Section when we so request.

25. Death or Appointment of Guardian or Conservator of a Principal. Upon the death of an Owner, or the appointment of a permanent guardian or conservator to manage the Owner's affairs, the Owner's trustee, conservator or other personal representative may hold the deceased's equity interest in the franchisee entity for up to six months and may only transfer the deceased's interest from the estate, a testamentary trust or inter vivos trust to a third party we approve under the procedures set forth in this Agreement. If the Owner was the Owner-Operator, then we may treat the personal representative, trustee or conservator as the Owner-Operator until you appoint someone else. Any failure to commence administration of the decedent's estate within 90 days after death or any distribution of the decedent's equity interest in the franchisee entity without our consent if such distribution operates as an assignment, is a material breach of this Agreement.

26. Temporary Disability of An Owner. If a physician, court or administrative agency determines that an Owner-Operator or an Owner owning a controlling interest in you has become temporarily disabled and incompetent to manage his or her own affairs, we have the right to require that a different Owner-Operator be appointed until the Owner's permanent status is determined. We may require that the Owner's equity interest be transferred to a third party acceptable to us following the assignment conditions and procedures in this Agreement if the temporary disability does not resolve within six months after the temporary disability is determined.

27. Securities Offerings. If you intend to engage in a public or private offering of your equity interests, then you must submit for our review your offering materials or prospectus before you file the document or commence its use. No offering by you or any Affiliate shall imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance or offering of your

securities or those of Affiliates. Our review of any offering material shall be limited solely to the relationship between you and us (and any of our Affiliates, if applicable), an accurate description of our System, and the absence of any disclosure of Confidential Information about us or the System. We may, at our option, require that the offering materials make a written statement we prescribe about the limitations stated in the preceding sentence. Your indemnification obligations in Section 34 include claims relating to your securities offering, disclosure materials and compliance with applicable laws and regulations. For each proposed offering, you shall pay us a non-refundable fee of $10,000 when you request our participation. We reserve the right to change you such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering materials. You must submit your offering materials for our review at least 30 days in advance of the anticipated filing or release date. Any such offering shall be subject to our approval as to the structure and Control of the offeror (and you, if you are not the offeror) after the financing is completed.

28. Termination by You. If we substantially fail to perform any of our material obligations to you under this Agreement, you must give us written notice of non-performance and at least 60 days to cure the failure. If the failure continues at the end of such 60 day cure period, you may terminate this Agreement on written notice to us delivered at any time before we cure the failure. You may not withhold the payment of any fees due under this Agreement during the pendency of cure period, and any payment by you of fees accruing after the expiration of the cure period will be deemed a waiver of our default by you.

29. Termination by Us for Incurable Defaults. We may terminate this Agreement effective immediately (or at the earliest time allowed under applicable law, or after a cure period which we may allow in our sole discretion) upon written notice to you for any of the following events:

(a) You close or abandon the Franchised Shop for a period of (i) three consecutive business days, (ii) five days in any 12 month period, (iii) during the hours and days of required Shop operation under the Operations Manual, except for any closure, remodeling or vacation we approve in advance, and except during the pendency of any force majeure event beyond your control;

(b) You or any of your Owners who is a Guarantor request the appointment of a receiver or have a receiver appointed for the Franchised Shop, you or any of your or their assets;

(c) You or any of your Owners who is a Guarantor become insolvent or make a general assignment for the benefit of your or their creditors;

(d) You or any of your Owners who is a Guarantor commence a case for relief or have an order for relief entered for you or them under the United States Bankruptcy Code or any foreign equivalent, or file or have filed against you a case for reorganization that is not dismissed within 60 days after filing;

(e) You or any of your Owners suffer a conviction for, or plead guilty or *nolo contendere* to a crime involving moral turpitude or any other offense, or an incident occurs at or involving the Shop or an off-premises service provided by the Shop, reasonably likely, in our opinion, to have an adverse effect on the goodwill of the Proprietary Marks or name and reputation with the consuming public of Buff City Soap Shops;

(f) We discover a material inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee, or make materially false statements to us or any of our Affiliates;

(g) You underreport Gross Sales for any calendar quarter or calendar year (i) by two percent or more at least three times in any 36 month period, or (ii) by at least five percent for any Reporting Period or calendar year;

(h) You maintain false books or records or submit materially false reports to us or any of our Affiliates, including submission of false tax returns and forms or you have collected from customers for taxes and fail to turn over such amounts, unless you are properly contesting your obligation to pay or the amount of taxes due;

(i) You fail to obtain our advance written permission when required under this Agreement;

(j) You breach the same provision of this Agreement on three occasions within any 12-month period, with our having given you the required notice of the first two breaches (whether or not timely cured by you);

(k) You violate any of Sections 8(b)7, 9(i), 11, 12, 22, 23, 25, 26, or 27, or commit a breach which, by its nature, you cannot cure or with regard to which you notify us that you do not intend to cure;

(l) A court, administrative tribunal, health department having jurisdiction over the Franchised Shop or an independent laboratory determines that a preventable incident of illness is attributable to the Franchised Shop, and we determine in good faith that such incident resulted from your breach of System Standards or this Agreement;

(m) You operate the Franchised Shop, or allow the Franchised Shop to be used, in a manner that, in our sole discretion, in any way jeopardizes the safety or welfare of customers, the public or the Shop staff, violates applicable law, or is damaging or potentially damaging to the goodwill, reputation and good name of the Proprietary Marks and the Brand;

(n) You default under any indebtedness with an outstanding principal amount of at least $100,000, such indebtedness is accelerated and you do not repay, refinance or cause the reversal of the acceleration of the indebtedness to restore its original payment terms within 30 days; or

(o) You fail to either (1) (i) gain our acceptance of your proposed Location, and (ii) sign a lease we approve as to form, or a purchase agreement for the accepted Location within 60 days (or 90 days if you exercise your extension option) after the Effective Date, or (2) open your completed Franchised Shop with our authorization under Section 6(h) within 180 days after the Commitment Date.

30. Termination by Us for Curable Defaults. We may terminate this Agreement if you fail to cure any monetary default after at least five business days' notice of the monetary default. We may terminate this Agreement if you fail to cure any non-monetary default after at least 30 days' notice of the non-monetary default. A monetary default means your failure to make any payments as and when due to us or to our Affiliates, or to maintain the insurance required under this Agreement. A non-monetary default means (a) any default in the performance of any of your other obligations under this Agreement or any other agreement with us or our Affiliates, other than the failure to make any payments as and when

due to us or our Affiliates; or (b) any condition which makes the continued operation of the Franchised Shop more likely than not a danger to public health or safety.

31. Certain Waivers.

(a) You and we waive the right to pursue and receive any exemplary and punitive damages against the other party in any dispute arising under this Agreement or relating to the franchise relationship, whether asserted as a related or independent tort, as a breach of contract, or as any other claim or cause of action based on constitutional, statutory or common law.

(b) THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

32. Obligations Upon Termination or Expiration.

(a) Upon the termination or expiration of this Agreement for any reason, all of your rights under this Agreement will terminate and you will (a) abide by the non-competition and confidentiality provisions contained in Sections 11 and 12 of this Agreement; (b) promptly pay us and our Affiliates all amounts then due us and them; (c) not use or adopt the Franchised System or any of the Proprietary Marks or Intellectual Property; (d) remove from the Franchised Shop all signs, emblems and displays using any Proprietary Marks or identifying it as associated with the Franchised System; (e) cease to use and return to us the Operations Manual and other proprietary materials delivered to you under this Agreement; (f) change the exterior and interior design and decor of the Franchised Shop and make any and all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Shop; (g) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us, except pursuant to the terms of a separate agreement with us; (h) change the exterior and interior design and décor of the Franchised Shop and make all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Franchised Shop; and (i) transfer to us all telephone listings, domain names, and web pages for the Franchised Shop or which contain, use or display any of our Proprietary Marks or Intellectual Property. You will complete all modifications within 30 days after the termination or expiration of this Agreement. If you fail to complete such modifications or fail to transfer or return such property within 30 days as contemplated above in this Section, or should you indicate at such time earlier than 30 days that you do not intend or are unable to comply with this Section, you appoint us as your attorney-in-fact to perform such acts in your stead and for your account. You will reimburse us for all of our costs and expenses, including without limitation administrative overhead and employee salaries, that we may incur in acting as your attorney-in-fact to perform such acts.

(b) You acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a Term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach but not less than 60 days, then in addition to any and all other remedies and causes of action available to us, you will pay us Liquidated Damages in addition to amounts due to us accruing under this Agreement prior to termination. You and we agree that Liquidated Damages as defined herein is a reasonable estimate of the actual damages which we will sustain as a result of the termination and is not a penalty. Payment of Liquidated Damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the Franchised System.

33. Injunctive Relief. Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction. You acknowledge that money damages may not be sufficient to compensate us for the irreparable harm caused by loss of certain rights, property, benefits and privileges reservindmeed to us under this Agreement as a result of your breach of this Agreement, including with limitation your breach of Sections 5(h), 6(h), 8(c), 8(d), 8(h), 9, 11, 12, 13, 15, 22, 23, 27, and 32. If you breach or we reasonably anticipate that you may breach any of these provisions or any other provision of this Agreement, then you covenant, acknowledge and agree that we have the right to seek and obtain injunctive relief in any court of competent jurisdiction to enforce, observe and preserve the terms, conditions and procedures specified in this Agreement without posting any bond or security. If the court shall require bond or security, you agree that the principal sum of $1,000 posted as a bond or security is sufficient. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

34. Indemnification by Franchisee.

(a) You will, at all times, indemnify and hold harmless to the fullest extent permitted by law, us, our parent entity (member), our Affiliates, the respective shareholders, members, directors, officers, employees, agents and representatives of each of them, and their respective successors and assigns, from all Losses and Expenses incurred in any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

1. Your infringement, alleged infringement or any other violation or alleged violation of any trademark, copyright, patent, or other proprietary right owned or controlled by third parties;

2. Your violation, breach or alleged violation or breach (i) of any contract, federal, state or local law, regulation, ruling, standard or directive or (ii) arising out of your business activities hereunder;

3. Libel, slander or any other form of personal injury by you or arising out of your business activities hereunder;

4. Your violation or breach of any warranty, representation, agreement or obligation in this Agreement, including without limitation your obligation to obtain and maintain insurance, and to perform your in-term and post-term obligations; or

5. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, Owners, partners, affiliates or representatives.

(b) Notice of Claims. You will give us notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, we may elect to assume (but under no circumstance is obligated to undertake), the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish your obligations under this Section.

(c) Risk of Loss. All Losses and Expenses incurred under this Section shall be chargeable to and paid by you as your obligations of indemnity under this Section, regardless of any

actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

(d) No Assumption of Liability. The persons or parties indemnified do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose. Franchisee's hold harmless and indemnity obligation shall include all Losses and Expenses that may arise out of any acts, errors or omissions of these third parties.

(e) Remedial Action. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we, in our Reasonable Business Judgment deem appropriate, order, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

1. Any of the acts or circumstances enumerated in this Section have occurred; or

2. Any act, error or omission of yours may result directly or indirectly in damage, injury or harm to any person or any property.

(f) Survival. This Section shall survive expiration or earlier termination of this Agreement without regard to the cause of termination.

35. Force Majeure. If an act of nature prevents a party from performing any obligation under this Agreement despite the party's exercise of reasonable diligence, the act of nature will toll the due date for the performance of that obligation for the duration of the act of nature and for a reasonable time thereafter. No force majeure shall excuse the timely payment of amounts due under this Agreement. Should the Franchised Shop close for any reason relating to natural disaster, accident or other unforeseeable events, you will vigorously pursue reopening at the same or a new location in the Protected Territory that we first approve. If you have not resumed operations within 180 days after closing, we may terminate this Agreement without penalty to you so long as you have paid us a royalty on your business interruption insurance proceeds and have not breached the covenants in Section 11.

36. Relationship of Parties.

(a) Limitations. Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. The relationship created by this Agreement is that of an independent contractor, and no fiduciary relationship is created or intended. You must indicate clearly the independent ownership of your business in all public records and in all of your dealings with third parties.

(b) Franchisor's Reserved Rights. Whenever we reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our rights, on the basis of the information readily available to us and our judgment of what is in our best interests and/or in the best interests of the our franchise network, at the time the decision is made, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or

action will promote our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties acknowledge that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

(c) Reasonable Business Judgment. You and we agree that we may use our Reasonable Business Judgment in the exercise of our rights, obligations and discretion under this Agreement except where otherwise indicated. "Reasonable Business Judgment" means that our determination shall prevail even in cases where other alternatives are also reasonable so long as we intend to benefit or its actions or omissions could benefit the Franchised System. Examples of benefits to the Franchised System would include, without limitation, protecting or enhancing the value of the Proprietary Marks, promoting economic efficiency or gain for the Franchised System Shops, increasing customer satisfaction, increasing brand identification, or minimizing possible customer brand or location confusion. We shall not be required to consider your particular economic or other circumstances when exercising our Reasonable Business Judgment. At no time are you or any third party (including, but not limited to other franchise owners or any trier of fact) entitled to substitute your or its judgment for a judgment, which has been made by or on behalf of us which meets the definition of Reasonable Business Judgment. You and we agree that the long-term goals of a franchise system, and the long-term interests of both us and all the franchisees, taken together, require that we have the latitude to exercise our Reasonable Business Judgment.

(d) Time. Time is of the essence of this Agreement.

37. Employment Decisions. You have and will continue to have sole responsibility for recruitment, selection, training, supervision, discipline and termination of your employees, all acts and omissions of your employees, and all employment related decisions involving compensation, benefits, hours of work, scheduling, record keeping, and all other terms and conditions of employment.

38. Holidays. If the due date for any payment of funds under this Agreement falls on a legal holiday, the due date for the payment will extend until the next business day.

39. Entire Agreement. This Agreement (including all attachments, exhibits and schedules) constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other prior written, electronic and oral agreements and statements of the parties relating to the subject matter of this Agreement. Neither party is relying on any writing to enter into this Agreement other than as set forth in this Agreement and the Franchise Disclosure Document delivered to you. This Agreement shall supersede and be controlling in the event of any conflict between the Franchise Disclosure Document (including Items 1 through 22 and the Exhibits) you or your Owners received and this Agreement.

40. Disclaimer Limitation. Notwithstanding the foregoing, nothing in this Agreement or any other agreement with us shall disclaim or require you to waive reliance on any representation that we made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you or your representative, subject to any agreed-upon changes to the contract terms and

conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

41. Approvals and Waivers. You must request any prior approval or consent required under this Agreement from us by means of a timely written request. Any such approval or consent must be obtained in writing. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you under this Agreement shall constitute a waiver by us to enforce any right, option, duty or power as against you, or shall apply as to subsequent breach or default by you. Subsequent acceptance by us of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement. The failure of a party to insist in any one or more instances on the performance of any term or condition of this Agreement will not operate as a waiver of any future performance of that term or condition.

