FRANCHISE DISCLOSURE DOCUMENT

Cellairis Franchise, Inc.
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The franchisee will sell wireless device accessories including cellular telephone accessories and related services such as cell phone and wireless device repair from one of three ~~four~~ types of outlets. The three ~~four~~ types of outlets are (1) ~~a Retail Merchandising Unit (an **"RMU"**); (2)~~ an Interactive Kiosk; (2~~3~~) a Full Store; or (3~~4~~) Store-in-Store Outlet.

The total investment necessary to begin operation of (1) ~~a Cellairis RMU franchise ranges from $51,999 to $115,059, (2)~~ an Interactive Kiosk franchise ranges from $100~~96~~,0~~5~~99 to $209~~0~~,1~~5~~59, (2~~3~~) a Full Store franchise ranges from $103~~100~~,474 to $331~~69~~,3~~7~~59; and (3~~4~~) a Store-in-Store Outlet franchise ranges from $9~~10~~8,474 to $207~~4~~,8~~1~~59. This includes (1) ~~$22,760 to $41,720 that must be paid to the franchisor or its affiliate for an RMU, (2)~~ $63,460~~59,960~~ to $106~~2~~,220 that must be paid to the franchisor or its affiliate for an Interactive Kiosk, (2~~3~~) $58~~6~~,8~~3~~60 to $208~~36~~,1~~6~~20 that must be paid to the franchisor or its affiliate for a Full Store; and (3~~4~~) $58~~73~~,160 to $99,120~~111,170~~ that must be paid to the franchisor or its affiliate for a Store-in-Store Outlet.

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

The terms of your contract will govern your franchise relationship. Do not 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.

Issuance Date: April 16~~27~~, 2021~~0~~.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

<u>Continuing responsibility to pay fees</u>. You may have to pay royalties and other fees even if you are losing money.

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. ~~1.~~ **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.

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

~~2.~~3. ~~2.~~ **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.~~At the franchisor's discretion, your spouse and each spouse of the franchise owners/partners/members may be required to sign a personal guaranty to the franchise agreement and sub-license agreement making them jointly and severally liable for all debts and obligations of the franchise whether they are involved in the operation of the franchise business. This requirement places the personal and marital assets of you, your spouse, and your owners at risk.~~

4. ~~3.~~ **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.~~For Mall Units and Full Store Units only, you must pay royalty fees of at least $1,000 per month for your first year, $1,050 per month for your second year, $1,100 per month for your third year, $1,150 per month for your fourth year, and $1,200 per month for your fifth year, even if the franchise has no revenue.~~

5. **Turnover Rate**. During the last 3 years, a high percentage of franchised outlets (more than 50%) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

6. **Inventory Control**. You must make Minimum Monthly Inventory purchases, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

~~3.~~7. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

~~4. 4. You must operate the franchise only at the location specified when the franchise is purchased. If you subsequently lose the right to operate at the original location, we have the right to terminate your franchise.~~

~~5.~~

~~6. 5. You do not receive an exclusive territory. We may establish company owned and franchised or licensed outlets anywhere, and may establish other channels of distribution and sell or distribute any product or service to the general public, under the same and/or different trademark, in competition with you.~~

~~7.~~

~~8. 6. There may be other risks concerning this franchise.~~

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

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FOR TRANSACTIONS REGULATED BY THE
<u>MICHIGAN FRANCHISE INVESTMENT LAW ONLY</u>

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 MAY BE VOID AND MAY NOT BE ENFORCEABLE AGAINST YOU:

(A) A prohibition on the right of a franchisee to join an association of franchisees.

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

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to comply with any lawful provisions 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 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, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchise 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 franchisors then current reasonable qualifications or standards.

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

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

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

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (C).

(I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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EXHIBITS

Q~~R~~ Receipt

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

THE FRANCHISOR, ITS AFFILIATES AND THE FRANCHISE

The franchisor is Cellairis Franchise, Inc. and is referred to in this Disclosure Document as "we", "us", or "Cellairis". The person who buys a Cellairis® franchise is referred to as "you" in this Disclosure Document. If you are a corporation, limited liability company, or other legal entity that affords protection from liability, certain provisions in the agreements described in this Disclosure Document also apply to your owners by virtue of our requirement that owners personally guarantee your obligations under the agreements.

We are the owner of a system (the "**System**") for the operation of Cellairis® branded retail merchandise units~~ (**"Cellairis Business Units"**)~~. Cellairis Business Units (defined below) have multiple business formats which we may add to, delete, and modify from time to time. The current formats of Cellairis Business Units include (i) ~~movable display centers which hold and display Products (defined below) on all four sides, where an employee who operates the cart is free to move around all four sides of the unit and is not confined behind a counter (each an "**RMU**" and also referred to as "**cart**"), (ii)~~ Cellairis® retail interactive kiosks with four sides of products in display cases operated with an employee behind a counter with storage space behind the counter~~, thereby allowing this type of unit to hold and display approximately 50% more Products than the RMU~~ (each an **"Interactive Kiosk"**), (~~i~~ii) Cellairis® branded traditional full retail stores which may be in-line with other stores and are likely to be operated in a shopping mall, freestanding building, or in an in-line retail plaza such as a lifestyle center or strip center, as opposed to being located in the common area or middle of the mall, and such unit will offer a larger assortment of wireless device accessories and will offer the Services including wireless device repair (each a "**Full Store Unit**"), and (iii~~v~~) Cellairis® branded retail units, which are operated within the building of, and/or on the premises of, another retailer (the **"Host"**) which will often be a "big box" or mass market retail store, selected by us (each a **"Store-in-Store Outlet"**). Interactive Kiosks~~ and RMUs are collectively referred to as **"Mall Units"** and Mall Units~~, Full Store Units, and Store-in-Store Outlets are collectively referred to in this Disclosure Document as **"Cellairis Business Units"**.

The Cellairis Business Units specialize in the sale of wireless device accessories including cellular telephone accessories, Parts (defined below) and other related products (the **"Products"**), and specified services including cellular telephone and wireless device repair, warranties, product guaranties, and replacement services (collectively the "**Services**"), as well as the use and sale of parts and equipment necessary to perform the Services (collectively the "**Parts**") under marks licensed and authorized for use in the Cellairis Business Units, including the "Cellairis" ® mark (the **"Marks"**).

We offer franchises, under the name Cellairis® for the operation of Interactive Kiosks~~Mall Units~~, Full Store Units, and Store-in-Store Outlets. If we refer to the other types of Cellairis Business Units we will refer to the specific type, or we will refer to all types collectively as Cellairis Business Units.

~~The Cellairis Business Units specialize in the sale of wireless device accessories including cellular telephone accessories, Parts (defined below) and other related products (the **"Products"**), and specified services including cellular telephone and wireless device repair, warranties, product guarantees, and replacement services (collectively the "**Services**"), as well as the use and sale of parts and equipment necessary to perform the Services (collectively the "**Parts**") under marks licensed and authorized for use in the Cellairis Business Units, including the "Cellairis" ® mark (the **"Marks"**).~~

As of December 31, 2020~~19~~ there were 143~~211~~ Cellairis Business Units in operation. As of December 31, 2020~~19~~ we had 0 company-owned or affiliate-owned Cellairis Business Units.

The Area Representative Business

We also sell franchises for Cellairis area representatives, and that offering is under a separate disclosure document. An area representative will assist us in recruiting prospective franchisees for only Store-in-Store Outlets that will only be located in Walmart stores, and the area representative will provide certain site assistance, support services, and training to these Store-in-Store Outlet franchisees. The area representative will not have management responsibility with respect to the day-to-day operations of such Store-in-Store Outlets, but the area representative will have management responsibility with respect to recruiting Store-in-Store Outlet franchisees. Currently, we have granted one area representative franchise, whose territory is currently most of the United States. We expect that this one area representative will have the area representative rights for the entire United States by the second quarter of 2021. If you are a prospective franchisee for a Store-in-Store Outlet in a Walmart store, or if you are such a franchisee, the area representative will provide you with certain site, support, and training services. Our area representative is listed in Item 2 of this Disclosure Document.

The Franchisor and its Affiliates

We were organized as an S-corporation in Georgia on August 9, 2005. We do not do business under any other name. Our principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. The name and address of our agent for service of process is stated on **Exhibit "C"** to this Disclosure Document. We have a parent company, JJT Holdings, LLC and we have no predecessor but we have an affiliated distributor of products. See the description of Global Cellular, Inc. below. We have never offered any other franchise and we do not operate any Cellairis Business Units for this franchise. We have been offering franchises for Interactive Kiosks~~Mall~~

~~Units~~ since April 27, 2006, Full Store Units since March 28, 2013, and Store-in-Store Outlets since October 31, 2014.

Our parent company is JJT Holdings, LLC ("**JJT**"), which is a Georgia limited liability company, formed in March 2013. JJT's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. JJT has never offered franchises in any line of business, and does not and has not operated Cellairis Business Units. JJT does not do business under any name other than its entity name.

We have an affiliate called Global Cellular, Inc. (**"Global Cellular"**) and it is an S-corporation that was formed in March 2000 in Georgia. Global Cellular will sell Products and Parts needed to perform the Services to the individual franchisees. Sometimes, Global Cellular obtains the locations for our franchisees' Interactive Kiosks ~~Mall Units~~ and Full Store Units and sub-licenses the locations to our franchisees. Global Cellular's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. Global Cellular may also sell the same or similar Products and Parts to other retailers. Global Cellular has owned and operated Cellairis Business Units of the type to be operated by franchisees since 2006 and as of December 31, 2020~~19~~ owned and operated 0 Cellairis Business Units. Global Cellular has not offered franchises for this business or any other type of business.

We have a second affiliate called Cellairis WM, LLC ("**Cellairis WM**") and it is a limited liability company that was formed in September 2014 in Georgia. Cellairis WM's principal purpose is to obtain the locations for our Store-in-Store Outlet franchisees and then sub-license the locations to the Store-in-Store Outlet franchisees. Cellairis WM's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. Cellairis WM has not offered franchises for this business or any other type of business.

We have a third affiliate called CPT Merchant Provider, Inc. ("**CPT**") and it is an S-corporation that was formed in April 2015 in Georgia. CPT is in the business of payment processing and related services. CPT's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. CPT will facilitate payment processing and related services for our franchisees. CPT has not offered franchises for this business or any other type of business.

We have a fourth affiliate called Vendor DP, LLC ("**Vendor DP**"), and it is a limited liability company that was formed in June 2015 in Georgia. Vendor DP's principal role is to manage and administer our and Global Cellular's relationships with third-party manufacturers and suppliers of Products, Parts, and other products that may be utilized in, or sold at, Cellairis Business Units. Vendor DP may function as a broker in the sale of products to our franchisees. Vendor DP may also negotiate supply arrangements with the third-party manufacturers and suppliers for the sale and distribution of products to franchisees, and may sell products to our franchisees. Vendor DP's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. Vendor DP has not offered franchisees for this business or any other type of business.

~~We have a fifth affiliate called Recycle Trader, LLC (**"Recycle Trader"**), and it is a limited liability company that was formed in June 2015 in Georgia. Recycle Trader is an entity that will purchase and sell used, recycled, and refurbished communications, technology, and audio and video products, such as cellular telephones, other wireless devices, tablets, laptops, and accessories, as well as the parts and components. We expect that some of our franchisees will sell products or parts to Recycle Trader, and/or will engage in barter or exchange transactions with Recycle Trader involving the furnishing of broken or used equipment and the receipt of credits for future transactions or repaired or refurbished products. Recycle Trader's principal place of business is 6485 Shiloh Road, Building B, Unit #100, Alpharetta, Georgia 30005. Recycle Trader has not offered franchises for this business or any other type of business.~~

Our affiliates through common ownership that offer franchises are the following:

~~We have a sixth affiliate called Cellairis SNS, LLC ("**Cellairis SNS**"). Cellairis SNS is a Georgia limited liability company that was formed in March 2015 with its principal place of business at 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005. Cellairis SNS was formed to be the franchisor of the Cellairis Store-in-Store Outlets in the United States. From March 2015 through March 2020, Cellairis SNS offered franchises for Store-in-Store Outlets, and on May 1, 2020, the ownership or licenses for those outlets were transferred from Cellairis SNS to us. As of May 1, 2020, Cellairis SNS stopped offering franchises for Store-in-Store Outlets. As of December 31, 2019, there were 71 Store-in-Store Outlets. Cellairis SNS has not offered any franchises in any other type of business. Cellairis SNS has not operated this or any other type of business.~~

We have a fifth~~seventh~~ affiliate called Cellairis Franchise Canada, Inc. ("**Cellairis Canada**"). Cellairis Canada is a Georgia Corporation that was formed in March 2010 with its principal place of business at 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005. Cellairis Canada was formed to be the franchisor of the Cellairis System in Canada. As of December 31, 2020~~19~~, there was 1 franchisee-owned Full Store Unit open and operating in Canada. Cellairis Canada has not offered any franchises in any other type of business. Cellairis Canada has not operated this or any other type of business.

We have a~~n~~ sixth~~eighth~~ affiliate called Cellairis Franchise México, S. de R.L. de C.V. (**"Cellairis Mexico"**) and it is a Mexican Corporation that was formed in 2012. Cellairis Mexico's principal place of business is 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005. Cellairis Mexico was formed to be the master franchisor of the Cellairis System in Mexico to offer master franchise rights. As of December 31, 2020~~19~~, Cellairis Mexico has 2 master franchise agreements in Mexico. Cellairis Mexico has not offered any franchises in any other type of business. Cellairis Mexico has not operated this or any other type of business.

We have a seventh ~~ninth~~ affiliate called Cellairis Franchise International, Inc. (**"Cellairis International"**) and it is a Georgia Corporation that was formed in September 2012. Cellairis International's principal place of business is 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005. Cellairis International was formed to be the master franchisor of the Cellairis System throughout the world to offer master franchise rights and to be the franchisor in countries where master franchise rights are not being granted. As of December 31, 2020~~19~~, Cellairis International entered a master franchise agreement for multiple countries in the Middle East (UAE, Qatar, Bahrain, Kuwait, Saudi Arabia, Lebanon, and Oman), for the State of Parana and multiple malls located in the State of Rio de Janerio in Brazil, for the country of Ecuador, and a master franchise agreement for the country of Chile. As of December 31, 2020~~19~~, Cellairis International entered into 2 franchise agreements for the operation of 1 Interactive Kiosk and 1 Full Store Unit in the country of Jamaica. Cellairis International has not offered any franchises in any other type of business. Cellairis International has not operated this or any other type of business.

Except as described above, we have no parents, predecessors, or affiliates required to be included in this Item.

The business you will operate under the franchise agreement (**Exhibit "D"**) is a retail Cellairis Business Unit that sells an assortment of wireless device accessories and replacement parts, including premium faceplates, batteries, antennas, travel chargers, home chargers, holsters, hands free units, leather cases, and other products that fit or work with a variety of wireless devices as well as wireless device repair services and related services. With respect to a Store-in-Store Outlet, you will sell the Products and Services through a retail store located and operated within the building of, and/or on the premises of the Host. The Host company or individual Host retail store may establish policies or product restrictions, and you may not be authorized to sell the full line of Cellairis Products from your Store-in-Store Outlet. Device repairs and related services will likely be a substantial part of your Store-in-Store Outlet operations, and are anticipated to be more prevalent than the sale of Products. With respect to an Interactive Kiosks~~ Mall Unit~~, you may also be able to offer Services such as wireless device repair in full or on a limited basis depending on the size of the unit and the terms of the lease or license for the premises. In exchange for the operation of a Cellairis Business Unit, you agree to pay certain royalties and to operate the franchise in strict compliance with our standards and procedures.

COMPETITION AND THE MARKET

The market served will be the general public. Your primary competition will be kiosks and inline businesses that are selling products and services that are similar to the Products and Services. These competitive businesses may be located in various locations including strip centers, mall kiosks, and mall inline businesses, as well as stores operated by or on behalf of local and long distance carriers, retail stores selling telephone accessories and/or wireless device repair services, big box retailers (such as Best Buy, Office Max, *etc*.), mass market stores (such as Wal-Mart, Target, *etc*.) (which may include stores owned or franchised and operating as a Store-in-Store Outlet as described above), and other such outlets, such as pharmacies and grocery stores which incidentally sell wireless device accessories, department stores, clothing stores that also sell wireless device accessories, and e-commerce websites.

Also, depending on the location of your Cellairis Business Unit, including whether it is located in a strip center, lifestyle center, Host, or other location, the ebb and flow of customer traffic will likely have an effect on sales. Further, in the recent past, it has been shown that changes in technology occur swiftly, as does changes in consumer demand and such factors may affect inventory and sales.

Additionally, with respect to Interactive Kiosks ~~Mall Units~~ and some Full Store Units, as the primary location of your franchise may be in a shopping mall, the ebb and flow of mall traffic will likely have an effect on sales. With respect to some Full Store Units, a lifestyle center may have more customer traffic throughout the center due to a diverse selection of stores including clothing stores, boutiques, restaurants, specialty retail shops, and sometimes movie theatres. A strip center may have less customer traffic as adjacent stores are more likely to include grocery stores, small restaurants, pharmacies, and big-box retailers that are one-stop customer destinations that do not create the same level of customer browsing and traffic amongst the adjacent stores. With respect to Store-in-Store Outlets, the Host may offer products and services for sale at the Host's retail stores (including the Host's store from which your Store-in-Store Outlet is intended to operate), or elsewhere, that are the same as or similar to the Products and Services offered for sale at the Store-in-Store Outlet. Some of the big box retailers and some market stores or chains that are the Host to your Store-in-Store Outlet or other Cellairis Business Units may operate competitive businesses at other locations under the Host's brand name.

INDUSTRY-SPECIFIC REGULATIONS

In addition to laws and regulations that apply to businesses generally such as workers' compensation and corporate tax, you may be subject to various federal, state, and local government regulations including those relating to construction, site location, and the repair of electronic devices. For instance, in California, wireless device repair businesses are required to register as electronic service dealers with the California Bureau of Electronic and Appliance Repair (BEAR). In some states, consumer protection statutes may impose requirements on businesses that repair electronic products, including cellular telephones. Some states may impose requirements on the use, disposal, or recycling of products. There may be similar registration or licensing requirements, consumer protection restrictions, or rules (such as invoice, notice, and/or estimate requirements) within the state and locality where your franchise will be located. To the best of our knowledge, we are not aware of any uniform nationwide laws and regulations that are specific to the industry in which our franchised business operates or that address all of the aspects of the franchised business. It is your responsibility to further investigate and comply with all laws and regulations within the state and locality where your franchise will be located.

Item 2

BUSINESS EXPERIENCE

Kostantinos R. Skouras, Chief Executive Officer

Mr. Skouras became our President when we organized in August of 2005, and for the next nine years Mr. Skouras has held a number of offices, becoming CEO in January 2014. In April of 2000, Mr. Skouras founded Global Cellular, located in Alpharetta, Georgia, along with Mr. Joseph D. Brown and Mr. Jaime R. Brown. Since its founding, Mr. Skouras has been the President of Global Cellular, was named Chief Executive Officer and Chief Financial Officer in March 2010, and in October 2014 he returned to his role as the CEO. Mr. Skouras is also a founder of JJT, and has been a Manager of JJT since April 2013.

Joseph D. Brown, Chief Product Officer

Mr. Brown became our Executive Vice President and Treasurer when we organized in August of 2005, and for the next nine years Mr. Brown has held a number of offices, becoming the Chief Product Officer in October 2014. In April of 2000, Mr. Brown founded Global Cellular, located in Alpharetta, Georgia, along with Mr. Kostantinos Skouras and Mr. Jaime R. Brown. Since its founding, Mr. Brown has been the Vice President and Secretary of Global Cellular, was named President in March 2010, and in October 2014 he was named Chief Product Officer. Mr. Joseph Brown is the brother of Mr. Jaime Brown. Mr. Brown is also a founder of JJT, and has been a Manager of JJT since April 2013.

Jaime R. Brown, Chief Franchise Officer

Mr. Brown became our Executive Vice President and Secretary when we organized in August of 2005, and for the next nine years Mr. Brown has held a number of offices, becoming the Chief Franchise Officer in October 2014. In April of 2000, Mr. Brown founded Global Cellular, located in Alpharetta, Georgia, along with Mr. Kostantinos Skouras and Mr. Joseph D. Brown. Since its founding, Mr. Brown has been the Vice-President and Treasurer of Global Cellular, was named Chief Operating Officer in March 2010, and in October 2014 he was named Chief Real Estate Officer. Mr. Jaime Brown is the brother of Mr. Joseph Brown. Mr. Brown is also a founder of JJT, and has been a Manager of JJT since April 2013.

Joseph Ciardullo, President and Chief Strategy~~Marketing~~ Officer

Mr. Ciardullo has been our Vice President of Marketing and Sales starting in ~~since~~ January 2016, ~~and~~ starting in January 2017, Mr. Ciardullo became our Chief Marketing Officer, and starting in August 2020, Mr. Ciardullo was named President and Chief Strategy Officer for us and our affiliate, Global Cellular. From August 2015 until December 2015, Mr. Ciardullo was a self-employed consultant in Atlanta, Georgia. ~~From November 2013 until July 2015, Mr. Ciardullo was the Director of Customer Marketing for Yellow Pages in Atlanta, Georgia. From August 2010 until October 2013, Mr. Ciardullo was our Chief Marketing Officer.~~

Matt Smith~~Andy Keith~~, Franchise Support Coordinator~~Director of Retail Account Management~~

Mr. Smith became our Franchise Support Coordinator in January 2021. From August 2020 until December 2020, Mr. Smith was our affiliate, Global Cellular's Enterprise Sales Coordinator. From July 2018 through August 2020, Mr. Smith was our affiliate, Global Cellular's Enterprise Account Executive. From August 2015 through June 2018, Mr. Smith was our Field Representative/Franchise Support.~~Keith became our~~

~~Director of Retail Management in January 2018. From April 2015 through December 2017, Mr. Keith was District Operation Manager for Blue C, Inc. in Huntsville, Alabama. In January 2012, Mr. Keith was a Regional Representative Manager for us and starting in January 2013 through April 2015, Mr. Keith became our Director of Franchise Training.~~Tino Velazco, Director of Franchise Store Operations and Project Management

Mr. Velazco became our Director of Franchise Store Operations and Project Management in January 2021. From September 2020 through December 2020, Mr. Velazco was a Walmart Franchise Support member for us. From April 2020 through August 2020, Mr. Velazco retired from the workforce. From July 2019 through March 2020, Mr. Velazco was the Vice President of Program Management for our affiliate, Global Cellular. From November 2015 through June 2019, Mr. Velazco was the Vice President of Operations for our affiliate Global Cellular.