42. Notice. Except as otherwise provided in this Agreement, when this Agreement requires notice, the sending party must deliver or address the notice to the other party by certified mail, telecopy, or delivery service with receipted delivery, or by electronic mail followed by transmittal of the original by first class United States Mail, to the following address or telecopy number:

Us: Buff City Soap Franchising, LLC
3080 Stage Post Drive, Suite 104
Bartlett, TN 38133
Attention: Franchising Department
Email: brad@buffcitysoap.com; mark@buffcitysoap.com

You: _____
_____
_____
Email:_____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving written notice to the other party.

43. Cumulative Rights. 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 in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The parties retain all rights and remedies available at law or in equity.

44. Survival. The provisions of this Agreement which, by their terms, survive the termination or expiration of this Agreement will survive the termination or expiration of this Agreement for any reason.

45. Governing Law. This Agreement shall be governed by the laws of Tennessee (without regard to any conflicts of law principles).

46. Venue. Except for any third party dispute in which the parties may be involved subject to Section 34, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall in the federal and state court districts in which we then have our principal place of business. As of the Effective Date, the proper venue is in the United States District Court for the

Western District of Tennessee and Shelby County, Tennessee. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

47. Legal Fees. If either party succeeds in any arbitration or legal action to enforce this Agreement, the losing party will reimburse the prevailing party for its outside and inside attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party.

48. Construction. The rule of construction requiring the resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement.

49. Severability. If any provision of this Agreement (other than Section 5) is held to be invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance.

50. Counterparts. The parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

51. Amendment. No amendment to this Agreement will become effective or binding on the parties, unless it is in writing and signed by all of the parties; provided, that we may modify or change the Franchised System or Operations Manual unilaterally at any time, effective 30 days after notice of the change or modification is sent to you, unless health and safety concerns compel us to provide a shorter notice period.

52. Third Party Beneficiaries. Except for the benefits reserved for our parent, Buff City Soap Holdings, LLC and our Affiliates, there are no third party beneficiaries for this Agreement.

53. Definitions. Unless the context of their use in this Agreement requires otherwise, the following words and phrases have the following meanings when used in initially-capitalized form in this Agreement.

(a) Affiliate means (1) any Person who Controls, is Controlled by, or is under common Control with a Person, and (2) any Owner of any Person. As of the Effective Date, our Affiliates include Buff City Holdings, LLC and Buff City Supply, LLC.

(b) Collateral Logo Merchandise means, collectively, all merchandise that we now or in the future authorize you to offer for sale from the Franchised Shop displaying any of the Proprietary Marks including, without limitation, apparel, bath accessories, mugs and cups, drinkware, laundry accessories, and other functional and promotional items bearing any Proprietary Marks or incorporating any System Intellectual Property.

(c) Competing Business means a Shop that (i) offers for sale Personal Care Products; or (ii) in its entirety so resembles the trade dress, service style and products that comprise the distinguishing features of the Franchised System so as to create a likelihood of consumer confusion or dilution of the Proprietary Marks.

(d) Confidential Information means any trade secrets we own or protect and other proprietary information not generally known to the personal care product retail industry including confidential portions of the Operations Manual and information we otherwise impart to you and your

representatives in confidence. Confidential Information includes product preparation instructions, product preparation instructions, proprietary software and other valuable property.

(e) Control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or governance rights, by contract, or otherwise.

(f) DMA means a Designated Market Area, as defined by Nielsen Media Research or its successors in interest from time to time. We may designate a substitute independent source for providing the boundaries of a single television advertising market in the Operations Manual.

(g) Effective Date means the date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement, provided that if no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

(h) Franchised Shop means the Buff City Soap Shop you establish and operate at the Location. Franchised System Shops means all Shops authorized to use the Franchised System.

(i) Franchised System means the distinctive, unique and proprietary marks and trade dress, products, presentation styles and services, know-how, methods of operation, identification, décor, furnishings, equipment, training, service, production, technology, marketing, advertising, promotion and development that we may designate in written or electronic form or through usage from time to time that define and distinguish a Shop, including (without limitation) (1) plans and specifications for interior and exterior signs, designs, layouts and color schemes; (2) methods, techniques, formats, systems,, ingredients, product preparation instructions, specifications, procedures, information, trade secrets, sales and marketing programs; (3) methods of business operations and management; (4) System Standards; (5) the Operations Manual; and (6) knowledge and experience regarding the operation and franchising of Buff City Soap Shops.

(j) General Manager means the on-premises manager who will be primarily responsible for the day-to-day operation and supervision of the Franchised Shop.

(k) Gross Sales means the aggregate of all revenue from operating your Franchised Shop, whether payment is received in cash or by credit card, gift cards or other generally accepted form of payment, from the sale of products, services, merchandise (apparel and promotional items bearing any Marks) or other merchandise. Without limiting the scope of the term, Gross Sales shall include without limitation: (a) revenue received from employees for products or services furnished to employees at a discount; (b) the value of goods and services bought by customers by redeeming any Buff City Soap authorized gift cards; and (c) the proceeds from any business interruption insurance. Gross Sales are reduced by the amount of any discount given to customers employees, family members or other businesses owned or controlled by you if taken at the register at the time of sale so that the purchaser pays an amount net of the discount. Gross Sales also excludes the following: (i) sales taxes and other taxes separately stated, if any, collected from customers and paid to taxing authorities; (ii) gratuities received from Shop customers and paid over to Shop employees; (iii) refunds and credits made in good faith to arms' length customers; (iv) the amount of any checks dishonored or returned; (v) proceeds from the sale of any Buff City Soap authorized gift cards to customers; (vi) proceeds from insurance with respect to your insured losses from property damage or liability; (vii) proceeds from any civil forfeiture, condemnation, or seizure by a government entity; and (viii) credits, allowances, adjustments or uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% of Gross

Sales for any fiscal year of you. Subsequent collections of charged off amounts must be included in Gross Sales when they are collected.

(l) Intellectual Property means the Proprietary Marks, patents, copyrights, copyrightable material, ideas, concepts, inventions, know-how, trade secrets, Confidential Information, and other proprietary information that we designate in written or electronic form or through usage from time to time as part of or prescribed for use with the Franchised System.

(m) Liquidated Damages means the present value of combined Royalty Fee and Brand Fund Contribution for the unexpired portion of the Term, based on your average monthly Royalty Fee and Brand Fund Contribution payable during the one year preceding termination; assuming payment at the end of each month in the period, using monthly compounding at the discount rate equal to the sum of (i) the Applicable Federal Rate published by the Internal Revenue Service for the period ending closest to the end of the Term, plus (ii) 200 basis points.

(n) Location means the address identified in Attachment A as the site of your Franchised Shop.

(o) Losses and Expenses means, without limitation, all losses, compensatory, exemplary or punitive damages, penalties, fines, charges, costs and expenses of investigation, defense and resolution, lost profits, attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our and our Affiliates' reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matter described.

(p) Non-Proprietary Products refer collectively to any products, fixtures, furnishings, equipment, supplies, packaging or other merchandise or property we authorize which you may, or must, use, offer, sell or promote in operating the Franchised Shop that are not Proprietary Products.

(q) Opening Date means the date on which you open your Franchised Shop for business, after receiving our consent to open.

(r) Operations Manual means the manual or collection of materials in written or electronic form which we designate from time to time as containing the System Standards, specifications, procedures, policies, methods of operating the Franchised Shop, other elements of the Franchised System and any information designated in this Agreement for inclusion or modification in the Operations Manual.

(s) Owner means any Person that holds a direct or indirect equity ownership interest (including beneficial and record interests) in you.

(t) Owner-Operator means the Owner who has a significant equity ownership position in you (if you constitute a business entity) (at least 5%), as you designate in writing to us in Attachment A or otherwise.

(u) Person means any individual or business entity, including (without limitation) corporation, joint venture, general partnership, limited partnership, limited liability company, or trust.

(v) Personal Care Products means bath soap, hand soap, bath water "bombs" and additives, facial and body oil, lotion, shower soaps and scents, facial and body scrubs, facial and body

moisturizing creams, shaving soap, skin toner, pet soap, lip and skin balms, shampoo, conditioner, laundry soap and devices supporting the storage, use, application, removal and cleansing of these products.

(w) Proprietary Marks means the registered and unregistered distinctive and characteristic trade names, domain names, trademarks, service marks, logotypes, and trade dress elements that we designate in written or electronic form or through usage from time to time as prescribed for use with the Franchised System.

(x) Proprietary Products means, collectively, any ingredients, products, supplies, apparel, equipment, and any other merchandise or property that you must use or sell to operate the Franchised Shop in accordance with the Franchised System which either (i) display the Proprietary Marks or (ii) are specially configured, manufactured or produced by, or for, us in accordance with our specifications. Without limiting this category, Proprietary Products include Collateral Logo Merchandise.

(y) Protected Area means the geographic area described on Attachment A.

(z) Reporting Period means each calendar month. Our fiscal year typically ends on December 31. We may change the Reporting Period by amending the Operations Manual.

(aa) System Standards means the standards for the Franchised Shop and using the Franchised System published in the Operations Manual and elsewhere, including but not limited to standards for design, furnishings, fixtures and equipment, use and display of the Proprietary Marks, operations, technology and any other standards, policies, rules and procedures we promulgate about Franchised System operation and usage.

(bb) Buff City Shop or the Shop means a Shop operating under the Franchised System using Buff City Soap name and mark, or such other name and mark as we may specify under the Operations Manual, as amended.

54. Your Representations, Warranties and Acknowledgements. You represent and warrant, and acknowledge to us as follows:

(a) Independent Investigation. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves substantial business risks, making the success of the venture largely dependent on your management skills and resources. You have not received from us or our Affiliates, and have not relied upon, any oral or written, express or implied projection, representation, warranty or guarantee regarding the potential sales, revenues, income, profits or success of the business venture contemplated by this Agreement. You have had the opportunity to consult with independent advisors of your own selection such as a lawyer or accountant before making your decision to sign this Agreement and develop and operate a Shop.

(b) This Transaction. You and the persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, governing board and lenders. No executory franchise, license or affiliation agreement for the Location exists other than this Agreement. Attachment A accurately states your Owners. Your execution, delivery and performance of this Agreement will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your Owners is a party or is subject or to which the Location is subject.

Neither you nor the Location is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, or employees or anyone else affiliated or associated with you, whether by common ownership, by contract, or otherwise, has been designated as, or are, a terrorist, a "Specially Designated National" or a "Blocked Person" under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury's Office of Foreign Assets Control, or otherwise.

(c) No Misrepresentations or Implied Covenants. All written information you submit to us about the Location, you, your Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

(d) No Guarantees of Success. We and our representatives have made or communicated to you no claims of assured or guaranteed success of the business contemplated by this Agreement prior to signing this Agreement. You voluntarily enter into this Agreement and undertake all the terms and conditions thereof without any such inducements, promises, or representations. Without limiting the foregoing, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representations, warranties or guarantees, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement, or as to the suitability of any selected or proposed Location as a successful location for the Franchised Shop. No assurances are given regarding that the franchisee will earn any return on their investment. You and your Owners acknowledge that (i) the investment in the Franchised Shop is not based on any assurance or warranty, either directly or indirectly, that the Shop will be profitable or successful, (ii) they are aware that regardless of the level of support provided by us and our Affiliates, the investment in the Shop franchise may fail, (iii) that no projections or earnings information, not included in the Franchise Disclosure Document has been received or relied upon prior to executing this Agreement.

(e) Updating. You and your Owners acknowledge that retailing of Personal Care Products is a highly competitive, innovative market that requires retailers to build, maintain and update stores to meet changing expectations of consumers. These updates may include changes in technology, merchandising, production methods, resource availability, governmental regulation of Personal Care Products, consumer tastes and preferences for products, formulas, services and the customer experience that may require an additional investment, more operating costs, and other economic changes that could affect your business, profitability and method of operation. Routine maintenance and repairs to maintain the Shop to our Standards is not considered updating regardless of cost.

(f) Other Businesses and Channels of Distribution. We and our Affiliates reserve the right to acquire other businesses, merge or sell the Buff City Soap Franchised System or distribute Buff City Soap products through alternative channels of distribution without restriction.

(g) Other Transactions. We reserve the right to vary the Buff City Soap Store franchise terms and conditions of offering among franchisees, Multi-Unit Operators and others, which may affect fees payable to us, exclusive territorial rights, and other attributes of a Buff City Soap Store franchise.

(h) Fees. Fees that are paid to us by franchisees are not in exchange for the services we provide to franchisees. Those services are merely for the protection of the Intellectual Property licensed to franchisees and for no other reason. The fees compensate us for granting the license of the Intellectual Property to you for the Term and any period after its early termination when we cannot replace your Shop's presence in your market area.

55. Transfer of Existing Shop. This Agreement documents the transfer of an existing Franchised Shop that has been open and operating since _____. You pay no initial franchise fee and the prior owner has paid the Transfer Fee specified in the Franchise Agreement with us. You assume and agree to pay and perform all of the outstanding obligations to us of the prior owner and franchisee arising from the operation of the Franchised Shop before the Effective Date. Section 6 is deleted as the Franchised Shop is open and operating. Our requirements to upgrade the Franchised Shop are described on Attachment A, if any. You acknowledge, represent and warrant to us that (i) we have not participated in the purchase and sale of the Franchised Shop except to provide to you our Franchise Disclosure Document and information and copies of materials provided to us by the prior owner; (ii) we have not validated, audited or verified any information provided to you or to us by the prior owner; (iii) you are not relying on any Shop-specific information we provided to make your decision to purchase the Franchised Shop except as set forth in this Agreement; (iv) you are relying only on the materials and information provided to you by the prior owner for this decision; and (v) we have not offered or provided any inducement or incentive for you to purchase the Franchised Shop from the prior owner.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

BUFF CITY FRANCHISING, LLC

_____

By: _____
Its: _____
Effective Date: _____

By: _____
Its: _____
Date: _____

Attachment A

Transaction Details

1. Target Area Description:

2. Location of Franchised Shop:

3. Time to complete and open Franchised Shop: nine (9) months after the Commitment Date.

4. Protected Area:

5. Address and Contact Information of Franchisee:

6. Initial Franchise Fee: [$50,000.00] [For Public Service Discount, the Initial Franchise Fee, Successor Fee and Transfer Fee is reduced by 10% to $_____]

7. Your Owners:

Name	Address	Telephone	Email	Percentage Ownership

* Person designated as Owner-Operator.