Jason Adler, Esq., Vice President, Secretary, and General Counsel

Mr. Adler has served as our Vice President and General Counsel since July 2010 and in January 2014 he was also named Secretary.

Area Representative – Jubilee Franchise Inc.

Imtyaz Isani, President and Treasurer

Mr. Isani has been the President and Treasurer of Jubilee Franchise Inc. since September 2020, located in Norcross, Georgia. Mr. Isani's company, Jubliee Franchise

Inc., entered into an Area Representative Agreement with us on December 16, 2020. Mr. Isani has many other business ventures, which are as follows:

Industry	**Name of Company**	**Title**	**Location**	**Time Period**
Cellphone Accessories and Repair	Tekcell LLC (operating as Cellairis)	President	Atlanta, Georgia	January 2012 – Present
Cellphone Accessories and Repair	Sai Cell LLC (operating as Cellairis)	President	Athens, Georgia	June 2015 – Present
Cellphone Accessories and Repair	City Cell LLC (operating as Cellairis)	President	San Antonio, Texas	January 2017 – Present
Cellphone Accessories and Repair	Radiant Cell LLC	President	Atlanta, Georgia	June 2018 – Present
Cellphone Accessories and Repair	DJ Cell LLC (operating as Cellairis)	President	Houston, Texas	January 2021 – Present
Cellphone Accessories and Repair AND Jewelry Retail	Citi Diamonds Inc. (operating as Cellairis for the cellphone retail location)	President	Columbus, Georgia	January 2003 – Present
Jewelry Retail	City Traders Inc.	President	Atlanta, Georgia	October 1999 – Present
Jewelry Retail	Citi Gold Inc.	President	Fort Myers, Florida	January 2005 – Present
Jewelry Retail	Adamas Diamonds LLC	President	Mobile, Alabama	December 2010 – Present
Jewelry Retail	Diamond Jubilee of Atlanta LLC	President	Morrow, Georgia	May 2017 – Present
Jewelry Retail	Jubilee Jewelers LLC	President	Brandon, Florida	June 2017 – Present
Jewelry Retail	Markezza International LLC	President	Columbus, Georgia	October 2017 – Present
Gas Station	DJ Oil LLC	President	Gainsville, Georgia	January 2017 – Present
Gas Station	Diamond Jubilee Oil	Vice President	Farmington, New Mexico	August 2018 – Present
Gas Station	Jubilee Business Alliance LLC	President	Sarasota, Floirda	January 2019 – Present

Real Estate	Grace Ventures of Florida LLC	President	Fort Meyers, Florida	January 2016 – Present
Real Estate	Grace Properties of Florida LLC	Member	Fort Meyers, Florida	January 2018 – Present
Industrial Products	Diamond Coolers and Doors LLC	President	Tucker, Georgia	January 2019 – Present

Salim Samani, Director of Sales

Mr. Samani has been the Director of Sales of Jubilee Franchise Inc. since September 2020, located in Norcross, Georgia. From April 2017 through the present, Mr. Samani has been a Managing Partner of Tekcell, LLC in Atlanta, Georgia. From March 2014 through March 2017, Mr. Samani was an employee of City Traders, Inc., where he was the Sales Manager of a Cellairis franchised location at Southlake Mall in Atlanta, Georgia.

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Item 3

LITIGATION

~~**Pending Action - Other**~~

~~Global Cellular, Inc. v. G&G Repairs 1, LLC and Gulahmad Gulahmadzadeh, Superior Court of Fulton County, State of Georgia, Case No.: 2019-CV-330316, filed December 6, 2019.~~

~~This lawsuit was filed by Global Cellular against a former franchisee and its owner, whereby the Complaint asserted the following causes of action: (i) Breach of the Sub-License Agreement Against Defendant G&G; and (ii) Breach of Personal Guarantees Against Defendant Gulahmadzadeh. The action is currently pending.~~

Affiliate Pending Actions – Other

Scott Riley v. Global Cellular, Inc. and Kostantinos R. Skouras a/k/a Taki Skouras, Superior Court of Fulton County, State of Georgia, Case No.: 2015-CV-261509, filed June 1, 2015.

A former employee of Global Cellular sued Global Cellular and Mr. Skouras, alleging breach of contract, an action for commissions owed pursuant to Georgia law O.C.G.A. § 10-1-702, fraud, exemplary damages, and stubborn litigiousness. On July 31, 2015, Global Cellular and Mr. Skouras filed an Answer and Counterclaim, and asserted a claim for unjust enrichment. On September 29, 2016 the Plaintiff filed an amended complaint adding a sixth cause of action for promissory estoppel. On January 20, 2017, the Court granted Summary Judgment in favor of Global Cellular and Mr. Skouras as to the first five causes of action. On August 25, 2017, the Court entered a Final Order which dismissed the sixth cause of action. On September 12, 2017, Plaintiff filed a Notice of Appeal with the Court of Appeals for the State of Georgia, and the appeal is pending.

Concluded Actions

~~Cellairis Franchise, Inc. and Global Cellular, Inc. v. Marcostar, LLC and Elshad Shiraliyev, Superior Court of Fulton County, State of Georgia, Case No.: 2019-CV-330317, filed December 6, 2019.~~

~~This lawsuit was filed by Cellairis and Global Cellular against a former franchisee and its owner, whereby the Complaint asserted the following causes of action: (i) Breach of the Franchise Agreement Against Defendant Macrostar; (ii) Breach of the Sub-License Agreement Against Defendant Macrostar; and (iii) Breach of Personal Guarantees Against Defendant Shiraliyev. No answer was filed by the Defendants and as such on~~

~~March 20, 2020, the Superior Court entered an Order against the Defendants, jointly and severally, in favor of Cellairis and Global Cellular in the amount of $315,868.85 plus attorney's fee in the amount of $31,611.89.~~

~~Cellairis Franchise, Inc. and Global Cellular, Inc. v. Bulut LLC, Renzi Bulut, and Dursun Aykurt, Superior Court of Fulton County, State of Georgia, Case No.: 2019-CV-315442, filed January 16, 2019.~~

~~This lawsuit was filed by Cellairis and Global Cellular against a former franchisee and its owners, whereby the Complaint asserted the following causes of action: (i) Breach of the Franchise Agreement Against Defendant Bulut; (ii) Breach of the Sub-License Agreement Against Defendant Bulut; and (iii) Breach of Personal Guarantees Against Defendants Renzi and Aykurt. No answer was filed by the Defendants and as such on July 22, 2019, the Superior Court entered an Order against the Defendants, jointly and severally, in favor of Cellairis and Global Cellular in the amount of $65,846.44 plus prejudgment interest and filing and service of process costs in the amount of $780.46.~~

~~Cellairis Franchise, Inc. and Global Cellular, Inc. v. Asha Wireless, LLC and Anita Bali, Superior Court of Fulton County, State of Georgia, Case No.: 2018-CV-313779, filed November 30, 2018.~~

~~Arbitration action was initiated as Asha Wireless, LLC and Anita Bali v. Cellairis Franchise, Inc. and Global Cellular, Inc., American Arbitration Association, Atlanta Regional Office, Case No. 01-19-0000-8616, filed on March 18, 2019.~~

~~This lawsuit was filed by Cellairis and Global Cellular against a former franchisee and its owner, whereby the Complaint asserted the following causes of action: (i) Breach of the Franchise Agreement Against Defendant Asha; (ii) Breach of the Sub-License Agreement Against Defendant Asha; and (iii) Breach of Personal Guarantees Against Defendant Bali. On January 14, 2019, Defendants filed an Answer, Affirmative Defenses and Counterclaim, which Counterclaim asserted the following causes of action: (i) Breach of Contract Against All Counter-Defendants; (ii) Declaratory Judgment Against All Counter-Defendants; and (iii) Attorney Fees. On February 13, 2019, Cellairis and Global Cellular filed a Motion to Dismiss Counterclaims and to Compel Arbitration. On March 18, 2019, Defendants filed a Notice of Voluntary Dismissal of Counterclaims Without Prejudice. Additionally, on March 18, 2019, an arbitration demand was filed, which demand asserted the following causes of action: (i) Breach of Contract Against All Respondents; (ii) Declaratory Judgment Against All Respondents; and (iii) Attorney Fees. On May 22, 2019, the parties settled the matter, whereby the parties agreed to the following terms: (i) Asha Wireless, LLC and Anita Bali agreed to pay Cellairis the sum of $7,000; (ii) the arbitration action was dismissed with prejudice; (iii) the lawsuit filed in the Superior Court was dismissed with prejudice; and (iv) the parties agreed to enter into general mutual releases.~~

Orkhan Hajiyev v. Cellairis Franchise, Inc. and Does 1-20, Superior Court for the State of California, County of Los Angeles, Case No.: EC068156, filed on May 1, 2018.

Removed from State Court to Federal Court on May 3, 2018, and captioned Orkhan Hajiyev v. Cellairis Franchise, Inc. and Does 1-20, United States District Court, Central District of California, Case No.: 2:18-cv-03726-AB-RAO.

Parties stipulated to arbitration and arbitration action was initiated as Flames Mobile, LLC v. Cellairis Franchise, Inc., American Arbitration Association, Atlanta Regional Office, Case No. 01-18-0002-7675, filed on July 19, 2018.

A lawsuit was filed against Cellairis in the State Court system in California, which was removed to Federal Court and on May 15, 2018, the parties jointly stipulated to submit the matter to arbitration. On May 18, 2018, the District Court entered an Order, staying the pending matter until the conclusion of any arbitration action. On July 19, 2018, an arbitration demand was filed, which demand asserted the following causes of action: (i) Breach of Contract; (ii) Breach of Duty of Good Faith and Fair Dealing; (iii) Quantum Merit (Alternative); (iv) Unjust Enrichment (Alternative); (v) Money Had and Received (Alternative); (vi) Negligent Misrepresentation; (vii) Fraud; (viii) Violation of California Business & Professional Code § 17200; and (ix) Georgia Fair Business Practices Act Violation. On August 6, 2018, Cellairis filed its Answer. On October 11, 2018, the Arbitrator (i) ruled that Georgia law applied and the Claimant dropped the count for "Violation of California Business & Professional Code § 17200", and (ii) memorialized Claimant's stipulation that any final award would not exceed $475,000. On February 8, 2019, Cellairis filed a Motion for Summary Judgment as to all claims. On March 4, 2019, the parties settled the matter, whereby a formal settlement agreement was signed on May 8, 2019, and the parties agreed to the following terms: (i) the arbitration action will be dismissed with prejudice; (ii) Cellairis agreed to have its affiliate, Cellairis SNS, consent to a transfer of a Store-in-Store Unit whereby Flames Mobile, LLC is the franchisee, and Cellairis SNS has agreed to waive the $10,000 transfer fee as an express condition of this matter; and (iii) the parties agree to enter into general mutual releases.

~~Cellairis Franchise, Inc. and JJT Holdings, LLC v. Walsh & Abrantes, LLC, Eric James Walsh, and Matthew Abrantes, United States District Court for the Northern District of Georgia, Gainesville Division, Case No.: 1:17-cv-268-RWS, filed on December 12, 2017.~~

~~This lawsuit was filed by Cellairis Franchise, Inc. against "John Doe" defendants to learn the identity of the franchisee(s) that are selling Cellairis® branded product on ecommerce websites, such as Amazon, in order to prevent the franchisee(s) from taking such action. The Complaint alleged the following causes of action: (i) Federal Service Mark Infringement; (ii) Federal Unfair Competition and False Designation of Origin; (iii) Unfair and Deceptive Trade Practices under O.C.G.A § 10-1-370 *et. seq.*; (iv) Unfair Competition under O.C.G.A. § 23-2-55 and the Common Law of Georgia; (v) Breach of the Franchise Agreement; and (vi) Breach of the Personal Guaranty. On December 15,~~

~~2017, the Court Granted Plaintiff's Motion for Accelerated, Pre-Conference Discovery so that Plaintiffs could learn the identity of the John Doe Defendant(s). Upon learning of the information from the third party subpoena, on April 26, 2018, an Amended Complaint was filed substituting in Walsh & Abrantes, LLC, Eric Walsh, individually, and Matthew Abrantes, individually as Defendants in the matter. The corporate defendant was a franchisee of the Cellairis system and the two individuals are personal guarantors. On July 18, 2018, Defendants filed an Answer and on October 16, 2018 the parties participated in a Court Order mediation which resulted in the matter being settled. On October 17, 2018, the Court entered an "Order Administratively Closing Case". The parties signed a settlement agreement which provided: (i) Defendants, jointly and severally, pay Plaintiffs the total sum of $432,500, which is comprised of the following: (a) a cash payment in the amount of $197,500; (b) the obligation to purchase Cellairis branded product in the amount of $210,000; and (c) the sale of certain assets from the corporate Defendant's franchised location to Plaintiff in the amount of $25,000; (ii) Defendants, jointly and severally, agreed to be bound by certain post termination non-competition provisions except that Cellairis has permitted the corporate defendant to continue to operate sixteen competitive business locations under a different brand name; (iii) Defendants, jointly and severally, agreed to be bound by certain non-disclosure provisions, non-solicitation of customer provisions, and a non-interference provision all found within the settlement agreement; and (iv) the parties agreed to general mutual releases.~~

Mustafa Akinci v. Global Cellular, Inc., Kostantinos R. Skouras, Jaime Richard Brown, Joseph Daniel Brown, and Cellairis Franchise, Inc., United States District Court, District of Connecticut, Case No.: 3:17CV1544, filed September 13, 2017.

The Complaint was originally filed on September 13, 2017 and asserted five causes of action. On October 23, 2017, Defendants filed a Motion to Stay Pending Arbitration or, Alternatively, to Dismiss Complaint or Transfer Case. On November 13, 2017, Plaintiff filed a Motion to Amend Complaint and Join Necessary Defendant, which added Cellairis Franchise, Inc. as party. As a result of the notice of the Amended Complaint, on December 13, 2017, Defendants filed a Second Motion to Stay Pending Arbitration or, Alternatively, to Dismiss Amended Complaint or Transfer Case. On January 8, 2018, Plaintiff filed the Amended Complaint and the allegations were the following counts: (i) No Contract Formation – Contract is Void; (ii) Fraud in the Inducement to Agree to Arbitrate – Arbitration Clauses Void; (iii) Tortious Interference with Contractual Relationships; (iv) Conversion; (v) Fraud; (vi) Forum Selection Clauses Void; and (vii) Unfair and Deceptive Business Practices – CT General Statutes § 42-110b (2012). On February 6, 2018, the District Court granted Defendants' Motion to Stay. The parties entered into a Settlement Agreement on April 4, 2018, whereby Plaintiff provided a release to all of the Defendants and Defendant Cellairis Franchise, Inc. granted Plaintiff the right to operate one business unit with favorable terms of waiving the transfer fee and waiving the payment of royalties.

Young Accessories, Inc. v. Cellairis Franchise Canada, Inc., Ontario (Canada) Superior Court of Justice, Court File No.: CV-16-6634, filed November 1, 2016.

A Cellairis franchisee brought an action against Cellairis Canada requesting a return of a deposit, lost profits, expenses in removing its forces and equipment for a franchised location in Alberta, Ontario, Canada. The parties entered into a Settlement Agreement on May 11, 2017, in which Cellairis Canada agreed to refund the sum of $57,999 CAD, which represented monies paid by the franchisee for the franchise fee and purchase of a kiosk, and whereby the franchisee provided a release to Cellairis Canada. On November 3, 2017, the case was dismissed.

Katelyn Falchetta and Brittany Trujillo v. Global Cellular, Inc. dba Cellairis, Sierra Cellairis, LLC, and Does 1-10., Superior Court of the State of California in and for the County of Alameda, Civil Action No.: HG16836063, filed October 20, 2016.

Two former employees of Global Cellular sued alleging failure to pay for all hours worked – minimum wages, failure to pay for all hours worked – overtime wages, failure to pay for all hours worked – straight time and all other wages and pay, failure to furnish accurate itemized wage statements, failure to timely pay all wages due at termination – waiting time penalties, failure to provide meals, failure to provide rest periods, failure to reimburse for business expenses, and unfair business practices. On December 21, 2016, Global Cellular filed an Answer. The parties executed a Settlement Agreement on June 30, 2017, whereby Katelyn Falchetta received the sum of $11,700, Brittany Trujillo received the sum of $23,649, and their joint counsel received attorney fees in the collective amount of $25,651. On June 16, 2017, a Request for Dismissal was filed with the Court.

~~Samaca, LLC v. Cellairis Franchise, Inc., Global Cellular, Inc., and Cell Phone Mania, LLC, Superior Court of Fulton County, State of Georgia, Case No.: 2016-CV-276036, filed June 3, 2016.~~

~~This lawsuit was filed against Cellairis, Global Cellular, and an unrelated party by a former franchisee, whereby the Complaint asserted the following causes of action: (i) Rescission of Agreements Due to Indefiniteness and Lack of Meeting of the Minds; (ii) Money Had and Received; (iii) Action Under Florida's Deceptive and Unfair Trade Practices Act, Fla. §§ 501.201 to 501.213 – Alternatively, Action for Breach of Legal Duty Under O.C.G.A. § 51-1-6 – for Violation of FTC Franchise Rule; (iv) Violation of Florida Franchise Act, Fla. Stat. § 817.416(2)(A)1 (Intentional Misrepresentation of Prospects for Success); (v) Violation of Florida Franchise Act, Fla. Stat. § 817.416(2)(A)2 (Misrepresentation and Failure to Disclose the Required Total Investment); (vi) Rescission for Fraudulent Inducement; and (vii) Rescission for Negligent Misrepresentation. On August 5, 2016, Defendants Global Cellular, Inc. and Cellairis Franchise, Inc. filed a Motion to Dismiss Complaint and to Compel Arbitration and on February 7, 2017 the Court Granted Cellairis and Global Cellular's Motion to Dismiss Complaint and Compel Arbitration. On February 27, 2017, the former~~

~~franchisee filed a Notice of Appeal with the Court of Appeals for the State of Georgia, and on February 28, 2018, the Court of Appeals affirmed the lower Court's ruling that Granted Cellairis and Global Cellular's Motion to Dismiss Complaint and Compel Arbitration. On March 7, 2018, the former franchisee filed a Motion for Reconsideration with the Court of Appeals for the State of Georgia, and on March 20, 2018, the Court of Appeals denied the Motion for Reconsideration. On April 6, 2018, the former franchisee filed a Notice of Petition of Certiorari with the Supreme Court for the State of Georgia and on October 22, 2018, the Supreme Court denied the former franchisee's Petition. On November 1, 2018, the former franchisee filed a Motion for Reconsideration with the Supreme Court for the State of Georgia and on November 15, 2018, the Supreme Court denied the Motion for Reconsideration. Accordingly, the Courts have compelled arbitration for any and all of Plaintiff's claims against Cellairis and Global Cellular; however, no arbitration has been filed at this time.~~

~~As a result of the ruling by the Superior Court of Fulton County granting the Motion to Dismiss and to Compel Arbitration, Cellairis and Global Cellular, filed a Motion for Attorney's Fees and Expenses. Upon the Supreme Court for the State of Georgia denying the Motion for Reconsideration, as mentioned above, the Superior Court ruled on March 6, 2019, that the contractual fee shifting provision found within the franchise agreement should be referred to arbitration and the Superior Court awarded Cellairis and Global Cellular attorney's fees and expenses in the amount of $59,983.78, as a result of Plaintiff's tactics of delay and expansion of the proceedings. On March 11, 2019, the former franchisee filed an Application for Discretionary Appeal with the Court of Appeals for the State of Georgia, relating to the award of attorney's fees, and on April 2, 2019, the Court of Appeals denied the former franchisee's application for Discretionary Appeal. On April 18, 2019, the former franchisee filed a Notice of Petition of Certiorari with the Supreme Court for the State of Georgia and on December 23, 2019, the Supreme Court denied the former franchisee's Petition. On December 31, 2019, the former franchisee filed a Motion for Reconsideration with Supreme Court for the State of Georgia and on January 27, 2020, the Supreme Court denied the Motion for Reconsideration. At this time, Cellairis and Global Cellular have not filed an arbitration action relating to the contractual fee shifting provision.~~

~~Meanwhile, on March 21, 2019, the former franchisee filed its own Motion for Attorneys' Fees in the Superior Court of Fulton County. On June 4, 2019, the Superior Court denied the former franchisee's Motion for Attorneys' Fees holding that the former franchisee's Motion was untimely and that an award of attorneys' fees to the former franchisee was not warranted. On July 1, 2019, the former franchisee filed an Application for Discretionary Appeal with the Court of Appeals for the State of Georgia and on July 23, 2019, the Court of Appeals denied the former franchisee's application for Discretionary Appeal. On August 26, 2019, the former franchisee filed a Notice of Petition of Certiorari with the Supreme Court for the State of Georgia and on December 23, 2019, the Supreme Court denied the former franchisee's Petition. On December 31, 2019, the former franchisee filed a Motion for Reconsideration with Supreme Court for the State of Georgia and on January 27, 2020, the Supreme Court denied the Motion for Reconsideration.~~

Cellairis Franchise, Inc. and Global Cellular, Inc. v. Michael Duarte, U.S. District Court for the Northern District of Georgia, Case No. 2:15-cv-00101-WCO, filed May 15, 2015.