[For Transfers of Existing Shops Only]

8. Upgrades Required.

NOTICE OF SHOP LOCATION ACCEPTANCE AND PROTECTED AREA DESCRIPTION

To:

From: Buff City Soap Franchising, LLC

Re: Acceptance of Proposed Shop Location

Date: _____, 20___

We refer to the Franchise Agreement dated _____, 20__ (the "Franchise Agreement") between you and us for the development of a Franchised Shop to be located in the Target Area defined therein.

You have submitted for our consideration and we have accepted as the location of the Franchised Shop the following address:

_____

We designate this address as the Location of the Franchised Shop under the Agreement. The Protected Area will be _____.

This Notice amends and supplements the Agreement to fix the Location and to use that Location as the origin of the Protected Area. No counter signature is necessary.

Buff City Soap Franchising, LLC

By:_____

Title: _____

Attachment B

Automated Clearing House Payment Authorization

ACH Authorization Form

This form **MUST** be accompanied by a **Printed Voided Check or Bank Letter**

Add ☐ Delete ☐ Change ☐

Company Name:_____

Address:_____

City:_____State:_____Zip:_____

Phone:_____

Funds Settlement Information

Bank Name:_____

Account Owner:_____

Account Name:_____

Address:_____

City:_____State:_____Zip:_____

Routing # (9 digits)_____

Account #_____("Account")

_____ (hereinafter referred to as User) authorizes Buff City Soap Franchising, LLC ("Buff City") to initiate ACH transfer entries and to credit and/or debit the account identified herein. This authorization shall remain in effect unless and until Buff City Soap Franchising, LLC receives written notification from User that this authorization has been terminated in such time and manner to allow Buff City Franchising, LLC to act. Undersigned represents and warrants to Buff City that the person executing this form is an authorized signatory on the Account referenced above and all information regarding the Account and Account Owner is true and correct.

_____ / /

Account Owner Signature Date

_____

Print Name and Title

ATTACH PRE-PRINTED VOIDED CHECK OR BANK LETTER

Attachment C

Guaranty and Restriction Agreement

GUARANTY AND RESTRICTION AGREEMENT

The undersigned owners (the "Guarantors") of _____ (the "Franchisee") enter into this Guaranty and Restriction Agreement (this "Guaranty") as of the Effective Date.

1. Guaranty of Obligations. To induce Buff City Soap Franchising, LLC, its successors and assigns ("Franchisor") to sign the Franchise Agreement (the "Franchise Agreement") with the party named as the "Franchisee," to which this Guaranty is attached, the undersigned, jointly and severally (the "Guarantors") irrevocably and unconditionally (i) represent and warrant to Franchisor that Franchisee's representations and warranties in the Agreement are true and correct as stated, and (ii) guaranty that Franchisee's obligations under the Agreement, including any amendments and note, will be punctually paid and performed. Upon default by Franchisee and notice from Franchisor, the Guarantors will immediately make each payment and perform or cause Franchisee to perform, each unpaid or unperformed obligation of Franchisee under the Agreement. Without affecting any of Guarantor's obligations under this Guaranty, Franchisor may without notice to the Guarantors extend, modify or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. The Guarantors waive notice of amendment of the Agreement. Upon the death of an individual Guarantor, the estate of the Guarantor will be bound by this Guaranty for obligations of Franchisee to Franchisor existing at the time of death, and the joint and several obligations of all other Guarantors will continue in full force and effect. This Guaranty may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument.

2. Restrictions on Transfer of Equity Ownership of Franchisee. The Guarantors will not transfer, assign or pledge any of their direct or indirect equity interests in the Franchisee to any person without the prior consent of the Franchisor, and acknowledge that Franchisor has rights of first refusal that apply to such transactions.

3. Other Provisions. The Guarantors, as owners of the Franchisee, acknowledge that this Guaranty and the Agreement inure to the benefit of the Franchisee and to the undersigned. The Guarantors expressly adopt, ratify, incorporate into this Guaranty, and agree to be bound individually by the following provisions of the Agreement as if they were parties to such Agreement: Sections 11 (Covenants Not to Compete); 12 (Confidential Information); 22 (Assignment); 23 (Right of First Refusal); 24 (Business Entity Franchisee); 31 (Certain Waivers); 33 (Resolution of Disputes); 23 (Our Option to Purchase); 45 (Governing Law); 46 (Venue); and 47 (Legal Fees).

Executed and delivered as of the Effective Date.

The Guarantors:

By: _____

Printed Name: _____

By: _____

Printed Name: _____

Attachment D

Management Confidentiality and Non-Competition Agreement

MANAGEMENT CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

The undersigned Buff City Soap Shop on-premises manager ("Manager"), in consideration of the access to training and confidential information he or she has received or will receive from Buff City Soap Franchising, LLC, a Delaware limited liability company, and/or its affiliates (collectively, the "Company") in connection with Manager's employment with the Company's franchisee named below (the "Franchisee"), hereby covenants and agrees as follows:

1. Confidentiality Agreement. Manager acknowledges that, while employed by the Franchisee, Manager has and will receive certain confidential information and knowledge concerning business of the Company which the Company wishes to protect, including (without limitation) information, knowledge, know-how, product preparation instructions, formulae, materials, equipment, techniques, systems, and other data relating to or comprising Buff City franchise system. Confidential information includes the Operations Manual and other materials and information supplied by Company to the Franchisee that is identified as confidential at the time of disclosure or before. Manager shall not reveal that confidential information to any other party, except the Company's or the Franchisee's independent public accountants, Manager's legal counsel (if that counsel also agrees to maintain the confidentiality of the confidential information), or as otherwise required by law. Manager shall not use or disclose the confidential information at any time for the purpose of competition with the Company, its successors and assigns, or Franchisee. When Manager's employment with Franchisee terminates for any reason, the Manager promptly shall surrender to Franchisee all papers, documents, writings and other property, electronic or otherwise, produced by Manager or coming into Manager's possession by or through Manager's employment with the Franchisee containing confidential information or related in any way to confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

2. Covenant Not to Compete. During the term of Manager's employment with the Franchisee and for a period of 24 months after the end of Manager's employment with the Franchisee regardless of which party ends the employment relationship and regardless of the reason why the employment relationship ends, Manager shall not engage in, directly or indirectly as a principal, agent, trustee, employee, consultant, independent contractor or through any corporation, partnership, association, or other entity, a Shop that (i) sells or has a product that prominently features Personal Care Products body products; or (ii) in its entirety so resembles the trade dress, service style and product items that comprise the distinguishing features of the Franchised System so as to create a likelihood of consumer confusion or dilution of the Proprietary Marks at any location within a 10-mile radius of any Buff City Soap Shop location at which Manager worked or within a 10-mile radius of any then-existing Buff City Soap Shop location.

3. Indemnification and Injunctive Relief. Manager shall indemnify and hold the Company and the Franchisee harmless against any losses, damages, costs, expenses, claims or actions, including attorneys' fees and costs, proximately caused by any breach of this Agreement by Manager. Manager shall pay to the Company any compensation, profits or economic benefits realized by the Manager resulting from any breach of this Agreement. The Company shall have the right to injunctive and other equitable relief prohibiting the Manager from any violation or threatened violation of this Agreement, without posting any bond or security. Manager acknowledges that the restrictions in this Agreement are reasonable and necessary to protect the legitimate business interests of the Franchisee, and that the violation of the foregoing restrictions will lead to immediate and irreparable harm, for which injunctive relief is necessary.

4. Governing Law. The laws of Tennessee shall govern this Agreement.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement.

6. Limitations. This is not a contract of employment and this creates no employment relationship between Manager and the Company. Manager is not a third party beneficiary of any contract between the Company and the Franchisee. Franchisee remains the sole employer of Manager and is solely responsible for the recruitment, selection, training, supervision, compensation, benefits, insurance, worker's compensation, discipline and termination of Manager. During any period of on the job training of Manager by the Company, Franchisee shall remain the sole employer of Manager and shall be responsible for controlling all aspects of Manager's employment.

Executed and delivered this _____ day of _____, 20___.

Manager:

_____
Signature

_____
Printed Name

Franchisee: _____

By: _____

Title: _____

Attachment E

Lease Rider

LEASE RIDER

This "Lease Rider" is made and entered into as of _____, 20___ by and among Buff City Soap Franchising, LLC, a Delaware limited liability company ("Franchisor"), _____, a _____ ("Tenant/Operator") and _____, a _____ ("Landlord").

Recitals. Tenant/Operator and Landlord desire to enter into a lease (the "Lease") pursuant to which Tenant/Operator will occupy and finish the premises located at _____ (the "Premises") for use and operation of Buff City Soap Shop (the "Shop") authorized under a Franchise Agreement to be executed between Franchisor and Tenant/Operator prior to the opening of the Shop (the "Franchise Agreement"). As a condition to Franchisor's approval of the Premises as the location for the Shop, the Tenant/Operator is required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

(1) During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Shop.

(2) Landlord consents to Tenant/Operator's use and display of such proprietary marks (the "Proprietary Marks") and signs, decor items, color schemes, plans, specifications and related components of Buff City Soap Franchised System (the "System") as Franchisor has prescribed, and may in the future prescribe, for the Shop. Landlord affirms that the Lease does not prohibit the service of any product items or services of the current System, based on the product and service information provided to Landlord.

(3) Landlord agrees to send Franchisor conformed, legible copies of any and all letters and notices sent to Tenant/Operator pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant/Operator.

(4) Franchisor shall have the right, and Landlord consents to allow Franchisor, to enter the Premises during hours when the Premises is available for tenant entry to make any modification or alteration necessary to protect the Shop, the System and Proprietary Marks or to cure any default under the Franchise Agreement, or under the Lease, without being guilty of trespass or any other crime or tort.

(5) In the event of Tenant/Operator's default under the Lease, Franchisor may, but has no obligation, to cure the default. Franchisor shall make this determination within thirty (30) days after Franchisor receives notice of the Lease default from Landlord. If Franchisor elects to cure the default, Franchisor shall cure the default within thirty (30) days of such election or, if the default cannot be reasonably cured within such thirty (30) day period, then Franchisor shall commence and proceed to act diligently to cure the default within such time as is reasonably necessary to cure the default.

(6) Franchisor has an option to acquire the Shop from Tenant/Operator if the Franchise Agreement expires or terminates. If Franchisor exercises the option, it will notify Landlord when it notifies Tenant/Operator. If Franchisor so exercises its option, or makes a different arrangement with Tenant/Operator to acquire the Shop, then Landlord shall permit Tenant/Operator to assign the Lease to Franchisor or to Franchisor's affiliated assignee or designee as successor in interest ("Successor") to Tenant/Operator, which shall be obligated to assume Tenant/Operator's obligations under the Lease. Successor shall attorn to Landlord under the Lease and Landlord shall attorn to and agree not to disturb

the tenancy of Successor. In such event Successor shall assume Tenant/Operator's occupancy rights, rights under any succession or purchase options, and the right to sublease the Premises, for the remainder of the term of the Lease including any applicable succession periods.

(7) Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or increase or accelerate rent under the Lease in connection with such assignment, or require Successor to pay any rent or other financial obligation of Tenant/Operator to Landlord arising prior to the assignment. Landlord agrees to look solely to the Tenant/Operator and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Tenant/Operator acknowledge that Franchisor is not a party to the Lease and shall have no liability under the Lease, unless and until the Lease is assigned to, and assumed by Franchisor as Successor.

(8) Notwithstanding anything contained in this Lease Rider and in the Lease, Successor is expressly authorized, without the consent of the Landlord, to sublet the Premises to an authorized System franchisee, provided such subletting is specifically subject to the terms of the Lease and further provided the franchisee expressly assumes in writing all obligations of the Lease. Franchisor agrees to notify Landlord as to the name of the franchisee within ten (10) days after such subletting.

(9) Tenant/Operator shall not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

(10) Landlord and Tenant/Operator shall not amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing without the prior written consent of Franchisor.

(11) This Lease Rider will supersede any conflicting terms of the Lease.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Lease Rider as of the date first above written.

FRANCHISOR:

BUFF CITY SOAP FRANCHISING, LLC

By: _____

Name: _____

Title: _____

TENANT/OPERATOR:

_____

By: _____

Name: _____

Title: _____

LANDLORD:

_____

By: _____

Name: _____

Title: _____

Attachment F

Receipt of Operations Manual and Confidentiality Agreement

RECEIPT FOR OPERATIONS MANUAL

The undersigned franchisee ("Franchisee"), acknowledges receipt of Buff City Soap Operations Manual by receiving access codes and instructions to access the on-line version of the Operations Manual. The Operations Manual is being loaned, and access is being granted, to Franchisee under the Franchise Agreement between Franchisee and Buff City Soap Franchising, LLC ("Company"). Franchisee expressly agrees as follows:

1. Operations Manual. If the access code granting access to the Operations Manual is misplaced, destroyed (in whole or in part), or otherwise lost, the Franchisee must pay for replacement access codes from the Company at a cost of $500.00 and must sign a new receipt. The Franchisee shall not copy or otherwise reproduce any portion of the Operations Manual. The Operations Manual shall not be removed from the premises of the Location identified in the Franchise Agreement. The Franchisee shall not loan or disclose the Operations Manual to any third party. The Franchisee shall not communicate, transmit, describe, summarize, or otherwise convey the information contained in the Operations Manual, in whole or in part, to any third party not employed by the Franchisee to operate the Franchised Shop. The Operations Manual shall at all times remain the property of the Company, its successors and assigns.

2. Confidentiality Agreement. The Franchisee acknowledges that the Franchisee will receive certain confidential information and knowledge contained in the Operations Manual that is the subject of confidentiality obligations in the Franchise Agreement. When the Franchise Agreement with the Company terminates for any reason, the Franchisee promptly shall surrender to the Company the Operations Manual identified above, along with all papers, documents, writings and other property produced to the Franchisee or coming into the Franchisee's possession by or through the relationship with the Company and related in any way to the confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

3. Indemnification and Injunctive Relief. The Franchisee's obligations to indemnify the Company and accept injunctive relief described in the Franchise Agreement shall apply to breaches of Franchisee's undertakings regarding the Operations Manual.

4. Supplement to Franchise Agreement. This Receipt is a supplement and subject to the Franchise Agreement in all respects.

Executed and delivered this _____ day of _____, 2_____.

Franchisee:

_____

_____
Signature

_____
Printed Name

_____
Title:

ATTACHMENT G
SBA ADDENDUM

Addendum to Franchise Agreement

THIS ADDENDUM ("Addendum") is made and entered into on __, 20____, by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for a loan ("Loan") from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

1. Change of Ownership. If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

2. Forced Sale of Assets. If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional successions) for fair market value.