Cellairis and Global Cellular filed this action against Mr. Duarte, who is both a guarantor of multiple Cellairis franchise agreements and a former employee of Global Cellular, alleging violations of Mr. Duarte's non-competition and non-disclosure covenants and other contractual covenants. Cellairis and Global Cellular sought an injunction to stop Mr. Duarte's ongoing and threatened breaches of his contractual obligations. The Amended Complaint included allegations of: (1) breach of the non-competition covenants, (2) breach of the non-disclosure covenants; (3) breach of contract for a failure to return property, (4) breach of contract for a failure to provide best efforts and fulltime commitment to Cellairis Business Units, (5) injunctive relief, and (6) contractual attorney's fees. After the resolution of a demand for arbitration (as discussed below), the matter continued in Federal Court, and on October 21, 2015, the Court granted Plaintiffs' Motion for Preliminary Injunction. On October 26, 2015 the defendant filed a Motion for Reconsideration, and on March 2, 2016, the Court denied Mr. Duarte's Motion for Reconsideration. On April 10, 2017, the Court entered its Consent Final Order and Permanent Injunction, in which the Court stated, among other things, that Mr. Duarte did not contest that he had violated his non-competition obligations to Cellairis and Global Cellular. The Court upheld Cellairis' right to enforce its non-competition covenants, and prohibited Mr. Duarte from engaging in commercial activities related to the sale of cellular telephone accessories, wireless device accessories, and/or cellular telephone and wireless device repair through October 31, 2017, anywhere in the United States. In addition, the parties entered into a Settlement Agreement, dated February 10, 2017, in which Mr. Duarte agreed to pay $87,143.09 in total attorneys' fees, and Global Cellular was entitled to retain $35,440.19 of garnished funds to partially satisfy the attorneys' fees. Also, Mr. Duarte agreed to comply with the non-disclosure and non-use restrictions under the Franchise Agreement through April 26, 2020, and Mr. Duarte agreed not to tortiously interfere with Cellairis' contracts with its franchisees or cause a Cellairis franchisee to breach any enforceable non-competition covenants owed to Cellairis. As part of the settlement, Cellairis agreed to release its claim to a portion of the attorneys' fees owed to it, and accept the $35,440.19 and certain other consideration in satisfaction of the monies owed to Cellairis and Global Cellular.

Cellairis Franchise, Inc. and Global Cellular, Inc. v. Connor Enterprises, Inc. NSF Investment Group, Inc., James Connor, Individually, Sara Connor, Individually, John O'Neill, Individually, David Curri, Individually, filed on February 5, 2015 in the Superior Court of Fulton County, State of Georgia, and removed to the United States District Court for the Northern District of Georgia, Atlanta Division, Case No. 1:15-cv-00435-ELR.

Cellairis and Global Cellular filed this action against a former franchisee and its owners, seeking to prohibit the defendants from engaging in a competing business, by closing down the competing outlets or converting them to the Cellairis brand. On March 18, 2015, Cellairis and Global Cellular filed an arbitration action with the American

Arbitration Association. On September 18, 2015, the parties entered into a Settlement Agreement in which (1) Cellairis rescinded its termination of the franchise agreements and franchised Business Units, (2) the parties executed amendments to address expiring agreements and renewals, (3) the defendants agreed to various lease and kiosk building requirements, (4) Mr. Connor's and Mrs. Connor's respective non-competition obligations were clarified, and (5) defendants agreed to pay Cellairis $75,000.

Cellairis Franchise, Inc. and Global Cellular, Inc. v. GMD Silver, Inc. and Golam Rahman, Individually, United States District Court for the Northern District of Georgia, Gainesville Division, Case No. 2:14-cv-00306-WCO, filed December 19, 2014.

Global Cellular, Inc. and Cellairis Franchise Inc. brought this action against a franchisee and its individual owner and guarantor for uncured defaults under the franchise agreements and the non-payment of monies owed. On July 1, 2015, the parties entered into a Settlement Agreement, and (a) the defendant agreed to pay Cellairis and Global Cellular $250,000 over 78 months, (b) defendants were permitted to retain certain franchised Business Units, (c) certain franchised Business Units and franchise agreements were terminated, (d) the defendants entered into a vendor agreement with Global Cellular, and (e) Cellairis entered into a broker agreement with Mr. Rahman to permit Mr. Rahman to broker, or offer, certain Cellairis franchises for sale.

Udi, LLC v. Cellairis Franchise, Inc. and Global Cellular, Inc., Circuit Court for Anne Arundel County, Maryland, Case No. C09-146146, filed October 30, 2009.

The lawsuit alleged a breach of the Franchise Agreement against us and a breach of the Sublease Agreement against our affiliate Global Cellular, Inc. (Global Cellular was the tenant which then allegedly subleased the unit to the operator, UDI, LLC) ("Defendants") and sought injunctive relief. On October 30, 2009, there was a hearing for a temporary injunction and the court entered a temporary restraining order which prevented both us and our affiliate from removing plaintiff, UDI, LLC ("UDI") from the premises; however, the underlying landlord (the mall developer) elected to remove UDI, on October 31, 2009, from the premises which made the court's order moot. On March 29, 2010, UDI amended its Complaint to add counts for violation of the Maryland Franchise Act and Intentional Misrepresentation. UDI alleged that Defendants misrepresented to UDI that UDI had the right to operate its carts until December 31, 2009 so long as it did not violate the terms of its Subleases and Defendants did not violate the terms of the underlying lease. UDI alleged that Defendants concealed that the Mall where UDI operated its carts could terminate the underlying agreement between the Mall and Global Cellular at any time without cause. UDI sought alleged compensatory damages of $240,000, punitive damages of $720,000, interest and costs. On November 12, 2010, Defendants filed their Answer to UDI's Amended Complaint denying all allegations. On March 16, 2011, the parties settled the case in principal with terms to include Global Cellular to pay Plaintiff $25,000, mutual releases, and Plaintiff to voluntarily dismiss its case with prejudice.

Restrictive Orders

In the matter of Commonwealth of Virginia and Cellairis Franchise, Inc. and Mr. Skouras, case number SEC-2010-00006.

A Settlement Order was signed on June 8, 2010 with an effective date of July 13, 2010. The Commonwealth of Virginia alleged that we violated the Virginia Retail Franchising Act ("Act") by (1) making untrue statements of material fact or omitting to state a material fact; and (2) failing to provide either directly or indirectly franchisees with such disclosure documents as may be required; however, we did not admit or deny either of these allegations. The Settlement provides that we will provide a copy of the Settlement to former and current franchisees who operated a unit in the Commonwealth (no additional action is required to be taken by us after providing a copy of the Settlement), that we would not violate the Act in the future and that we would pay a penalty and the costs of the investigation totaling $20,000. On February 2, 2018, the State Corporation Commission entered a Final Order providing that Cellairis Franchise, Inc. and Mr. Skouras has fulfilled the requirements of the Settlement Order and as such the case has been dismissed.

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

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Item 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

Item 5

INITIAL FEES

INITIAL FRANCHISE FEE

You must pay us an initial franchise fee of $25,000 ~~$7,500~~ for each Cellairis Business Unit~~RMU franchise, an initial franchise fee of $20,000 for each Cellairis Interactive Kiosk franchise, an initial franchise fee of $30,000 for each Cellairis Full Store Unit, and an initial franchise fee of $35,000 for each Store-in-Store Outlet~~. In the event you enter into additional franchise agreements, all at the same time, then the franchise fee will be reduced and will be based on the number of franchise agreements you sign as follows~~-~~:

Number of Business Units	Franchise Fee
2	$20,000
3	$16,667
4	$16,250
5 and more	$15,000

~~–~~We will reduce the initial franchise fee by $1,500 if, in conjunction with your evaluation of this Cellairis franchise opportunity, you retained and were represented by an attorney knowledgeable and experienced in franchising and business transactions. To obtain this reduction, you must sign the "Acknowledgment of Legal Representation," which is an exhibit to the Franchise Agreement. If you are executing the Franchise Agreement in conjunction with the acquisition of the Cellairis Business Unit from an existing franchisee as part of an approved transfer, we will credit you $1,500 against any transfer fee you pay, if you satisfy the same requirements for retaining and being represented by an experienced franchise attorney and by completing the "Acknowledgement of Legal Representation." You must pay the initial franchise fee to us by check or other immediately available funds upon signing the Franchise Agreement. These fees, as described above, are uniform to all franchisees ~~within the applicable franchise concept~~ (~~RMU,~~ Interactive Kiosk, Full Store, Store-in-Store Outlet), and the initial franchise fees are not refundable under any circumstances. ~~-~~Except as described in this Item 5, we have no intention, now or in the future, of reducing the initial franchise fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case by case basis. During the year ending on December 31, 2020~~19~~, where there were different franchise fees depending on applicable concept, we reduced the franchise fee to certain franchisees, and charged franchise fees ranging from ~~$0 to~~

~~$7,500 for a RMU franchise, ranging from~~ $0 to $20,000 for an Interactive Kiosk franchise, ranging from $0 to $30,000 for a Full Store franchise, and ranging from $0 to $35,000 for a Store-in-Store Outlet. ~~-~~We reserve the right to waive or reduce the initial franchise fee for our affiliates, employees, existing franchises or if we run a franchise marketing promotion.~~ As a member of the International Franchise Association ("**IFA**"), we participate in the IFA's VetFran program, offering a 20% discount on our initial franchise fee to veterans of the US armed forces who meet the requirements of the VetFran program. So if you meet the VetFran program requirements, you would pay us an initial franchise fee of (1) $6,000 for an RMU, (2) $16,000 for an Interactive Kiosk, (3) $24,000 for a Full Store Unit, or (4) $28,000 for a Store-in-Store Outlet.~~

If you sign a Franchise Agreement, pay the full initial franchise fee, travel to our headquarters for initial training, and successfully complete the initial training program, we will refund to you $1,000 of your initial franchise fee. We may, at our option, credit this amount against your future payments to us for royalties or other amounts owed, and the credit will be applied within the first four months of the operation of your Cellairis Business Unit. This refund or credit will also apply if you are a new franchisee acquiring a Cellairis Business Unit from an existing franchisee as part of an approved transfer, and, as part of the transfer transaction you are required to pay for, or reimburse the transferor franchisee for, a transfer fee, and you satisfy the same training obligations described above.

SUB-LICENSE OF PREMISES

For Interactive Kiosks~~Mall Units~~ and Full Store Units, you may sublicense the location from Global Cellular, and for Store-in-Store Outlets, you may sub-license the location from Cellairis WM, or another affiliate that may be formed depending on the Host. All references to "Cellairis WM" include any affiliate we may use to serve in a role similar to Cellairis WM. For purposes of the sublicensing activity, Global Cellular and Cellairis WM shall be referred to as the **"Sub-Licensor"**.

For Cellairis Business Units, you must pay Sub-Licensor the first month's fee at the time that you sign the Sub-License Agreement with Sub-Lice~~o~~nsor. ~~-~~Sub-Licensor is not able to fix an exact amount that would be due for these sums based on various factors such as the location of the Cellairis Business Unit and the current fees being charged; however, as detailed in Item 7, we estimate monthly fee payments typically range from ~~$900 - $6,800 for an RMU,~~ $2,1~~6~~00 - $14,800 for an Interactive Kiosk, $2,000 - $12~~3~~,6~~1~~00 for a Full Store Unit, and $600 - $5~~2~~,2~~3~~00 for a Store-in-Store Outlet depending on the various locations. Sub-Licensor's billing may include a markup over its cost in order to cover administrative expenses and to provide an element of profit. Your first month's fee plus the deposit are due at the time that you sign the Sub-License Agreement with Sub-Licensor. Additionally, Sub-Licensor is not able to fix an exact amount of the security deposit, which is a function of the monthly rent being charged; however, as detailed in Item 7, we estimate the security deposit to range from ~~$0 - $6,800 for an RMU,~~ $0 - $14,800 for an Interactive Kiosk, $0 - $12~~3~~,6~~1~~00 for a Full Store Unit, and $0 - $5,000 for a Store-in-Store Outlet. The security deposit is due at the time that you sign the Sub-License Agreement with Sub-Licensor. These costs are not refundable except that if you perform all of your obligations under the Sub-License Agreement, the deposit, or any amount that has not been applied by us or Sub-Licensor, will be returned, without payment to you of interest, at the expiration of the term of your Sub-License Agreement and after you have vacated the Cellairis Business Unit.

INVENTORY AND OTHER ITEMS

Before your business opens, you must ~~you are required to~~ purchase a portion of the initial inventory, in the amount of $5,000 from our affiliate, Global Cellular ~~in the following amounts: (i) $3,000 for an RMU; (ii) $6,000 for an Interactive Kiosk; (iii) $7,500 for a Full Store Unit; and (iv) $10,000 for a Store-in-Store Outlet~~. Also, a portion of your initial inventory, particularly the repair parts, may be purchased from our affiliate Vendor DP or an approved vendor. All initial inventory purchases from Global Cellular and Vendor DP must be paid by credit card or check at the time of the order. This cost is not refundable.

Before your business opens, in the event that Sub-Licensor directly leases or licenses the location of your Cellairis Business Unit, then the landlord will, in our experience, require that Sub-Licensor obtain general liability insurance, and most likely property insurance, in the amount that the landlord specifies. This insurance is for our protection as a lessee and as the Sub-Licensor of the premises to you. This insurance is in addition to and will serve as excess coverage above other types of insurance you are required to obtain under the Franchise Agreement (see Item 8 below). We, or Global Cellular, will also try to obtain insurance coverage for you and your Cellairis Business Unit at the same time, as part of the Global Cellular policies, or in conjunction with the Global Cellular insurance policies. In such an event, Global Cellular will advise you of such action, and will charge you a fee of $500 for Interactive Kiosks~~Mall Units~~, $800~~750~~ for Store-in-Store Outlets, and $800 for Full Store Units to cover the annual cost of both the general liability insurance, and the property insurance, which coverage will include flood and earthquake coverages. Global Cellular will continue to do this on an annual basis, unless and until you advise Global Cellular to cease. If Global Cellular acquires insurance on your behalf, Global Cellular will, on an annual basis, bill you for this insurance coverage and Global Cellular's billing will include a markup over its cost in order to cover administrative expenses and to provide an element of profit. Global Cellular's billing to you will be made annually and payment in full will be due. This must be paid by credit card or check. There will be no installment payments and the billing will not be prorated over the year so operators may not receive a full year of coverage in their first and last year. In the event you wish to obtain either or both coverages (general liability insurance and property insurance, which would include flood and earthquake coverages) on your own, you may do so, and must advise Sub-Licensor and us of your intention to secure your own insurance. In that event, you must submit proof of the coverages, policies, and endorsements that are required by us or by applicable law and we will charge you a $300 insurance review fee to cover our administrative costs and expenses to review your compliance with our insurance requirements.

If you are opening a Full Store Unit or Store-in-Store Outlet, before your business opens, you must undertake various degrees of real estate improvements and the scope and costs of the work will depend on the size and condition of the premises, price differences among contractors and/or subcontractors, services of the architect, general contractor and electrician, labor rates, and other local conditions. All of these services will be provided by our affiliate, Global Cellular. We estimate the price for the real estate improvements will cost between $2,500 and $100,000 for a Full Store Unit, and between $5,000 and $25,000 for a Store-in-Store Outlet, which must be paid by credit card or check at the time of the services being provided. This cost is not refundable.

Before your business opens, you must purchase all, or most of, the fixtures, furnishings and equipment from our affiliate, Global Cellular. (For example, certain equipment, such as security cameras, may be purchased from third-party vendors and not from Global Cellular.) We estimate the price for the fixtures, furnishings, and equipment will cost (i) between ~~$5,000 and $11,000 for an RMU, between~~ $25,000 and $40,000 for an Interactive Kiosk, (ii) between $15,000 and $4~~6~~0,000 for a Full Store Unit, and (iii) between $15,000 and $25,000 for a Store-in-Store Outlet, which must be paid by credit card or check at the time of the order. This cost is not refundable. For an Interactive Kiosk, you must purchase the Interactive Kiosk physical Structure (defined in Item 8) from our affiliate, Global Cellular, and the cost of the Structure and shipping is included in the range provided.

If you are opening a Full Store Unit or a Store-in-Store Outlet, before your business opens, you must purchase the signage from our affiliate, Global Cellular. We estimate the price for the signage will cost between $3,000 and $6,000 for a Full Store Outlet and between $1,200 and $2,000 for a Store-in-Store Outlet, which must be paid by credit card or check at the time of the order. This cost is not refundable.

DIGITAL SEO AND COMMUNICATIONS SET-UP FEE

Before your business opens, you must pay a flat fee to our affiliate, Global Cellular, a **"Digital SEO and Communications Set-Up Fee"**. Global Cellular will contact and contract with certain third party marketing, search engine optimization, communications, and customer development entities as part of The Digital SEO and Communications Set-Up Fee, which covers various elements of digital marketing for your Cellairis Business Unit, including search engine optimization work, uploading into the store locator portions of the Cellairis.com website, preparing press releases, and other online marketing efforts which are aimed at increasing customer foot traffic. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby we establish a call forwarding number, which does not require you to purchase a second phone line, but which allows both you and us to listen to any phone call received at the Cellairis Business Unit. The Digital SEO and Communications Set-Up Fee is $4,000, which must be paid by credit card or check at the time you sign the Franchise Agreement. This cost is not refundable.

E-MAIL FEE

Before your business opens, as part of the point of sale system (**"POS"**), the Cellairis Business Unit must have a separate email address that identifies the Cellairis Business Unit as a separate business. We will provide this email address to you in connection with the activation of the POS. We are charged $60 per year per email address from Microsoft, and you must pay us this amount by credit card or check at the time of the order. This cost is not refundable. In addition, we may require you to have, or you may voluntarily select to have, a second email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $60 per year charge (making the total $120 for both e-mail addresses) that must be paid by credit card or check at the time of the order. This cost is not refundable.

TRAINING PERSONNEL FEE

In connection with the initial and pre-opening and training program (described in Item 7 and 11 below, we will send a trainer to your Cellairis Business Unit to conduct the training program. You must pay to us, or our affiliate, not later than 20 days before your scheduled opening date, a fee for our training personnel's time and expenses in providing and conducting the on-site training (the **"Training Personnel Fee"**). The Training Personnel Fee is currently $2,000 per trainer.

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Item 6 – OTHER FEES

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Royalties[1, 2]	~~**For Mall Units**:~~ ~~Year 1:~~ The greater of $1,000 per month or 5% of Gross Sales. ~~Year 2: The greater of $1,050 or 5% of Gross Sales.~~ ~~Year 3: The greater of $1,100 or 5% of Gross Sales.~~ ~~Year 4: The greater of $1,150 or 5% of Gross Sales.~~ ~~Year 5: The greater of $1,200 or 5% of Gross Sales.~~ ~~**For Full Store Units**:~~ ~~Year 1: The greater of $1,000 or 5% of Gross Sales.~~ ~~Year 2: The greater of $1,050 or 5% of Gross Sales.~~ ~~Year 3: The greater of $1,100 or 5% of Gross Sales.~~ ~~Year 4: The greater of $1,150 or 5% of Gross Sales.~~ ~~Year 5: The greater of $1,200 or 5% of Gross Sales.~~	~~**For Mall Units**:~~ 25% of the minimum amount is paid each of the first 4 Tuesdays of each month and if the Royalty payment exceeds the minimum amount, the remaining amount is ~~**For Full Store Units**:~~ ~~25% of the minimum amount is paid each of the first 4 Tuesdays of each month~~	Payable to us. ~~**For Mall Units and Full Store Units**:~~ On the first four Tuesdays of each month, we will charge either your credit/charge card on file with us or automatically debit your bank account for 25% of the Royalties due for the current month. ~~**For Store-in-Store Outlets**:~~ ~~On the tenth day of each month, we will charge either your credit/charge card on file with us or automatically debit your bank account for the Royalties due for the preceding month~~ ~~**For Cellairis Business Units**:~~ Once we receive your monthly sales report we will then determine if any additional monies are owed based on 5% of Gross Sales, and if any additional monies are owed, then we or our affiliate will charge either your credit/charge card on

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	~~For Store-in-Store Outlets:~~ ~~5% of Gross Sales.~~	~~For Store-in-Store Outlets:~~ ~~P~~payable monthly on the 10th day of the month	file with us or automatically debit your bank account.
Advertising Fund Fee [1, 2]	Up to 3% of Gross Sales.	Payable monthly on the 10th day of the month	Payable to a separate advertising account which may be held in our name or the name of a separate entity. Fees will be collected if and when we establish an advertising fund upon written notice to you.
Cooperative Advertising[1, 2, 3]	If we establish cooperatives, you must contribute a percentage of Gross Sales to your cooperative.	Payable monthly on the 10th day of the month or as designated by your cooperative	Currently, we have no cooperatives. Contributions to cooperatives may not exceed 2% of Gross Sales.
Minimum Monthly Inventory[4]	~~For Mall Units and Full Store Units:~~ $1,0~~5~~00 per month. ~~For Store-in-Store Outlets:~~ ~~$1,000 per month.~~	Upon receipt of invoice	Payable to our affiliate, Global Cellular. But see Note 4.
Local Advertising[1]	A minimum of 1% of Gross Sales.	As incurred	You must make local advertising expenditures as required by Paragraph 8.A.(9) of the Franchise Agreement. You may determine the form and media,

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
			subject to our prior approval. If you fail to make local advertising expenditures, we may do so on your behalf and you will reimburse us for those expenditures.
Payments for Supplies or Inventory[1] (aside from that included in initial franchise fee)	Varies.	Payable by charge/credit card or automatic debit from your bank account at time of order	Payable to Global Cellular. This figure will vary depending on the needs of the individual franchisee at a particular location.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
License Fees or Rent for the location of the Cellairis Business Unit[2, 5]	Varies. **For Interactive Kiosks~~Mall Units~~ and Full Store Units**: If Global Cellular is the sub-licensor for the premises then for ~~an RMU, monthly fees are estimated between $900 - $6,800, for~~ an Interactive Kiosk, the monthly fees are estimated between $2,1~~6~~00 - $14,800, and for a Full Store Units, the monthly fees are estimated between $2,000 - $12~~3~~,6~~1~~00. **For Store-in-Store Outlets**: If Cellairis WM is the sub-licensor for the premises then monthly fees are estimated between $600 and $5~~2~~,2~~3~~00.	Varies, unless Global Cellular or Cellairis WM is the sub-licensor, then, in either case, fees are due on the 25th day of the month for the ensuing month's fees	**For Cellairis Business Units**: In some instances Global Cellular or Cellairis WM will become direct lessee/licensee and will enter into a Sub-License Agreement for the premises with you. In this case, all fees may become due to and payable to Global Cellular or Cellairis WM. See Item 7 for further explanation. **For Store-in-Store Outlets**: In addition to the above remarks, see Note 5.
Additional Training[1]	$250 per day plus additional expenses, see remarks	Within 7 days of receipt of bill	Payable to us. This $250 per day fee does not include travel, food, accommodations, and any other cost of business that is associated with ongoing training.
Audit[1]	Cost of Audit (or the audit fee, as described below) plus the amount of the underpayment	Within 7 days of receipt of bill	Payable to us. This is payable only if you fail to furnish required information or if you