3. Covenants. If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

4. Employment. Franchisor will not directly control (hire, fire or schedule) Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR:	**FRANCHISEE:**
BUFF CITY SOAP FRANCHISING, LLC	_____
By:_____	By: _____
Print Name:_____	Print Name: _____

Exhibit B

Multi-Unit Operator Agreement

MULTI-UNIT OPERATOR AGREEMENT

between

BUFF CITY SOAP FRANCHISING, LLC

and

_____

Dated:

_____

Development Territory:

_____

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Attachment A	Development Territory
Attachment B	Form of Franchise Agreement

MULTI-UNIT OPERATOR AGREEMENT

This Multi-Unit Operator Agreement (this "Agreement") is made and entered into as of the Effective Date, by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we," "us" or "our"), as franchisor, and _____, a _____ ("you" or "your"), as operator. The parties mutually agree, for good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, as follows:

1. Definitions. Words and phrases used in initially-capitalized form in this Agreement have the meanings set forth in Section 30 of this Agreement and Section 53 of the form of Franchise Agreement attached as Attachment B unless the context indicates otherwise.

2. Exclusive Development Territory. During the Development Term, you will have the exclusive right to develop Buff City Soap Personal Care Product retail shops in the Development Territory ("Development Units"). The Development Territory serves as the Target Area under the Franchise Agreements for the Development Units. No additional specification of the Target Area is necessary. We may, without any restriction or obligation to you, develop, operate, franchise and license other Persons to develop and operate Buff City Soap personal care product Buff City Soap Shops at any location outside the Development Territory. After the Development Term, each Franchise Agreement will govern any territorial rights by means of the Protected Area of each Development Unit.

3. Performance Schedule. You must develop and put in Operation at least four (4) Development Units within the Development Territory in accordance with the following schedule and the desired market area within the Development Territory:

Development Unit Number	Opening Deadline	Desired Market Area
1	180 days after Effective Date	
2	180 days after Unit 1 Opening	
3	180 days after Unit 2 Opening	
4	180 days after Unit 3 Opening	

You may develop and open any number of additional Development Units within the Development Territory during the Development Term, so long as you follow our standard application and approval process for each Development Unit.

4. Development Term. The "Development Term" of this Agreement commences on the Effective Date and the rights granted to you under this Agreement will expire on the second anniversary of the Effective Date. After the expiration of the Development Term, this Agreement will remain in effect as to Sections 6 and 7 until the expiration (without a successor agreement between Franchisor and the Franchisee) or termination of the Franchise Agreements

for all Development Units and Supplemental Units, or earlier if the conditions for the Royalty Credit cease to be met and cannot be restored as provided in Section 7.

5. Development Fee & Initial Franchise Fees.

(a) The initial franchise fee is $50,000 for the first Development Unit to be developed under this Agreement, $45,000 for the second, third, fourth and fifth Development Units and $40,000 for each additional Development Unit above five that you are required and authorized to develop under this Agreement. When you sign this Agreement, you will pay us a non-refundable development fee ("Development Fee") consisting of (i) a "First Unit Fee" of $50,000 for the first Development Unit and (ii) an "Additional Unit Reservation Fee" of $25,000 for each additional Development Unit you are undertaking to develop, for a minimum Development Fee of $125,000 due when you sign this Agreement. The Development Fee compensates us for reserving the Development Territory for you and is not refundable.

(b) The First Unit Fee will be credited to payment of the initial franchise fee of $50,000 for the first Development Unit. Each Additional Unit Reservation Fee will be credited to the initial franchise fee of each additional Development Unit when you pay the balance of the initial franchise fee. Beginning with the second Development Unit, you will pay the balance of the initial franchise fee for each Development Unit at the earlier to occur of 90 days before the scheduled opening date of the Development Unit or when you sign the lease for the Development Unit.

(c) If you qualify for a Public Service Discount, we will reduce the initial franchise fee for each Development Unit by ten percent. The Public Service Discount will be applied to the final payment of the initial franchise fee for each Development Unit. If you do not complete the Performance Schedule by the Opening Deadline, we will retain any portion of the Development Fee that has not been applied to initial franchise fees. The Development Fee is not refundable.

(d) In addition to the Development Units listed on the Performance Schedule, you may purchase additional Buff City Soap Shop franchises ("Supplemental Units") in which you or your principals own all of the equity interests. You may purchase these Supplemental Unit Franchises only after all Development Units on your Performance Schedule are open and operating. The initial franchise fee for Supplemental Units will be $20,000 each if you sign the Franchise Agreement and pay the initial fee before the end of the Development Term. You may not assign or sell any of your rights in or to a Supplemental Unit until at least three years after its Opening Date. Supplemental Units will be eligible for the Royalty Credit set forth in Section 7.

6. Infrastructure. When you sign the first Franchise Agreement for a Development Unit, you must provide to us a detailed plan (the "Service Plan") for your back of house infrastructure sufficient to support the development and operation of all of the Development Units you are committing to develop and open, including identification of a general manager for the first Development Unit, an Operating Principal and a trainer for all of the Development Units. The Service Plan should address site selection, Shop design and construction, human resources, accounting, marketing, training, facilities management and any other support and services your Development Units will share. You must adhere to the Service Plan and timeline,

provided that you may modify the Service Plan and send us the modified Service Plan at any time. We will accept or reject the Service Plan, and provide comments if we reject the Service Plan, within 30 days after submission. We must accept the Service Plan and any modifications to the Service Plan for you and your related Franchisees to be eligible for the Royalty Credit below.

7. Royalty Credit.

(a) You will be eligible to receive and apply a "Royalty Credit" equal to one percent (1.00%) of the Gross Sales of your Development Units if and for so long as the following conditions (the "Eligibility Criteria") are satisfied:

(i) At least four Buff City Soap Shop Development Units are open and operating, and all of them have opened no later than the opening deadline dates specified in the Performance Schedule;

(ii) You are in compliance with this Agreement and all Franchisees of the Development Units and Supplemental Units are in compliance with the respective Franchise Agreements;

(iii) You are in compliance with the Service Plan and any modifications we have accepted;

(iv) You and your related Franchisees are current in your accounts with our Affiliates and other suppliers of Proprietary Products; and

(v) No event has occurred and is continuing that constitutes a default under this Agreement or any of the Development Unit Franchise Agreements or any Supplemental Unit Franchise Agreement , or gives us the right to terminate this Agreement, any Development Unit Franchise Agreement or any Supplemental Unit Franchise Agreement without the right to cure.

(b) As long as the foregoing eligibility criteria are met, your related Franchisees may apply the Royalty Credit to reduce the Royalty Fee payable under the Franchise Agreements from six percent to five percent of Gross Sales. The Royalty Credit will be applied to Gross Sales reported in the month the fourth Development Unit has its Opening Date, from and after such Opening Date.

(c) If at any time after the Royalty Credit application should cease because one or more of the Eligibility Criteria is not met (a "Credit Suspension"), we will notify you about the date (the "Credit Suspension Date") that the Royalty Credit is suspended and all Franchisees of Development Units and Supplemental Units must pay Royalty Fees at the standard rate effective as of the Credit Suspension Date. If the cause of the Royalty Credit suspension cannot be cured and compliance with the applicable Eligibility Criteria cannot be effected, then the Credit Suspension Date will be the "Credit Termination Date" and no Franchisee of a Development Unit will be eligible to apply the Royalty Credit thereafter. If the cause of the suspension can be cured, in our sole discretion, then the Credit Suspension shall

continue for no more than 30 days until the cause is cured or not. The Credit Suspension will be dissolved and the Royalty Credit will be restored and apply to Gross Sales accruing after the date we notify you and the related Franchisees that the Royalty Credit is restored, if such cure occurs. Otherwise, if the cause is not timely cured, then the Credit Termination Date will occur 31 days after the Credit Suspension Date.

(d) A Credit Suspension may occur only once during the Term of this Agreement. Upon the occurrence of a second Credit Suspension, this Agreement shall terminate on notice from us to you and no further opportunity for Royalty Credit shall be applicable to you and your transactions with us.

8. Site Submission. You must submit the information we may then require using our form of Franchised Retail site evaluation request to evaluate a proposed site for a Development Unit. We will review the submitted information and conduct any evaluation of the proposed site we deem appropriate. We may request any supplemental information we deem appropriate to evaluate the proposed site at any time and you will promptly provide such supplemental information.

9. Site Acceptance or Rejection. We retain the right to accept or reject each site selected by you, in our sole discretion. Within 30 days after your submission of all initial and supplemental information we request regarding a proposed site, we will give you notice of our acceptance or rejection of the site. If we accept the site, the notice will set forth any remaining conditions to that acceptance. If we reject the site, the notice will set forth the reasons for the rejection. If we do not give you notice of our acceptance of the site within 30 days after your submission of all initial and supplemental information we request regarding the site, you may deem us to have rejected the site. You acknowledge that we have not authorized and will not empower or authorize any officer, employee or agent of ours to accept or reject any proposed site except in accordance with this Section 7. You agree not to rely upon any representations, written or oral, to the contrary.

10. Responsibility for Site Selection. You will have sole responsibility for selecting the Location of your Development Unit and all aspects of the site acquisition, negotiation and development process, including (without limitation) compliance with all applicable zoning, licensing, building codes, leasing and other requirements. Neither we nor our Affiliates will have any responsibility, obligation or liability to you in connection with our efforts, assistance and/or advice in the selection and securing of a Location for your use, nor will we have any liability for any consequences of your selection of a site or any aspect of the site acquisition, negotiation and development process. You acknowledge that our acceptance of a site does not constitute any representation, warranty or guaranty by us that the site will constitute a successful location for a Buff City Soap Shop and you waive and release us and our Affiliates from any claims and causes of action in that regard. You confirm that, except as provided in Section 10 below, we will not become involved in any way in the site acquisition, negotiation or development process.

11. Issuance of Franchise Agreement. When we accept your proposed site, we will forward to you the completed Franchise Agreement for the Development Unit using as a template the form of Franchise Agreement attached as Attachment B. You must sign and return

to us the completed Franchise Agreement in accordance with our instructions, along with any remaining portion of the required initial franchise fee calculated as provided in Section 5, within 15 days after we tender the Franchise Agreement to you. If you fail to return the executed Franchise Agreement and the balance of the initial franchise fee to us within that 15-day period, we may revoke our acceptance of the proposed site. You will not begin construction or remodeling work at the accepted site until you have executed the Franchise Agreement, paid the balance of the initial franchise fee to us, and obtained our approval of the lease and your plans and specifications as provided in the Franchise Agreement.

12. Our Services. During the Development Term, we will provide you with the following services:

(a) Site Selection Services. We will provide you with our experience in the selection of sites for Buff City Soap Shops through the use of the forms, criteria and materials that we make available to operators, as well as the benefit of our review and evaluation of any proposed sites you select.

(b) Advice. We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, or by newsletters or bulletins that we then make available to operators.

(c) Other Services. We will provide you with other resources and assistance that we may develop and then make available to new operators. We have no obligation to make any such other resources and assistance available.

13. Nature of Agreement. This Agreement only grants you the exclusive right to select sites for the construction of Development Units in the Development Territory and to submit those sites to us for our acceptance in accordance with this Agreement. This Agreement does not grant a license to use the name "Buff City Soap" or any other trade name, service mark, or trademark of ours. This Agreement does not grant you the right to open or operate any Buff City Soap Shop. You will obtain those rights only under a Franchise Agreement with us, if and when fully executed and delivered by you and us.

14. Additional Covenants. During the Development Term, you and your Owners covenant with us that you will not engage, either directly or indirectly through any financial or beneficial interest in any other Person, in any Competing Business, other than a Buff City Soap Shop licensed by us. For a period of two years after the termination or expiration of this Agreement for any reason, you may not engage in any Competing Business, other than a Buff City Soap Shop licensed by us, within your Development Area and within the Protected Area from any existing Buff City Soap Shop, as then listed on our website or any directory we provide to you. We may reduce the duration and/or geographic scope of this provision by written notice to you for applicable law. You will not employ or seek to employ any individual who, at the time, currently works or worked during the preceding three months for any of our other licensees or franchisees or for us, except with the consent of the affected licensee or franchisee or with our consent (as applicable). We will not employ or seek to employ any individual who, at the time, currently works or worked during the past three months for you, except with your consent. The

terms "Competing Business" and "Protected Area" are defined in the form of Franchise Agreement attached as Attachment B.

15. Default. A default by you will occur under this Agreement if (a) you default in the performance of any of your obligations under this Agreement or any other agreement with us or our Affiliates, including (without limitation) the failure to meet the Performance Schedule or to make any payments as and when due to us or our Affiliates; (b) you request the appointment of a receiver or have a receiver appointed for any of your business or assets, make a general assignment for the benefit of your creditors, or commence a case for relief or have an order for relief entered against you under the United States Bankruptcy Code; or (c) we discover a material inaccuracy in any of your representations in this Agreement or in your application for this Agreement.

16. Remedies. Upon the occurrence of a default by you, we will have the right to terminate this Agreement upon not less than 30 days' notice to you, or such longer period as may be required by applicable law. If you do not cure the default within that notice period, we may terminate this Agreement. If you cannot cure the default within the notice period because of the nature of the default or if you notify us orally or in writing that you do not intend to cure the default, we may terminate this Agreement immediately upon notice to you. Upon the termination of this Agreement, you immediately will cease to select and acquire sites for Development Units or hold yourself out as a Buff City Soap Shop operator. The termination of this Agreement will not affect your right to complete development of and operate a Franchised Buff City Soap Shop in accordance with any executory Franchise Agreement with us.

17. CERTAIN WAIVERS.

(a) **YOU AND WE WAIVE THE RIGHT TO PURSUE AND RECEIVE ANY EXEMPLARY AND PUNITIVE DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW.**

(b) **THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.**

18. Assignment.

(a) We may transfer, assign or pledge this Agreement, in whole or in part, to any Person.

(b) The rights granted under this Agreement, and decision to enter into this Agreement with you, are personal to you and your Owners, based on their individual qualifications, resources, finances, experience, background, commitment and business acumen.

You will not have any right to transfer, assign or pledge this Agreement or any of its rights under this Agreement, in whole or in part, to any Person without our express written consent, which we may withhold in our sole discretion.

(c) You may raise additional equity by the sale of your equity interests, either through the issuance of new equity interests or the resale of previously issued and outstanding equity interests, in exchange for cash or property (but not services) so long as you comply with the following conditions and procedures:

(i) The proposed owner must satisfy all of the requirements and conditions then being used to qualify prospective new franchisees, including submission to us of a completed franchise application at least 30 days before the investment transaction;

(ii) You must satisfy all of your monetary obligations then due and owing to us and our Affiliates;

(iii) You must cure all existing defaults under this Agreement, or the transaction must provide capital sufficient to cure the defaults under a written plan to cure acceptable to us and made a part of this Agreement by Addendum;

(iv) The proposed owner may not be engaged, directly or indirectly, in a Competing Business or be in violation of Section 14;

(v) You and your existing Owners must execute and deliver a general release of all claims and causes of action against us and our Affiliates; and

(vi) You must pay us an administrative fee equal to $1,000.00 after we approve the new Owner and send you a revised Attachment A.

(d) If you are an individual, then in the event of your death, permanent disability or appointment of a guardian for you, this Agreement will terminate 90 days after your death, permanent disability or appointment of a guardian unless we give our consent within that 90-day period to the assignment of this Agreement to a successor in compliance with this Section 18.

(e) You may designate a Person that is a business entity that your Owners Control as the franchisee party to a Franchise Agreement at the time you submit your site information for the Development Unit. You will use our then current form of franchise application to provide information on all Persons who are to be Owners of the franchisee of that Development Unit. We may disapprove of any Person you propose to be an Owner and provide notice of our disapproval when we provide you with the Franchise Agreement. We may delay tender of the Franchise Agreement to complete our evaluation of the proposed Owners of the franchisee.

19. Indemnification. You will indemnify and hold us and our Affiliates harmless from any and all costs and damages, including (without limitation) attorneys' fees and expenses,

arising from your performance under this Agreement, your activities as operator of Development Units, including (without limitation) the identification, investigation, acquisition and financing of any site and the construction, remodeling and operation of any Development Unit, and including any claims or causes of action alleging our negligence or that you are acting as our agent in any way. You must provide and pay the costs of defense and resolution for us and our Affiliates, using legal counsel acceptable to us and our Affiliates. We and our Affiliates will have the right (but not the obligation) to participate in that defense. This Section shall survive termination or expiration of this Agreement.

20. Relationship of Parties. Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. You will indicate clearly the independent ownership of your business in all public records and in all of your dealings with third parties.

21. Entire Agreement. This Agreement will constitute the entire agreement of the parties with regard to the subject matter of this Agreement and will replace and supersede all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement. Neither party is relying on any writing to enter into this Agreement other than as set forth in this Agreement and the Franchise Disclosure Document delivered to you. Nothing in this Agreement or any related agreement is intended to disclaim any representation we made to you in the Franchise Disclosure Document that we furnished to you.

22. Waiver. The failure of a party to insist in any one or more instances on the performance of any term or condition of this Agreement will not operate as a waiver of any future performance of that term or condition.

23. Notices. Except as otherwise provided in this Agreement, when this Agreement requires notice, the sending party must deliver or address the notice to the other party by certified mail, telecopy, or delivery service with receipted delivery, or by electronic mail followed by transmittal of the original by first class United States Mail, to the following address or telecopy number:

Us:

Buff City Soap Franchising, LLC
3080 Stage Post Dr. #104
Barlett, TN 38133
Attention: Brad Kellum
Email: brad@buffcitysoap.com;
mark@buffcitysoap.com

You:

_____
_____
_____
Email:_____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving notice to the other party.

24. Governing Law. This Agreement shall be governed by the laws of Tennessee (without regard to any conflicts of law principles).

25. Venue. Subject to Section 19, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall be the federal and state courts where our principal place of business is located at the time of filing. As of the Effective Date, venue shall be exclusive in the federal or state courts sitting in Shelby County, Tennessee. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

26. Legal Fees. In the event either party succeeds in any legal action to enforce the provisions of this Agreement, the losing party will reimburse the prevailing party for its attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party. The award will include an amount for that portion of the prevailing party's administrative overhead reasonably allocable to the time devoted by the prevailing party's in-house legal staff.

27. Construction. The parties acknowledge that each party and/or its legal counsel have reviewed and made revisions to this Agreement. The rule of construction requiring the resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement or any attachments to this Agreement.

28. Authority. Each individual executing this Agreement in a representative capacity represents and warrants that he or she has the authority to execute this Agreement in the capacity indicated.

29. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance. If a court of competent jurisdiction holds any provision of this Agreement too broad to allow enforcement to its full extent, the court will have the power and authority to enforce the provision to the maximum extent permitted by law and may modify the scope of the provision accordingly pursuant to an order of the court.

30. Amendment. No amendment to this Agreement will become effective or binding on the parties, unless such amendment is in writing and executed by all of the parties.

31. Counterparts. The parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

32. Definitions. Unless the context of their use in this Agreement requires otherwise, the following words and phrases will have the following meanings when used in initially-capitalized form in this Agreement:

(a) Development Territory means the cities, counties and other political subdivisions listed below, in accordance with their boundaries as of the date of this Agreement, as shown on Attachment A to this Agreement, less and except any protected radius previously granted by us currently in effect under any existing franchise agreement and as increased or reduced in the future through the renewal of any existing franchise agreement.

(b) Effective Date means the date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement, provided that if no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

(c) In Operation means (1) the delivery to us of an executed Franchise Agreement and required initial franchise fee for the Franchised Buff City Soap Shop, (2) the opening of the Franchised Buff City Soap Shop to the general public, and (3) the continuous operation of the Franchised Buff City Soap Shop in accordance with the terms of the Franchise Agreement for the Franchised Buff City Soap Shop.

(d) Performance Schedule means the schedule set forth in Section 3 of this Agreement.

33. Your Representations. You represent to us as follows:

(a) Variances to Other Operators and Franchisee. You understand that other operators and franchisees may operate under different forms of agreements and, consequently, that our rights and obligations with regard to our various operators and franchisees may differ materially in certain circumstances.

(b) This Transaction. You and the persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, Board of Directors and lenders. No executory franchise, license or affiliation agreement for the Development Territory exists other than this Agreement. Attachment A accurately states the names, addresses and ownership percentages of your Owners. Your execution, delivery and performance of this Agreement will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your Owners is a party or is subject. Neither you nor any of your assets or Owners is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, or employees or anyone else affiliated or associated with you, whether by common ownership, by contract, or otherwise, has been designated as, or are, a terrorist, a

"Specially Designated National" or a "Blocked Person" under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury's Office of Foreign Assets Control, or otherwise.

(c) No Misrepresentations or Implied Covenants. All written information you submit to us about the Development Territory, you, your Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit to state any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

(d) Independent Investigation. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves substantial business risks, making the success of the venture largely dependent on your management skills and resources. You have not received from us or our Affiliates, and have not relied upon, any oral or written, express or implied projection, representation, warranty or guaranty regarding the potential sales, revenues, income, profits or success of the business venture contemplated by this Agreement. You have had the opportunity to consult with independent advisors of your own selection such as a lawyer or accountant before making your decision to sign this Agreement and undertake to develop any Development Unit.

(e) No Guarantees of Success. We and our representatives have not made or communicated to you, and you have not relied upon, any claims of assured or guaranteed success of the business contemplated by this Agreement prior to signing this Agreement. You voluntarily enter into this Agreement and undertake all the terms and conditions thereof without any such inducements, promises, or representations. Without limiting the foregoing, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representations, warranties or guarantees, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement, or as to the suitability of any selected or proposed Development Territory as a successful area for the development of Franchised Buff City Soap Shops.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

FRANCHISOR: **BUFF CITY FRANCHISING, LLC**	**OPERATOR:** _____
By: _____	By: _____
Its: _____	Its: _____
Effective Date: _____	Date: _____

Attachment A

I. Development Territory

II. Your Owners

Name	Address	Telephone	Email	Percentage Ownership

Attachment B

Form of Franchise Agreement

Exhibit C

Form of Closing Acknowledgement

BUFF CITY FRANCHISING, LLC
FRANCHISE CLOSING ACKNOWLEDGMENT

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Acknowledgments and Representations*.

Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan or New York), before you signed the Franchise Agreement and any Multi-Unit Operator Agreement? **Check one: (__)Yes (__) No.** If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Multi-Unit Operator Agreement before the 14 days expired:

_____

_____

Did you understand all the information in the FDD and your rights and obligations under the Franchise Agreement and Multi-Unit Operator Agreement? **Check one: (__)Yes (__) No.** If no, please comment:

_____

_____

Did you receive a copy of the Franchise Agreement or Multi-Unit Operator Agreement at least 7 days before you signed the Agreement? **Check one: (__)Yes (__) No.** If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement or Multi-Unit Operator Agreement when you did:

_____

_____

Have you studied and reviewed carefully our FDD and the Franchise Agreement (and the Multi-Unit Operator if you are signing one) you received? **Check one: (__)Yes (__) No.** If no, please comment:

_____

_____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement or Multi-Unit Operator Agreement that contradicted the disclosures in the FDD? **Check one: (__)Yes (__)No.** If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

_____

_____

Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business franchise, or the likelihood of success at your Franchised Business on which you relied in making your decision to sign the Franchise Agreement? **Check one: (__)Yes (__) No**. If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

_____

_____

Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement or Multi-Unit Operator Agreement? **Check one: (__)Yes (__) No.** If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

_____

_____

Do you understand that the franchise granted in the Franchise Agreement (a) allows you to operate a Franchised Business only at the Franchised Location, (b) prevents us from operating or franchising another Franchised Business only in the Protected Area described in the Franchise Agreement, (c) allows us to operate or franchise a Franchised Business anywhere outside the Protected Area, and (d) allows us to open and operate or authorize any other party to open and operate a Shop adjacent to your Protected Area? **Check one: (__)Yes (__) No**. If no, please comment:

_____

_____

Do you understand that the Franchise Agreement or Multi-Unit Operator Agreement contains the entire agreement between you and us concerning the franchise for the Franchised Business or the development rights we grant to you, meaning that any prior oral or written statements or agreements not set out in the Franchise Agreement, the Multi-Unit Operator Agreement or the FDD will not be binding? **Check one: (__)Yes (__) No**. If no, please comment:

_____

_____

Do you understand that the success or failure of your franchise or Multi-Unit Operator business will depend in large part upon your skills and experience, your business acumen, the hours you work, the location you select, your management of your Franchised Business, the prices you set, the local market for a Franchised Business, interest rates, the economy, inflation, the number and competence of employees or contractors you hire and their compensation, competition, financing terms and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you buy or open your franchise may change? **Check one: (__)Yes (__) No.** If no, please comment:

_____

_____

You understand that your answers are important to us and that we will rely on them. By signing this acknowledgment, you are representing that you have considered each question carefully and responded truthfully to the above questions. If more space is needed for any answer, please continue on a separate sheet, attach it, date it and initial the sheet.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

ACCEPTED ON BEHALF OF:
BUFF CITY SOAP FRANCHISING, LLC

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Exhibit D

Form of General Release

GENERAL RELEASE FOR TRANSFER OR RENEWAL

This General Release (the "Release") is made as of the ____ day of _____, 20___ by and between _____, a _____ (the "Franchisee") and Buff City Soap Franchising, LLC, a Delaware limited liability company ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement [Multi-Unit Operator Agreement] dated _____, 20___ (the "Franchise Agreement") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires to sell and assign the Franchise Agreement or transfer the Franchised Business (as defined in the Franchise Agreement) at the Approved Location (as defined in the Franchise Agreement) to a third party in accordance with the transfer provisions of the Franchise Agreement, and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Business at the Approved Location; and

WHEREAS, the Franchise Agreement requires that, as a condition to any transfer (as defined in the Franchise Agreement) under the Franchise Agreement, Franchisee and the transferee must first execute a general release of all claims in favor of Franchisor.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors and their respective successors, assigns, heirs and personal representatives from any and all claims, demands, rights and causes of action of any kind that Franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer, sale, administration, performance, default, assignment and termination of the Franchise Agreement. Franchisor and Franchisee mutually intend that this Release shall include, without limitation, claims, demands and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim or third party claim.

2. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Business, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

3. Survival of Obligations. Franchisee and Guarantor(s) each acknowledge that its obligations under the Franchise Agreement with respect to indemnification, audits (as to accounting periods prior to the Termination Date) and confidentiality of materials disclosed while the Franchise Agreement was in effect, and any other provision that specifies it survives termination of the Franchise Agreement all remain in full force and effect. Franchisee and Guarantor(s) shall contact Franchisor regarding any questions on such surviving obligations. For purposes of this Release, "Confidential Materials" means all materials in all forms, including electronically stored information, that was disclosed to Franchisee and Guarantor(s) in confidence, contains confidential information as described in the Franchise Agreement, including without

limitation all customer information subject to any privacy requirements, or by the facts and circumstances attending disclosure, should be considered confidential and proprietary.

4. Non-Competition Covenants. Notwithstanding the foregoing, the post-termination termination covenants against competition set forth in Section 11 of the Franchise Agreement shall be in full force and effect from the Issuance Date until their stated expiration date.

5. No Violation of Applicable Law. Notwithstanding the foregoing, this Release does not apply to any claim or cause of action arising under laws governing the offer and sale of franchises to Franchisee or the relationship between Franchisee and Franchisor if the Release would violate or is prohibited by such applicable law.

6. Representations and Warranties. Franchisee and Guarantor(s) each represent and warrant to Franchisor that: (a) Franchisee has reported the gross sales of the Franchised Business accurately and correctly calculated the fees due during the Term of the Franchise Agreement; (b) Franchisee, Guarantor(s) and Franchisee's employees, contractors and agents have not used, disclosed or made unauthorized copies of any Confidential Materials, or shared any access codes to electronic information and secure web sites of Franchisor in violation of the Franchise Agreement; (c) no consent of any third party is required for Franchisee to enter into or perform this Release; (d) Franchisee or Guarantor(s) have not filed a lawsuit or arbitration demand against Franchisor, its parent companies or affiliates and have not filed a proceeding, complaint or notice regarding this franchise or Franchisor with any federal, state or local regulatory or law enforcement agency, including without limitation the Federal Trade Commission regarding the Franchise Agreement; (e) Franchisee or Guarantor(s) are not the subject of any pending bankruptcy, receivership, composition, assignment or similar proceeding; (f) Franchisee has obtained the necessary equity owner and governance board authorization to execute and perform this Release; and (g) the persons negotiating and executing this Release on Franchisee's behalf have been duly authorized by its owners and its governance board.

7. Confidentiality. Each party hereto and their respective counsel, representatives and agents agrees that they will not disclose any of the terms of this Release. The parties and their respective counsel, representatives and agents are not, however, precluded from disclosing the terms of the Release to their attorneys, accountants, tax preparers, paid financial advisors or any governmental, regulatory or judicial authority which might compel the disclosure of this Release. Notwithstanding the foregoing, if any of the parties is served with a subpoena or other governmental or judicial process seeking to compel the disclosure of this Release, it shall be the responsibility of the party that receives the subpoena or other governmental or judicial process to notify all other parties to this Release within 72 hours of receipt, thus affording the other parties to this Release an opportunity to move to quash the subpoena or oppose the entry of any order seeking to compel the disclosure of this Release. Additionally, in the event it becomes necessary to file this Release with a court in any future enforcement action between the parties, the parties hereby agree to apply jointly for leave to file this Release under seal.