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	plus 18% interest on underpayment. $250 per day for each day that you fail to timely provide the requested information to us. If an audit discloses a violation of Paragraph 5.C. of the Franchise Agreement, such as selling unauthorized products or services, you will pay us the greater of (1) $250 or (2) all of our costs and our affiliate's costs of the audit. If audit discloses that there has been a repeated violation, then you will pay us greater of (1) $500 or (2) all our costs and our affiliate costs of the audit.	 As incurred Within 15 days after notice	understate Gross Sales by more than 2% for any one month. These remedies for violations of Paragraph 5.C. of the Franchise Agreement are in addition to and not in lieu of any other remedies we may have at law or in equity, and does not in any way serve to waive our right to default and/or terminate your Franchise Agreement for these violations.
Accounting	$250 per day for each day that you fail to timely provide the requested information to us.	As incurred	Payable to us. This is payable only if you fail to furnish required information such as profit and loss statements, balance sheets and state sales tax returns.
Customer Satisfaction Policy Violation[6]	$100 per violation of our Customer Satisfaction Policy, increasing to $250, $500, and $1,000 per violation, for the 2nd, 3rd, 4th and successive violations in a calendar	As incurred	Payable to us. This is payable only if you fail to follow our Customer Satisfaction Policy as stated from time to time by us.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	year.		
Transfer and Assignment Fee[1]	~~$5,000 for an RMU~~ ~~$15,000 for an Interactive Kiosk~~ ~~$20,000 for a Full Store Unit~~ $10,000 ~~for a Store-in-Store Outlet~~	50% is due when you request approval of a transfer, and 50% is due when the transfer is approved	Payable to us when you sell your franchise. No charges if franchise is transferred to a corporation that you control. Fifty percent (50%) of the transfer fee is payable to us when you submit your written request for transfer, and this amount is non-refundable under any circumstance including in the event that we do not approve the transfer.
Successor Franchise Fee[1]	50% of the then current initial franchise fee.	Due under the same conditions as Item 5	Payable to us at time of exercising the option to renew your franchise.
Interest, Late Charges, and Insufficient Funds[1, 2, 7]	Maximum of 18% per year or highest rate allowed by law; $500 late payment fee; $100 insufficient funds fee; and all other costs incurred by us.	Accrues as of date payment was due, payable by invoice	Payable to us. Payable on overdue amounts.
Indemnification[1]	Actual Cost	As incurred	You must reimburse us if we are held liable for claims from your operation of the franchise, as well as our litigation costs in defending these claims.
Broker Fee[1]	20% of sale price	Upon sale of franchise	This fee only applies if we sell the franchise on your behalf.
Email Fee[8]	$60 to $120 per year	Yearly	Payable to Global Cellular on a yearly basis.
Secret Shopper Fee[9]	$100 per occurrence plus cost of Secret	As incurred	Payable to us.

(1) TYPE OF FEE	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
	Shopper service.		
Late Submission Fee[1]	$250	On demand	This fee only applies if you submit any required reports or other information to us after the deadline.
Administrative Default Fee[10]	$1,000 per occurrence, plus expenses.	As incurred	Payable to us.
Insurance fees or Insurance Review Fee[11]	$300 to $800 per year	As incurred	Payable to us or insurance providers.

[1] All fees are uniformly imposed by and payable to us. All fees are non-refundable. The term "**Gross Sales**" includes all sums charged or collected by you for Products, Parts, goods, merchandise, or Services sold at, from, or in connection with the Cellairis Business Unit whether for cash, credit, debit, barter, or otherwise, and whether the payment is received from a customer, insurance company, credit card company, or a warranty or service provider. Your sale of Products or Services away from the Cellairis Business Unit is not authorized; however, should any such sales be approved in the future, they will be included within the definition of Gross Sales. All monies, payments, compensation, or reimbursements received from third parties for warranty service and other services and support shall be deemed part of Gross Sales and subject to the Royalty, License Fees, and other percentage and minimum payments due under the Franchise Agreement. Gross Sales excludes any federal, state, county or city tax, excise tax, or other similar taxes collected by You from customers based upon sales, and cash received as payment in credit transactions where the extension of credit itself has already been included in the figure.

[2] Under the Franchise Agreement, we require that you provide us with your credit/charge card information as well as your bank account information at the time you sign your Franchise Agreement. By signing the Franchise Agreement, you authorize us to charge your credit/charge card and/or electronically debit your bank account for the amount of Royalties due each month as well as the License Fees payable to us or Sub-Licensor, or any other amount owed to us or any of our affiliates.

[3] Amounts paid to an advertising cooperative will be credited against your required expenditures for local advertising under Paragraph 8.A.(9) of the Franchise Agreement. Any by-laws of an Advertising Cooperative and any other written governing documents must be approved in advance by us in writing and must use such voting and advertising processes and procedures as may be directed by us for all Cellairis Advertising Cooperatives.

[4] Each month you must purchase a minimum amount of Cellairis® branded or Cellairis® packaged inventory in the amount of~~, which amounts are~~ $1,~~0~~500 for all Cellairis Business Units~~Mall Units and Full Store Units and $1,000 for Store-in-Store Outlets~~ each month ("**Minimum Monthly Inventory**"), which amount is the wholesale price charged to you for display and sale at the Cellairis Business Unit. Your acceptance of the Franchise Agreement is your acknowledgment that the Minimum Monthly Inventory requirement is reasonable and is not burdensome, and you expect to sell all of the inventory purchased on a regular basis. Failure to purchase the Minimum Monthly Inventory is a breach of the Franchise Agreement. If you fail to

purchase the Minimum Monthly Inventory in any month, we have the right to bill you for the difference between the required Minimum Monthly Inventory purchase and the actual amount purchased (**"Shortfall"**), and we will obtain a payment from you of the Shortfall via ACH or similar method on the second business day of the month immediately following the month of the Shortfall. You may cure the breach, and avoid the Shortfall payment if you, prior to our obtaining payment through ACH or similar method, purchase an amount of inventory to make up the Shortfall in the required Minimum Monthly Inventory. Any purchases will be made solely to cure the default and shall not be counted toward the then-current month's or any other month's Minimum Monthly Inventory requirement. In the event there is a shortfall and such shortfall is not cured, then the remaining balance of the shortfall will be billed to your account. The minimum monthly inventory requirement is in no way intended to imply that you will experience gross sales of any particular level.

[5] For Store-in-Store Outlets only, the range provided for the rent payments is based on a formula set forth in the Sub-License Agreement with Cellairis WM, which is dependent on gross sales plus a $100 administrative fee. The following is the rent calculation chart from the Sub-License Agreement:

Gross Sales		**Fees**			
Low	**High**	**Base**	**Additional Percentage**	**Min**	**Max**
$1	$15,000	$500	4%	$500.04	$1,100.00
$15,001	$25,000	$500	5%	$1,250.05	$1,750.00
$25,001	$35,000	$0	8%	$2,000.08	$2,800.00
$35,001	$60,000+	$0	6%	$2,100.06	$3,600.00+

THE FEES ASSOCIATED WITH THE VARIOUS GROSS SALES LEVELS IS IN NO WAY INTENDED TO IMPLY THAT YOU WILL EXPERIENCE GROSS SALES OF ANY PARTICULAR LEVEL.

Pursuant to the above chart, you, as the sub-licensee, shall pay the fees as follows: $600 per month (which is comprised of the $500 "Base" Fee plus the $100 administrative fee). Such fee shall be payable in advance so that it is received by Cellairis WM on or before the 25th day of the previous month during the term of this Sub-License Agreement. (As an example of this provision, $600 of the fee that is due for September would be due and must be paid to Cellairis WM and received by no later than August 25th). At the end of each month, the final fee will be calculated based on your gross sales, and you shall pay the amount owed for such month, less the $500 already paid, by the 3rd day of the immediately following month.

[6] We believe that responding to customer complaints is a vital element in maintaining and enhancing the goodwill of the System and all dealings with customers, vendors, and the general public, adhere to the highest standards of honesty, fair dealing, and ethical conduct. As set forth in the Manual, or otherwise required by us, you must properly address customer complaints including providing refunds when appropriate and in accordance with our customer satisfaction, warranty, repairs, and product return policies (collectively **"Customer Satisfaction Policy"**). The fee schedule identified above may be revised by us from time to time, with said changes effective as of the next calendar year. (See Paragraph 6.J. of the Franchise Agreement).

[7] Interest begins from the date of the underpayment. In addition to our right to charge interest, if permitted by applicable law, we may charge you a $500 late payment fee for all overdue payments and a $100 insufficient funds fee for any check, electronic funds transfer, credit/charge

card, or other payment method that is not honored by your financial institution plus the amount to reimburse us for all costs, charges, fees, and expenses assessed by the financial institution or other third party, and otherwise incurred by us (including reasonable attorney's fees) in obtaining the full payment of amounts owed by you.

[8] As part of the POS, each Cellairis Business Unit must have a separate email address that identifies the Cellairis Business Unit as a separate business. We will provide this email address to you in connection with the activation of the POS. We are charged $5 per month per email address from Microsoft, and we will collect this from you on a yearly basis and remit it to Microsoft. In addition, we may require you to have, or you may voluntarily select to have, an additional email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $5 per month charge, which will be collected on a yearly basis that we will assess and collect and remit to Microsoft.

[9] We may engage or retain a third-party investigatory and assessment service to conduct reviews of the your operations and the Cellairis Business Unit, and such reviews and evaluations may be conducted without prior notice to you, including the use of "secret shopper" services (collectively **"Secret Shoppers"**). We will bear the cost of the Secret Shopper services, except if the results from the visit or reports by the Secret Shopper is below our then-current standards for satisfactory operations in accordance with the Manual and and/or other brand standards, whether for one element or facet of Cellairis Business Unit operation. If there is such a violation then we may assess you a "Secret Shopper Fee" of $100 for each example or occurrence of sub-standard operations, in addition to charging you the cost of the Secret Shopper services.

[10] In addition to, and notwithstanding the Attorneys' Fee provision in the Franchise Agreement (Paragraph 13.K), in the event of your default under the Franchise Agreement, or in the event of any instance of non-compliance with the Franchise Agreement, the Manual, or other policies and System Standards, for which we notify you of such default or non-compliance, we may require you to pay an administrative fee to us in the amount of $1,000 per occurrence, plus any and all of our costs and expenses to enforce compliance by you or to cure the default, including without limitation attorneys' fees. The administrative fee and other charges are intended to reimburse us for our time, expense, and other expenditure of resources incurred due to your default or non-compliance. Our decision to require you to pay such administrative fee will be without prejudice to our right to terminate this Agreement and/or to terminate any other rights, options, or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

[11] As described in Item 5, Global Cellular may secure general liability and property insurance to cover your Cellairis Business Unit, and will charge you $500 per location, per year for Interactive Kiosks~~Mall Units~~, $800 per location, per year for Full Store Units, and $800~~750~~ per location, per year for Store-in-Store Outlets. This amount may increase over time, depending on the location, market forces, prices, and other factors. In the event you obtain any or all of your required insurance coverages yourself, you must submit proof of the coverages, policies, and endorsements that are required by us or by applicable law. We will charge you a $300 insurance review fee to cover our administrative costs and expenses to review your compliance with our insurance requirements.