8. Future Conduct. Franchisee, on behalf of itself and its owners, agents, contractors, officers, managers, and directors, and the Guarantors (collectively, "Franchisee's Representatives") expressly covenant and agree that each of them shall not, at any time, either orally or in writing or through any other medium (including without limitation through any social media outlet, posting, blog or comment), or any other form of communication, (i) disparage, defame, impugn, assail or criticize the reputation, integrity, professionalism or conduct of the Franchisor or its officers, directors, managers, owners, agents, contractors and employees (collectively, "Franchisor's Representatives,") the franchisees of Franchisor, or any of their representatives, (ii) pursue or promote any action to encourage any of Franchisor's Franchisees to (1) abandon or terminate their franchise, (2) not pay amounts due to Franchisor, (3) not perform under any franchise agreement, or (4) not support the Franchisor or any of its

programs in any way; or (iii) voluntarily testify or appear as a witness, consultant or expert, or participate as an adverse party to Franchisor, in any civil litigation, arbitration or dispute resolution proceeding against Franchisor or any of Franchisor's Representatives related to the franchise, the business of Franchisor or the System, Franchisee's Representatives may answer truthfully to any inquiry received from a governmental authority or in response to any lawful discovery or subpoena issued in any civil or criminal proceeding. The Franchisee's Representatives and the Franchisor's Representatives will treat each other with mutual respect. Franchisor and the Franchisor's Representatives covenant and agree not to disparage, defame, impugn, assail or criticize the reputation, integrity, professionalism or conduct of Franchisee and the Guarantors in connection with this franchise. The parties acknowledge that monetary damages may not be sufficient to provide redress to an aggrieved party if the other party breaches this Section, so the parties consent to the entry of injunctive relief to prevent any breach or continuing breach of this Section.

9. Consultation with Counsel. Franchisee and Guarantor(s) acknowledge that each of them have consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Release. Franchisee and Guarantor(s) each understand how this Release will affect your legal rights and voluntarily enter into this Release with such knowledge and understanding.

10. Governing Law; Consent to Jurisdiction. This Release will be governed by and interpreted under Tennessee law. The parties hereby consent and waive all objections to the non-exclusive personal jurisdiction of, and venue in, the United States District Court for the Western District of Tennessee and Tennessee state courts situated in Shelby County, Tennessee for the purposes of all cases and controversies involving this Release and its enforcement, and the Franchise Agreement.

11. Attorneys' Fees. The parties agree that the non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Release or collect amounts owed under this Release.

12. Capitalized Terms. Capitalized terms not otherwise defined in this Release shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments.

13. Execution in Counterparts. To facilitate execution of this Release by geographically separated parties, this Release and all other agreements and documents to be executed in connection herewith may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures on behalf of each party appear on each counterpart; but it shall be sufficient that the signature on behalf of each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Release to produce or account for more than a number of counterparts containing the respective signatures on behalf of all the parties hereto. All facsimile executions shall be treated as originals for all purposes.

14. Entire Agreement. This Release constitutes the entire understanding and agreement between the parties with respect to the Franchised Business and the termination of the Franchise Agreement. This Release may not be changed or modified, except by a writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date and year first above written.

FRANCHISEE:

_____

By: _____
Printed Name: _____
Title: _____

FRANCHISOR:

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Printed Name: _____
Title: _____

GUARANTORS:

_____
Printed Name:

_____
Printed Name:

_____
Printed Name:

EXHIBIT E

Form of Non-Disclosure and Non-Use Agreement

NON-DISCLOSURE AND NON-USE AGREEMENT

THIS NON-DISCLOSURE AND NON-USE AGREEMENT (the "***Agreement***") is made and given to Buff City Soap Franchising, LLC, a Delaware limited liability company, for the collective benefit such entity and its affiliates (collectively, "***Company***"), by the undersigned, as of the date set forth below.

BACKGROUND:

In conjunction with exploration of a potential business relationship between the undersigned and the Company (the "***Purpose***"), the undersigned has need of, may become aware of, and/or may come into possession of (i) financial information, business plans, information about the Company's business and/or other non-public information and trade secrets that Company considers confidential or proprietary, (ii) information about a customer of Company that is non-public, confidential, or proprietary in nature, and/or that is protected by law or by order of a court, arbitrator, or other such authority, and/or (iii) information and property held by Company pursuant to a contractual or fiduciary relationship. Company is willing to disclose to the undersigned, or permit the disclosure to the undersigned of, such information and property only upon receipt of the assurances contained within this Agreement, and the undersigned is willing to give such assurances.

NOW, THEREFORE, in consideration of the recitals above and other good and valuable consideration, the undersigned hereby agrees as follows:

1. **Definition of Confidential Information**

"***Confidential Information***" means any information of any type in any form that (i) is disclosed to or observed or obtained by the undersigned from Company (or from a person the recipient knows or reasonably should assume has an obligation of confidence to Company) in the course of, or by virtue of, the Purpose and (ii) either is designated as confidential or proprietary in writing at the time of such disclosure or within a reasonable time thereafter (or, if disclosure is made orally or by observation, is designated as confidential or proprietary orally by the person disclosing or allowing observation of the information) or is of a nature that the recipient knew or reasonably should have known, under the circumstances, would be regarded by the owner of the information as confidential or proprietary.

For purposes of this Agreement, however, the term "Confidential Information" specifically shall not include any portion of the foregoing (other than information about the health or financial status of any person) that (i) was in the undersigned's possession or knowledge at the time of disclosure and that was not acquired directly or indirectly from Company, (ii) was disclosed to the undersigned by a third party not having an obligation of confidence of the information to any person or body of which the undersigned knew or that, under the circumstances, the undersigned reasonably should have assumed to exist, or (iii) is or becomes (other than by the act or omission of the undersigned) a part of the public domain not under seal by a court of competent jurisdiction.

In the event of any ambiguity as to whether information is Confidential Information, the foregoing shall be interpreted strictly and there shall be a rebuttable presumption that such information is Confidential Information.

Without limiting any other provisions of this Agreement or granting by implication any rights with respect to any particular item, and whether or not otherwise meeting the criteria described herein, the following shall be deemed conclusively to be Confidential Information: (i) all information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law; (ii) any notes, compilations, analyses, or other materials created by or on behalf of the undersigned that contain, describe, or refer to information that is Confidential Information of Company; and (iii) to the extent not generally known to the public or to third parties in the relevant industry, (A) all data, documents, flow charts, logic diagrams, design concepts, technical information, processes, standards, specifications, improvements, inventions, procedures, know-how, formulae, algorithms, source and executable codes, scripts, file layouts, database arrangements, test materials, business concepts and methods, financial information, recipes and preparation instructions for menu items, ingredients, new menu items and the like, sales and marketing information, development plans, business plans, strategies, forecasts, customer lists, customer data, supplier lists, supplier contract and arrangement terms, non-obvious Retailer design, décor, and organization elements, and passwords, entry codes, access sequences, or the like of the Company, (B) all information and property that the recipient knows or reasonably should assume is possessed by Company through a contractual or fiduciary relationship with a third party (including without limitation property possessed or accessible pursuant to a license or other contractual arrangement, information regarding the business of Company's customer or prospective customer, the identity of any third party in a confidential relationship with Company, and information about the health or financial status of any person), and (C) this Agreement (other than the fact of its existence), the identity of Company as a party to this Agreement, and the fact of the parties' Purpose.

Any information otherwise meeting the foregoing definition of "Confidential Information" that was received by the undersigned prior to the date of this Agreement but preliminary to or in contemplation of this Agreement or the Purpose shall be deemed to be Confidential Information.

2. **Non-Disclosure of Confidential Information**

Except as otherwise specifically authorized by Company in writing, the undersigned shall keep all Confidential Information disclosed to it strictly confidential and shall not disclose (or permit the disclosure by any of its employees, contractors, or agents of) any Confidential Information except as expressly approved in writing by Company or as otherwise permitted under this Agreement; provided, however, that the undersigned may disclose appropriate portions of Confidential Information to those of its employees, contractors, agents,

and professional advisors who have a substantial need to know the specific information in question in connection with the Purpose so long as all such persons (i) have been instructed that such Confidential Information is subject to the obligation of confidence set forth by this Agreement and (ii) are bound either by contract, employment policies, or fiduciary or professional ethical obligation to maintain such information in confidence. The foregoing notwithstanding, in the event the undersigned becomes legally compelled to disclose any Confidential Information, the undersigned shall provide Company with prompt notice thereof so that Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained, or if Company waives compliance with the provisions of this Agreement, the undersigned agrees to furnish only the portion of the Confidential Information that it is legally required to disclose, as advised by written opinion of counsel. The undersigned also shall exercise its best efforts to obtain reasonable, reliable assurance that confidential treatment as provided in this Agreement will be accorded to the Confidential Information so disclosed.

3. Non-Use of Confidential Information

The undersigned shall not, in any manner or at any time, use or authorize the use of any Confidential Information except as is necessary to effectuate the purposes of the Purpose.

4. Security of Confidential Information

In addition to any other restrictions or obligations imposed at law, the undersigned will maintain all Confidential Information under secure conditions, using reasonable security measures and in any event not less than the same security procedures used by the undersigned for the protection of its own Confidential Information of a similar kind.

5. Copying of Confidential Information.

Except as otherwise specifically authorized by Company in writing, the undersigned shall not copy or otherwise reproduce any part of any Confidential Information, nor attempt to do so, other than as is necessary to effectuate the purposes of the Purpose. Any embodiments of Confidential Information that may be generated by the undersigned, either pursuant to or in violation of this Agreement, will be deemed the Confidential Information of Company.

6. Proprietary Legends

Except as otherwise specifically authorized by Company in writing, the undersigned shall not remove, obscure, or deface on or from any embodiment of any Confidential Information any proprietary legend relating to Company's rights.

7. Compliance with Export Restrictions

The undersigned shall comply with all applicable laws, regulations, and restrictions relating to the use, handling, disclosure, export, and transfer of the Confidential Information. The undersigned warrants that no technical data furnished to it by Company will be exported from the United States, including without limitation disclosing technical data to a foreign firm, foreign government, or foreign national not lawfully admitted to the United States as a permanent resident, without first (i) obtaining the express written consent of Company in its sole discretion and (ii) complying with all applicable requirements of the International Traffic in Arms Regulations and the Export Administration Act, including without limitation the requirement for obtaining any export license or other approval, if applicable. The undersigned shall not submit any request for authority to export any such technical data without the express written consent of Company in its sole discretion.

8. Term

The obligations of the undersigned pursuant to this Agreement shall continue until three years following the last date that Confidential Information is disclosed to or observed or obtained by the undersigned pursuant to this Agreement; provided, however, that the obligations of the undersigned pursuant to this Agreement with respect to Confidential Information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law shall continue for as long as such information remains a trade secret; and provided, further, that the obligations of the undersigned pursuant to Section 2 of this Agreement shall continue indefinitely.

9. Acknowledgment of Rights

The undersigned acknowledges that, as between Company and the undersigned, all Confidential Information shall be and remain exclusively the property of Company. Nothing contained in this Agreement shall be construed as granting to or conferring upon the undersigned any right, by license or otherwise, expressly or by implication, in respect of any Confidential Information or any applications thereof.

10. No Warranties

The undersigned acknowledges that Company makes no representation or warranty as to the Confidential Information disclosed hereunder, including without limitation any representation or warranty as to accuracy, completeness, or relevance, and any implied such representations and warranties are hereby disclaimed. Company shall have no liability to the undersigned for any use of Confidential Information by the undersigned.

11. Return or Destruction of Confidential Information

At any time or times as may be requested by Company, and in any case within 10 days following the end of the Purpose, the undersigned shall return or permanently and securely destroy all copies and other physical embodiments of the Confidential Information in its possession or under its control and permanently and securely delete any electronic embodiments of the Confidential Information from its computers and storage devices and media. Upon request of Company, the undersigned shall deliver a certificate of an officer of the undersigned that all such Confidential Information has been returned or destroyed.

12. Injunctive Relief

The undersigned acknowledges that the Confidential Information has been and is developed and obtained by Company with considerable effort and expense or subject to legal obligations regarding its confidentiality, that the Confidential Information is unique, secret, and valuable to Company, and that any unauthorized use of Confidential Information by the undersigned, or any disclosure of the

same to any third party other than as permitted under this Agreement, would be wrongful, may violate law, and would cause irreparable injury to Company. The undersigned further acknowledges that any breach of this Agreement would cause irreparable harm to Company for which an award of money damages alone would not be an adequate remedy, and the undersigned therefore agrees that Company shall be entitled to specific performance and immediate preliminary and permanent injunctive relief without bond, without the need of proof of actual damages, and without prejudice to any other rights or remedies to which Company may be entitled as a result of a breach of this Agreement. Company shall be entitled to reasonable attorney's fees and costs incurred by it in enforcing its rights under this Agreement. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting Company's rights under applicable law to protect its Confidential Information.

13. No Partnership; No Commitment; No Exclusivity

Except as expressly set forth in a separate written agreement between the undersigned and Company, nothing contained in this Agreement or in any discussions undertaken or disclosures made pursuant hereto shall (i) create any partnership or joint venture as between the undersigned and Company; (ii) be deemed a commitment by the undersigned or Company to engage in any business relationship, contract, or future dealing with of for the benefit of the other, or (iii) limit the right of the undersigned or Company to conduct discussions or engage in any undertaking, whether similar to or different from the Purpose, so long as such discussions or undertaking do not violate this Agreement.

14. Other Provisions

This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (other than its conflicts of law provisions) and venue shall be exclusive in the federal or state courts sitting in Shelby County, Tennessee. If any provision of this Agreement is deemed invalid or unenforceable, such provision shall be deemed limited by construction in scope and effect to the minimum extent necessary to render the same valid and enforceable. This Agreement, including any exhibits referred to in this Agreement, all of which form a part hereof, contains the entire understanding of the undersigned and Company with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the undersigned and Company. No failure or delay in the exercise of any power, right, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right, or privilege preclude the further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by him/herself or its duly authorized representative as of the date shown below.

[Signature block if individual:]

_____
(Signature, if individual)

_____
(Name written out, if individual)

Date: _____

[Signature block if entity:]

_____
(Company name written-out)

By:_____
(Signature of duly-authorized officer)

Its:_____
(Title of duly-authorized officer)

Date: _____

Exhibit F

Disclosure Document Addenda Required by Certain States

ADDENDUM TO

BUFF CITY SOAP FRANCHISING, LLC

FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

If you are a resident of or your Shop will be located in any of the states listed below, the following information may apply to you.

FOR THE STATE OF CALIFORNIA

1. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

2. The California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise and indemnification for the indemnitees' own negligence and strict liability. These provisions may not be enforceable under California law.

6. Neither we nor any officer identified in Item 2 of this 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 78a et seq., suspending or expelling such persons from membership in such association or exchange.

7. 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 the Franchise Agreement restricting venue to a forum outside the State of California.

8. The Franchise Agreement requires the application of the laws of Tennessee. This provision may not be enforceable under California law.

9. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

11. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

FOR THE STATE OF FLORIDA

Total Investment

We do not know the amount of the total required investment in a Franchised Store over the term of the franchise. We do not request, obtain or receive this information from franchisees. We refer you to Item 7 for the known initial investment. Additional capital investments in the Franchised Store will be necessary over the term of the franchise to maintain the Franchised Store according to the System.

FOR THE STATE OF HAWAII

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR

TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement, to the extent the application of such law is constitutional and is valid as applied.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement (or multi-unit development agreement) that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois. The provisions of Section 46 of the Franchise Agreement which designate jurisdiction or venue in a forum outside of the State of Illinois shall not be effective for Franchise Agreements entered into in Illinois.

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. Sections 19 and 20 of the Illinois Franchise Disclosure Act set forth your rights upon termination and non-renewal of the Franchise Agreement. Termination and non-renewal rights cannot be waived or modified under the Illinois Franchise Disclosure Act.

FOR THE STATE OF INDIANA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the other agreements or Tennessee law if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Section 29 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.

3. The prohibition by Indiana Code 23-2-2.7-1(10) against limiting litigation brought for breach of the agreement, shall supersede the provisions of Sections 31 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.

4. Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.

5. No release language set forth in the Disclosure Document, Franchise Agreement, or Development Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

6. Section 45 of the Franchise Agreement is amended to provide that such agreement (as applicable) will be construed in accordance with the laws of the State of Indiana.

7. Any provision in the Disclosure Document or Franchise Agreement that designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.

8. Section 31(b) (Jury Trial Waiver) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

FOR THE STATE OF MARYLAND

Item 17 is amended to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, and to provide that the Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise. The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101, *et seq.*).

This Amendment also applies to non-residents of Maryland who will operate a Buff City Soap franchise in the state of Maryland.

FOR 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 franchisees.

(B) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(E) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(F) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(G) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants 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 service.

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.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

FOR THE STATE OF MINNESOTA

Minnesota statute §80C14 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:

(A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:

(i) Voluntary abandonment of the franchise relationship by the Franchisee;

(ii) The conviction of the Franchisee of an offense directly related to the business conducted pursuant to the franchise; or

(iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor's trade name, Trademark, service mark, logotype or other commercial symbol after the Franchisee has received written notice to cure of at least 24 hours in advance thereof;

(B) Terminate or cancel a franchise except for good cause. "Good cause" shall be failure by the Franchisee substantially to comply with reasonable requirements imposed upon him by the franchise including, but not limited to:

(i) The bankruptcy or insolvency of the Franchisee;

(ii) Assignment for the benefit of creditors or similar disposition of the assets of the franchise business;

(iii) Voluntary abandonment of the franchise business;

(iv) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or

(v) Any act by, or conduct of, the Franchisee which materially impairs the goodwill associated with the Franchisor's Trademark, trade name, service mark, logotype or other commercial symbol.

(C) Unless the failure to renew the franchise is for good cause as defined in clause (B), Franchisor may not fail to renew a franchise unless (i) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

A franchisor may not unreasonably withhold consent to an assignment, transfer, or sale of the franchise where the assignee meets the present qualifications and standards required of other franchisees.

Item 13 is modified as follows: The Minnesota Department of Commerce requires that a Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Trademark infringes Trademark rights of the third party. The Company does not indemnify against the consequences of the Franchisee's use of the Company's Trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Company of any such claim within 10 days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense

of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 is amended to provide that you shall not be required to assent to a general release, and that liquidated damages are generally not permitted under Minnesota law.

FOR 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 ST., 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.

1. Provisions of General Releases are included throughout the Disclosure Document and Franchise Agreement. They are covered by the following provision:

"Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law ("GBL") of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

2. 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:

Except as noted above, 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 you to renew or extend**," and Item 17(m), entitled "**Conditions for our 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 you":

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 us":

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.

FOR THE STATE OF NORTH DAKOTA

Item 17(c) of the Disclosure Document is amended to provide that no release shall be required to be signed by the Franchisee as a condition of the renewal of the Franchise Agreement. Item 17 (i) of the Disclosure Document is amended to delete the requirement that the Franchisee consent to termination fees or liquidated damages. Item 17(w) of the Disclosure Document is amended to delete the provision that Tennessee law shall control the Franchise Agreement or the relationship between the parties. The Disclosure Document is amended to provide that the Franchisee shall not be required to waive trial by jury or consent to a waiver of exemplary or punitive damages. The Disclosure Document is amended to provide that liquidated damages provisions are not enforceable.

FOR THE STATE OF RHODE ISLAND

Item 17 is amended to state that section 19-28-1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FOR THE STATE OF SOUTH DAKOTA

Any provision in a Franchise Agreement which designates jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Any provision in a Franchise Agreement that states the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages or any provision that provides that parties waive their right to a jury trial may not be enforceable under South Dakota law.

FOR THE STATE OF VIRGINIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to Item 17(h):

   (a) Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia 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/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

FOR THE STATE OF WASHINGTON

The Franchise Investment Protection Act of the State of Washington makes it unlawful to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the Franchisee to comply with lawful material provisions of the Franchise Agreement or other agreements between the Franchisor and the Franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if said default cannot reasonably be cured within thirty (30) days, the failure of the Franchisee to initiate within thirty days substantial and continuing action to cure such default: PROVIDED; That after three willful and material breaches of the same term of the Franchise Agreement occurring within a twelve month period, for which the Franchisee has been given notice and an opportunity to cure as provided in Section 17, the Franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve month period without providing notice or opportunity to cure: PROVIDED FURTHER; That a Franchisor may terminate a franchise without giving prior notice of opportunity to cure a default if the Franchisee: (i) is adjudicated a bankrupt or insolvent, (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted or pleads guilty or no contest to a charge of violating

any law relating to the franchise business. Upon termination for good cause, the Franchisor shall purchase from the Franchisee at a fair market value at the time of the termination, the Franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the Franchisor, (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the Franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the Franchisor or on his express requirement: PROVIDED; that a Franchisor may offset against amounts owed to a Franchisee under Section 17 any amounts owed by such Franchisee to the Franchisor.

The Franchise Investment Protection Act of the State of Washington makes it unlawful, except in limited circumstances, to refuse to renew a franchise in Washington without fairly compensating the franchise for the fair market value, at the time of the expiration of the franchise, of the Franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor and goodwill, exclusive of personalized materials which have no value to the franchisor, and exclusive of inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchised business.

In no event will the transfer fee exceed the actual out-of-pocket expenses incurred by the Company.

To the extent that the Washington Franchise Investment Act conflicts with the choice-of-law provisions contained in the Franchise Agreement, the Washington Franchise Investment Act will control.

FOR THE STATE OF WISCONSIN

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Wisconsin.

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following applies to Franchise Agreements in the State of Wisconsin:

   (a) The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the Act), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

   (b) The Act's requirements that Franchisor must provide franchisee at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. This notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that franchisee has 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or

substantial change in competitive circumstances is nonpayment of sums due under the franchise, franchisee will have 10 days to cure the deficiency.

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043, provides you with certain rights on termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Corporations prior to solicitation of a proposed material modification of an existing franchise.

3. Our right to terminate pursuant to Section 29(d) of the Franchise Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

4. Section 32(d) of the Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. California law may not enforce the choice of Tennessee law provision in Section 45 of the Franchise Agreement.

6. California Business and Professions Code Sections 20000 through 20043 ("CFRA") provide rights to the franchisee concerning termination and non-renewal of the franchise. If the Franchise Agreement is inconsistent with this law, the law will control.

7. Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Franchise Agreement without the right to cure as provided in Section 20021 of CFRA.

8. We reserve the right to notify you at the time we terminate the Franchise Agreement that we will not enforce the post-termination covenant in Section 11 and will then have no obligation to purchase any inventory from you under Section 20022 of CFRA.

9. Notwithstanding any other provision of the Franchise Agreement to the contrary, we shall exercise the right to terminate the Franchise Agreement in accordance with CFRA Section 20020.

10. You acknowledge your obligation to provide us with notice of transfer, sale or assignment under CFRA Section 20029.

11. The Franchise Agreement requires you to execute a general release in certain circumstances. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043)

12. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California.

13. You acknowledge that the Franchise Agreement and all related agreements between you and us are not consumer contracts and are not within the scope of California Civil Code Section 1632. You confirm and agree that all contract negotiations and discussions between us and you have been conducted in the English language and no other language.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. The first sentence of Section 31(b) of the Franchise Agreement (relating to waiver or a jury trial) is hereby deleted.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Illinois.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF INDIANA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Section 13 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Section 32(b) is modified by adding the following to the end thereof:

> "Notwithstanding the foregoing provisions of this Section to the contrary, in the event that liquidated damages are prohibited by applicable state law, Franchisor may seek such damages in a court of proper jurisdiction."

3. Section 45 is deleted in its entirety and replaced with the following:

> "This Franchise Agreement and any claims arising under it or in relation to it or to the relationships between the parties shall be governed, construed, interpreted and enforced by and under the laws of the State of Indiana."

4. Section 46 is deleted in its entirety and replaced with the following:

> "With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided above, Franchisor, Franchisee, and owners hereby irrevocably submit themselves to the jurisdiction of the state and federal courts located in Indiana having subject matter jurisdiction of the claim, and hereby waive all objections to personal jurisdiction for the purpose of carrying out this provision. Franchisee and owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Franchise Agreement or the relationship created by this Franchise Agreement by any means allowed by the laws and applicable rules of procedure of the United States, the State of Indiana, the state of residence of the Franchisee or owner, or the state in which the Hotel is located."

5. The first sentence of Section 31(b) of the Franchise Agreement (relating to waiver or a jury trial) is hereby deleted.

6. No release language set forth in the Franchise Agreement shall require a party to release any claim arising under Indiana franchise law.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Indiana.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Notwithstanding anything to the contrary in Section 46 of the Franchise Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Our right to terminate pursuant to Section 29(d) of the Franchise Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

3. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Pursuant to the Maryland Franchise Registration and Disclosure Law, any claim by you under such law must be brought within three (3) years of the grant of the franchise.

4. No disclaimers contained within the Franchise Agreement shall, nor are they intended to, serve as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

(A) THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THE FRANCHISE AGREEMENT, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(B) A prohibition on the right of a franchisee to join an association of franchisees.

(C) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(D) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(E) 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 franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(F) 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.

(G) 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.

(H) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(I) 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 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.

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 service.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Liquidated damages are prohibited by law in the State of Minnesota and, therefore, Section 32(b) of the Franchise Agreement is deleted in its entirety and replaced with the following:

> "If this Franchise Agreement terminates prior to the Expiration Date, such termination will cause substantial damages to Franchisor. Franchisee therefore agrees that if the Franchise Agreement is terminated, Franchisee will be liable to Franchisor for damages and losses Franchisor suffers from such early termination. Franchisee agrees to remain liable for all obligations and claims under the Franchise Agreement, including obligations surviving termination of the Franchise Agreement, and other damages suffered by Franchisor arising out of Franchisee's breach or default. At the time of such termination of the Franchise Agreement, Franchisee agrees to pay to Franchisor upon demand compensation for all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by Franchisor and/or amounts which would have otherwise been payable for and during the remainder of the unexpired term of the Franchise Agreement but for such termination."

2. The following language is added to the end of Section 46 of the Franchise Agreement:

> "Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. Nothing in the Franchise Agreement or Franchise Disclosure Document can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, 2087, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of Minnesota."

3. The first sentence of Section 31(b) of the Franchise Agreement (relating to waiver or a jury trial) is hereby deleted.

4. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

5. Nothing in the Franchise Agreement shall in any way abrogate or reduce any rights of Franchisee as provided for in the Minnesota Statutes, Chapter 80C. Minnesota statutes §80C.14, subdivisions 3, 4 and 5 require that Franchisee be given at least 90 days written notice in advance of termination (with 60 days to cure) and 180 days written notice for non-renewal of the Franchise Agreement, except that the notice shall be effective immediately for certain grounds.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Minnesota.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Section 31 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> "However, that all rights arising in Franchisee's 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."

2. Section 46 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> "The foregoing choice of law should not be considered a waiver of any right conferred upon Franchisee by the General Business Law of the State of New York, Article 33."

3. Notwithstanding anything to the contrary in the Franchise Agreement, you shall be permitted to terminate the Franchise Agreement upon any grounds available by law.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of New York.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Any provision of the Franchise Agreement which designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is deleted from the Franchise Agreement.

2. Liquidated damages are prohibited by law in the State of North Dakota and, therefore, Section 32(b) of the Franchise Agreement is deleted in its entirety and replaced with the following:

> "If this Franchise Agreement terminates prior to the Expiration Date, such termination will cause substantial damages to Franchisor. Franchisee therefore agrees that if the Franchise Agreement is terminated, Franchisee will be liable to Franchisor for damages and losses Franchisor suffers from such early termination. Franchisee agrees to remain liable for all obligations and claims under the Franchise Agreement, including obligations surviving termination of the Franchise Agreement, and other damages suffered by Franchisor arising out of Franchisee's breach or default. At the time of such termination of the Franchise Agreement, Franchisee agrees to pay to Franchisor upon demand compensation for all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by Franchisor and/or amounts which would have otherwise been payable for and during the remainder of the unexpired term of the Franchise Agreement but for such termination."

3. The first sentence of Section 31(b) of the Franchise Agreement (relating to waiver of a jury trial) is hereby deleted.

4. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements, or Tennessee law if such provisions are in conflict with North Dakota law.

5. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.

6. Section 32(b) of the Franchise Agreement contains a liquidated damages clause. Under North Dakota law, liquidated damages clauses are unenforceable.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of North Dakota.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF RHODE ISLAND

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

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

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Rhode Island.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF SOUTH DAKOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Notwithstanding anything in Section 14 to the contrary, if you fail to meet performance and quality standards or fail to make any payments under the Franchise Agreement, you shall be afforded thirty (30) days written notice with an opportunity to cure the default before termination.

2. Section 11 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> "The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of the State of Tennessee."

3. Section 46 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

> "Any provision which designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota."

4. The first sentence of Section 31(b) of the Franchise Agreement (relating to waiver or a jury trial) is hereby deleted.

5. The following provision shall be added to the end of Section 39 of the Franchise Agreement:

> "Pursuant to SDCL 37-5B, any acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter."

6. Any provision of the Franchise Agreement that provides that the parties waive their rights to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of South Dakota.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISING ACT

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia 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 do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of the franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

4. A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Washington.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP FRANCHISE AGREEMENT FOR THE STATE OF WISCONSIN

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of the Franchise Agreement.

2. The Act's requirements, including that in **certain circumstances** a Franchisee receive ninety (90) day notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section 29 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Wisconsin.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

SIGNATURE BLOCK FOR RESIDENTS OF THE STATE OF IOWA

IN WITNESS WHEREOF, each of the parties hereto has caused this Franchise Agreement to be executed by its duly authorized representative as of the date first above written.

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

Franchisee:

Witnesses:

_____
Signature – Witness as to

Name Printed: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

_____
Signature – Witness as to

Name Printed: _____

By: _____

Name Printed: _____

Title: _____

Date: _____

Witness:

_____
Signature – Witness as to

Name Printed: _____

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

FOR RESIDENTS OF THE STATE OF IOWA

IOWA NOTICE OF CANCELLATION

Copy 1

The BUFF CITY SOAP FRANCHISING, LLC Franchise Agreement, signed _____, 2018

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller of if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Buff City Soap Franchising, LLC, 3080 Stage Post Drive, Suite 104, Bartlett, TN 38133, Attn: Brad Kellum, not later than midnight of _____ (date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

IOWA NOTICE OF CANCELLATION

Copy 2

The Buff City Soap Franchising, LLC Franchise Agreement, signed _____, 2018

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller of if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Buff City Soap Franchising, LLC, 3080 Stage Post Drive, Suite 104, Bartlett, TN 38133, Attn: Brad Kellum, not later than midnight of _____ (date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF CALIFORNIA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043, provides you with certain rights on termination or non-renewal of a franchise. If the Multi-Unit Operator Agreement contains a provision that is inconsistent with the law, the law will control.

2. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Corporations prior to solicitation of a proposed material modification of an existing franchise.

3. Our right to terminate pursuant to Section 29(d) of the Multi-Unit Operator Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

4. California law may not enforce the choice of Tennessee law provision in Section 24 of the Franchise Agreement.

5. California Business and Professions Code Sections 20000 through 20043 ("CFRA") provide rights to the franchisee concerning termination and non-renewal of the franchise. If the Multi-Unit Operator Agreement is inconsistent with the law, the law will control.

6. Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Multi-Unit Operator Agreement without the right to cure as provided in Section 20021 of CFRA.

7. We reserve the right to notify you at the time we terminate the Multi-Unit Operator Agreement that we will not enforce the post-termination covenant in Section 14 and will then have no obligation to purchase any inventory from you under Section 20022 of CFRA.

8. Notwithstanding any other provision of the Multi-Unit Operator Agreement to the contrary, we shall exercise the right to terminate the Multi-Unit Operator Agreement in accordance with CFRA Section 20020.

9. You acknowledge your obligation to provide us with notice of transfer, sale or assignment under CFRA Section 20029.

10. The Multi-Unit Operator Agreement requires you to execute a general release in certain circumstances. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchisee to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043)

11. All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of California.

12. You acknowledge that the Multi-Unit Operator Agreement and all related agreements between you and us are not consumer contracts and are not within the scope of California Civil Code Section 1632. You confirm and agree that all contract negotiations and discussions between us and you have been conducted in the English language and no other language.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

This Addendum to the Multi-Unit Operator Agreement by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor, and _____, a _____ ("you"), as operator, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Illinois law applies to this Agreement and supersedes any conflicting provision of the Multi-Unit Operator Agreement.

2. Section 24 of the Multi-Unit Operator Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, shall be commenced and maintained in the state courts of Illinois or the United States District Court for Illinois with the specific venue, in either court system, determined by appropriate jurisdiction and venue requirements.

3. If any of the provisions of the Multi-Unit Operator Agreement are inconsistent with applicable state law, then the state law shall apply to the extent such law is constitutional and valid as applied.

4. All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Addendum shall be affected. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Illinois.

5. Section 41 of the Illinois Franchise Disclosure Act provides that 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

FRANCHISOR
BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF INDIANA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Multi-Unit Operator Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Multi-Unit Operator Agreement, shall supersede the provisions of Section 15 of the Multi-Unit Operator Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Section 24 is deleted in its entirety and replaced with the following:

> "This Multi-Unit Operator Agreement and any claims arising under it or in relation to it or to the relationships between the parties shall be governed, construed, interpreted and enforced by and under the laws of the State of Indiana."

3. Section 25 is deleted in its entirety and replaced with the following:

> "With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided above, You, us, and your owners hereby irrevocably submit themselves to the jurisdiction of the state and federal courts located in Indiana having subject matter jurisdiction of the claim, and hereby waive all objections to personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Multi-Unit Operator Agreement or the relationship created by this Multi-Unit Operator Agreement by any means allowed by the laws and applicable rules of procedure of the United States, the State of Indiana, the state of residence of the Franchisee or any owner, or the state in which the Franchised Business is located."

4. Paragraph 17(b) of the Multi-Unit Operator Agreement (relating to waiver or a jury trial) is hereby deleted.

5. No release language set forth in the Multi-Unit Operator Agreement shall require a party to release any claim arising under Indiana franchise law.

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Indiana.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF MARYLAND

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Notwithstanding anything to the contrary in Section 25 of the Multi-Unit Operator Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Our right to terminate pursuant to Section 15 of the Multi-Unit Operator Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

3. Notwithstanding anything to the contrary in the Multi-Unit Operator Agreement, no release language in the Multi-Unit Operator Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Pursuant to the Maryland Franchise Registration and Disclosure Law, any claim by you under such law must be brought within three (3) years of the grant of the franchise.

4. No disclaimers contained within the Multi-Unit Operator Agreement shall, nor are they intended to, serve as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Maryland.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR
BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name:
_____ _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

(A) THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THE MULTI-UNIT OPERATOR AGREEMENT, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(B) A prohibition on the right of a franchisee to join an association of franchisees.

(C) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(D) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(E) 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 franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(F) 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.

(G) 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.

(H) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(I) 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 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.

(J) 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 service.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF MINNESOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. The following language is added to the end of Section 25 of the Multi-Unit Operator Agreement:

> "Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. Nothing in the Multi-Unit Operator Agreement or Franchise Disclosure Document can abrogate or reduce any of your rights as provided for in Minnesota Statutes, 2087, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of Minnesota."

2. Paragraph 17(b) of the Multi-Unit Operator Agreement (relating to waiver or a jury trial) is hereby deleted.

3. Notwithstanding anything to the contrary in the Multi-Unit Operator Agreement, no release language in the Multi-Unit Operator Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Nothing in the Multi-Unit Operator Agreement shall in any way abrogate or reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C. Minnesota statutes §80C.14, subdivisions 3, 4 and 5 require that you be given at least 90 days written notice in advance of termination (with 60 days to cure) and 180 days written notice for non-renewal of the Multi-Unit Operator Agreement, except that the notice shall be effective immediately for certain grounds.

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Minnesota.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF NEW YORK

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Section 18 (a) of the Multi-Unit Operator Agreement is amended by adding the following sentence at the end of the Section:

> "However, that all rights 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."

2. Section 24 of the Multi-Unit Operator Agreement is amended by adding the following sentence at the end of the Section:

> "The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

3. Notwithstanding anything to the contrary in the Multi-Unit Operator Agreement, you shall be permitted to terminate the Multi-Unit Operator Agreement upon any grounds available by law.

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of New York.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF NORTH DAKOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Any provision of the Multi-Unit Operator Agreement which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside of North Dakota is deleted from the Multi-Unit Operator Agreement.

2. Section 17(b) of the Multi-Unit Operator Agreement (relating to waiver of a jury trial) is hereby deleted.

3. The laws of the State of North Dakota supersede any provisions of the Multi-Unit Operator Agreement, the other agreements, or Tennessee law if such provisions are in conflict with North Dakota law.

4. Notwithstanding anything to the contrary in the Multi-Unit Operator Agreement, no release language in the Multi-Unit Operator Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.

5. All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of North Dakota.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF RHODE ISLAND

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

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

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Rhode Island.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE BUFF CITY SOAP MULTI-UNIT OPERATOR AGREEMENT FOR THE STATE OF SOUTH DAKOTA

This "Addendum" is made and entered into by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Notwithstanding anything in Section 15 to the contrary, if you fail to meet performance and quality standards or fail to make any payments under the Multi-Unit Operator Agreement, you shall be afforded thirty (30) days written notice with an opportunity to cure the default before termination.

2. Section 24 of the Multi-Unit Operator Agreement is amended by adding the following sentence at the end of the Section:

> "The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of the State of Tennessee."

3. Section 25 of the Multi-Unit Operator Agreement is amended by adding the following sentence at the end of the Section:

> "Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota."

4. Section 17(b) of the Multi-Unit Operator Agreement (relating to waiver or a jury trial) is hereby deleted.

5. The following provision shall be added to the end of Section 21 of the Multi-Unit Operator Agreement:

> "Pursuant to SDCL 37-5B, any acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter."

6. Any provision of the Multi-Unit Operator Agreement that provides that the parties waive their rights to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of South Dakota.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Multi-Unit Operator Agreement.

FRANCHISOR

BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISING ACT

This Addendum to the Multi-Unit Operator Agreement by and between Buff City Soap Franchising, LLC, a Delaware limited liability company ("we", "our" or "us"), as franchisor, and _____, a _____ ("you"), as operator, to amend and supplement that certain Multi-Unit Operator Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Multi-Unit Operator Agreement:

1. Section 5 of the Multi-Unit Operator Agreement is amended to provide that all fees are payable when the Franchised Restaurant opens as provided in the Unit's Franchise Agreement. There is no Development Fee due and payable when you sign and deliver the Multi-Unit Operator Development Agreement.

2. All other rights, obligations, and provisions of the Multi-Unit Operator Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Addendum shall be affected. This Addendum is incorporated in and made a part of the Multi-Unit Operator Agreement for the State of Virginia.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

FRANCHISOR
BUFF CITY SOAP FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

OPERATOR

By: _____
Name: _____
Title: _____
Date: _____

Exhibit H

State Administrators and Agents for Service of Process

We intend to register this Disclosure Document as a "license" or "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

California
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 or
(866) 275-2677 (Toll Free)

Hawaii
Business Registration Division
Securities Compliance
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

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

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

Michigan
Michigan Department of
Commerce
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan
(517) 373-7117

Minnesota
Minnesota Department of
Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55155
(651)296-6328

New York
New York State Department of
Law
28 Liberty St.
New York, New York 10005
(212) 416-8211

North Dakota
Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

Rhode Island
Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-
4232
(401) 222-3048

South Dakota
Department of Labor and Regulation
Division of Securities
445 E Capitol Avenue
Pierre SD 57501-3185
(605) 773-4823

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

Washington
Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin
Division of Securities Department of
Financial Institutions
P. O. Box 1768
Madison, Wisconsin 53701
(608) 266-8559

Agents for Service of Process:

California:	Commissioner of Business Oversight, 1515 K St., Sacramento, California 95814
Delaware:	Capitol Services, Inc., 615 South DuPont Highway, Dover, Delaware 19901
Hawaii:	Commissioner of Securities, PO Box 40, Honolulu, Hawaii 96810
Illinois:	Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706
Indiana:	Indiana Secretary of State, 302 W. Washington Street, Indianapolis, Indiana 46204
Maryland:	Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202
Minnesota:	Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, Minnesota 55155
New York:	New York Secretary of State, One Commerce Plaza, 99 Washington Ave., Albany, New York 12231
North Dakota:	Securities Commissioner, 600 East Boulevard, Fifth Floor, Bismarck, North Dakota 58505
Rhode Island:	Director of the Rhode Island Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903
South Dakota:	Director, Division of Securities, Department of Labor and Regulation, 445 E Capitol Avenue, Pierre SD 57501-3185
Tennessee:	Brad Kellum, 3080 Stage Post Drive, Suite 104, Memphis, TN 38133.
Virginia:	Clerk of the State Corporation Commission, 1300 East Main Street, First Floor, Richmond, Virginia 23219
Washington:	Director of Financial Institutions, P. O. Box 9033, Olympia, Washington 98507
Wisconsin:	Administrator, Division of Securities, 345 West Washington Avenue, P.O. Box 1768, Madison, Wisconsin 53701-1768

Exhibit I

Table of Contents of Operations Manual

Franchisee Manual	
Chapter Title	**Number of Pages**
Preface and Introduction	14
Products, Offerings & Pricing	5
Customer Service	7
Financial Management	15
Labor Management	10
Operations	15
Safety and Security	8
Marketing	18
Appendix: • Forms	15
Total Pages	107

Start Up Manual	
Chapter Title	**Number of Pages**
During Site Selection Weeks	4
Lease & Build-Out Approval Processes	6
Administrative Preparation	6
From Lease Signing to Opening	10
Appendix: • Forms • Timelines • Order Lists	10
Total Pages	36

Additional Manuals	Number of Pages
Unit Manager Operations Manual	75
Position Service and Technical Training Manuals	30

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, Multi-Unit Operator Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If Buff City Franchising, LLC (Buff City) offers you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, 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. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and 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 Buff City 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 you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit E to this Disclosure Document.

Buff City is located at 3080 Stage Post Dr., Suite 104, Bartlett, TN 38133. Its telephone number is 662-288-8532. The franchise seller for this offering is Brad Kellum at that address or franchise@buffcitysoap.com.

Issuance date: May 30, 2018

Buff City has authorized the persons listed on Exhibit E to this Disclosure Document to receive service of process for us in California and states where our franchise is registered.

I have received Buff City Disclosure Document, dated May 30, 2018 (or the later date set forth for each applicable state on Exhibit F to this Disclosure Document), which includes the following exhibits:

Attachment I Affiliate and Licensed Shops

A Franchise Agreement including forms of Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Lease Rider; Receipt of Operations Manual and Confidentiality Agreement;

B Multi-Unit Operator Agreement

C Closing Acknowledgement

D General Release

E Non-Disclosure and Non-Use Agreement

F Disclosure Document and Addenda Required by Certain States

G Financial Statements

H State Administrators and Agents for Service of Process

I Table of Contents of Operations Manual

J Names and Addresses of Franchisees

Date of Signature (Do not leave blank)	Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location) Printed Name: _____

You may return the signed receipt either by signing, dating, and mailing it to Buff City Franchising, LLC, 3080 Stage Post Dr., Suite 104, Bartlett, TN 38133 or by scanning a copy of the signed and dated receipt to Buff City at franchise@buffcitysoap.com.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, Multi-Unit Operator Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

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If Buff City 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 you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit E to this Disclosure Document.

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B Multi-Unit Operator Agreement

C Closing Acknowledgement

D General Release

E Non-Disclosure and Non-Use Agreement

F Disclosure Document and Addenda Required by Certain States

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J Names and Addresses of Franchisees

Date of Signature (Do not leave blank)	Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location) Printed Name: _____

You may return the signed receipt either by signing, dating, and mailing it to Buff City Franchising, LLC, 3080 Stage Post Dr., Suite 104, Bartlett, TN 38133 or by scanning a copy of the signed and dated receipt to Buff City at franchise@buffcitysoap.com.