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Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

INTERACTIVE KIOSK~~MALL UNIT~~ FRANCHISES

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
Initial Franchise Fee[1]	~~RMU: $7,500~~ ~~Interactive Kiosk:~~ $2~~5~~~~0~~,000	Credit card or check	Signing the Franchise Agreement	Us
Inventory[2]	~~RMU: $4,000 - $9,000~~ ~~Interactive Kiosk:~~ $8,000 - $15,000	Credit card or check at time of order	Due when order is placed. Initial inventory is purchased prior to opening, and ongoing inventory orders are monthly	Global Cellular, Vendor DP, or approved suppliers
Lease/License of the location of the Interactive Kiosk~~Mall Unit~~[3]	~~RMU: three months of estimated monthly rent/fee would total between $2,700 - $20,400 plus one month's rent/fees as a security deposit which would range from $0 - $6,800~~ ~~Interactive Kiosk:~~ T~~t~~hree months of estimated monthly rent/fees would total between $6~~7~~,3~~8~~00 - $44,400 plus one	If Global Cellular is the sub-licensor then either by credit card or by automatic debit from your bank account If a third party is the lessor or licensor then per the lease or license terms	The 25th day of the month for the sub-license fees for the ensuing month if Global Cellular is the sub-licensor Per the lease or license terms if a third party is the lessor Your first month's rent/fees plus the security deposit (which is equal to one month's rent/fees) are due at the time	Global Cellular or the third party landlord

(1) **Type of Expenditure**	(2) **Amount**	(3) **Method Of Payment**	(4) **When Due**	(5) **To whom payment is to be made**
	month's rent/fees as a security deposit which would range from $0 - $14,800		that you sign the Sub-License Agreement with Global Cellular and may be due at the time you sign your lease or license depending on the landlord.	
Fixtures, Furnishings, Equipment and Décor[4]	~~RMU: $5,000 - $11,000~~ ~~Interactive Kiosk:~~ $25,000 - $40,000	However third party requests payment. Payments to Global Cellular for purchases such as the Interactive Kiosk Structure will be by credit card or check.	At time of the order	Global Cellular and third parties
Point of Sale[5]	$1,180 - $1,980	Credit Card or check	As arranged before opening and monthly	Third party
Technology Package[6]	~~RMU: $0 - $4,000~~ ~~Interactive Kiosk:~~ $0 - $4,000	Credit Card of check	As arranged before opening	Global Cellular and third parties
Telephone	$100	However third party requests payment	As arranged before opening	Third party
Office Supplies	$100	However third party requests payment	As arranged before opening	Third party
Phone and Internet Utility	$250 per month	However third party requests payment	As arranged before opening	Third party
~~Wages for~~	~~The payment of~~	~~As arranged~~	~~Depends on your~~	~~Individual~~

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
~~Employees~~	~~wages to employees is entirely your responsibility~~	~~between you and your employees~~	~~payment cycle~~	~~employees if there are any~~
Insurance[7]	$500 - $1,000 per year	However third party requests. Payments to Global Cellular will be by credit card or check	As arranged	Global Cellular and third parties
Incorporation (if desired)	$500 - $1,000	However third party requests payment	As arranged before opening	Third party
Business Licenses	$100 - $300	However third party requests payment	Due on receipt	State or City Government
Professional Fees	$1,500 - $3,000	However third party requests payment	As arranged	Third party, *i.e.* accountant or attorney
Travel Expenses, Training Personnel Fee, and Training Living Expenses[8]	$3,500 - $5,500	However third parties request payment Payments to us and Global Cellular will be by credit card or check	Varies	Us, Global Cellular, and third parties, *i.e.* airline, hotel, and restaurant
Digital SEO and Communications Set-Up Fee[9]	$4,000	Credit card or check	At time of signing the Franchise Agreement	Global Cellular
Email Fee[10]	$60 to $120 per year	Credit card or check	As arranged before opening	Global Cellular
Credit Card Fee	$9 per month	Debited by Paymentech	Monthly	Payable to Paymentech (see Item 8 and **Exhibit JL**).
Additional Funds (initial 3	~~**RMU: $21,000 - $39,000**~~	Credit card or check if payable	Varies	Varies

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
months)[11]	**~~Interactive Kiosk:~~** $24,000 - $4~~8~~5,6~~0~~00	to us, or however third party requests payment		
~~RMU~~ TOTAL[12]	**~~$51,999 - $115,059~~$100,099 - $209,159**			
~~Interactive Kiosk TOTAL[12]~~	**~~$96,599 – $200,559~~**			

[1] The initial franchise fee is not refundable under any circumstance. We do not finance any fee. If you sign more than one Franchise Agreement at the same time, the initial franchise fee for each Franchise Agreement will be based on the following chart:

Number of Business Units	Franchise Fee
2	$20,000
3	$16,667
4	$16,250
5 and more	$15,000

~~.~~

[2] We estimate that the range given will be sufficient to cover your inventory needs for the first month of operation. Your costs will vary depending on various factors including the size of the site, your initial sales projections, population density in the area of your Interactive Kiosk~~Mall Unit~~, and changes in new and best-selling Products and Services. We or our affiliates, may, in their reasonable discretion, from time to time during shortages or during special promotions or events, allocate the sales of Products among franchisees and others within and outside the System. You are required to purchase and maintain a Product inventory level sufficient to meet the current needs of your customers. We or our affiliates may, from time to time, introduce new Products and Services as well as identify best-selling Products and Services. The satisfaction of consumer demand for new or popular Products and Services is important to us, to you, and to the System as a whole. You must agree to use your best efforts to carry in your inventory a substantial percentage of new Products and Services and best-selling Products and Services. Also, depending on availability as well as the terms of the underlying lease, license, sublease, sub-license, or other occupancy agreement for the Interactive Kiosk~~Mall Unit~~, you may not be permitted to carry all Products and Services we make available to the System. From the ranges described, the minimum required inventory purchase from Global Cellular or Vendor DP is ~~$3,000 for an RMU and~~ $5~~6~~,000 for an Interactive Kiosk.

[3] We estimate monthly rent or sub-license fee payments typically range from ~~$900 - $6,800 for an RMU and~~ $2,1~~6~~00 - $14,800 for an Interactive Kiosk, depending on the various mall locations. These figures may vary considerably in different regions or markets of the United States. Sub-License fee/rent will vary depending upon the size of the premises, the site's condition, its location, demand for the site, businesses in the area, length of the lease/license, local market

conditions, build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. These figures are based upon our limited experience in entering into leases/licenses for Interactive Kiosk~~Mall Units~~s, information provided to us by our franchisees, and basic understanding of the leasing market. Because of the wide variation in lease/license rates for retail space, you should thoroughly investigate the costs of obtaining a location. Currently many mall operators require Global Cellular to directly lease or license the space where the Interactive Kiosk~~Mall Unit~~ will be located and, in such cases, we will require that you sign a Sub-License Agreement with Global Cellular and provide to Global Cellular one month security deposit. Your first month's sub-license fees plus the security deposit are due at the time that you sign the Sub-License Agreement with Global Cellular and may be due at the time you sign your lease or license depending on the landlord. Your landlord may require a different security deposit and this deposit may or may not be refundable. If you perform all of your obligations under the Sub-L~~l~~icense Agreement, the security deposit, or the portion which has not been applied by us or Global Cellular, will be returned to you, without payment of interest, at the expiration of the term of your Sub-License Agreement and after you have vacated the Interactive Kiosk~~Mall Unit~~. Additionally, based on our past experience, the monthly sub-license fee payments include all common area maintenance fees. Some mall operators may require Global Cellular to lease or license multiple sites in multiple malls and Global Cellular may be required to pay sums to the mall operators relating to either (a) an annual lump sum payment associated with such multiple locations or (b) rental or license fee payments for sites which are much less likely to be developed. In such cases, Global Cellular reserves the right to allocate a fee rate to you which represents a discretionary amount relating to such charges by the mall operators plus an administrative fee associated with its costs of administration as well as profit. Under the Franchise Agreement, we require that you provide us with your credit/charge card information and your bank information at the time you sign your Franchise Agreement. By signing the Franchise Agreement, you authorize us to charge your credit/charge card or automatically debit your bank account for the sub-license fee payments that are due each month.

[4] Furnishings, fixtures, equipment, and décor will include display cases and shelving to hold and display Products and display racks to hold and display Product and other accessories and inventory. This includes other branding elements. Other equipment will include hardware and cameras for the POS system enhancements for additional information retrieval and security. (See Item 11 for additional details.) The cost of fixtures for Interactive Kiosk~~Mall Units~~s will vary depending upon the size and condition of the mall location, whether there are any existing and comparable improvements at the mall location, and the like. Some payments, other than those to Global Cellular, will be made to approved suppliers. —These amounts include the cost of the furnishings, fixtures, equipment, and décor items that you must purchase from our affiliate, Global Cellular, which comply with our specifications and standards. Installation of fixtures is included in our range and includes electrical, carpentry, and floor covering. These expenses include fees paid to an architect, general contractor and electrician. Costs will vary depending on a number of factors including, without limitation, building codes and permit requirements of the state where your Interactive Kiosk~~Mall Unit~~ is located, shipping fees, and costs of the services of the architect, general contractor and electrician.

[5] For the POS, based on our experience, we estimate that the range given will be sufficient. You must purchase a POS approved by us for use at your Interactive Kiosk~~Mall Unit~~. The POS is part of the Technology Package (discussed at Note 6 below). The POS is a required element of the Technology Package, but certain of the other elements of the Technology Package are optional. The POS bundle is provided by an approved or designated supplier (which is currently NCR Corporation), and includes the various hardware and software required to operate the system. The POS bundle includes cash drawer, bar code reader, receipt printer, and computer to operate

the POS, which will cost approximately $1,000 to $1,800. There are certain options of hardware and additional services that you can purchase for your POS which is not included in the amount listed as they are not required. In addition, we require that you subscribe for internet access with a reputable internet service provider that offers a static IP address. You are also required to pay a monthly software fee to NCR. The figure in the chart includes the costs of the POS plus 3 months of the software fee at $60 per month.~~ You may also be required to use the proprietary technology software provided by Marketing Repair, LLC. This software will assist in the management of operational information and inventory as well as appointment setting. Currently, Marketing Repair, LLC does not charge a fee for the use of this software, but may do so in the future.~~

[6] The range for the Technology Package can be $0 to $4,000. The Technology Package ~~for RMU and Interactive Kiosk Units~~ includes optional items. Based on our experience, we estimate that the amount given will be sufficient. There are certain options of hardware and additional services that you can purchase for your Technology Package which are not included in the amount listed as they are not required to operate the technology discussed below. However, the range in the chart includes the most likely selected elements of the Technology Package. The Technology Package is comprised of the following three elements: (i) a POS, which is described in Note 5 above (which is required for an ~~both RMU and~~ Interactive Kiosk~~ Units~~); (ii) one Repair Station, which will perform diagnostics on various devices, will include a computer, monitor, mouse, keyboard, and printer than can also scan, and will cost approximately $1,500 (which is optional ~~for both RMU and Interactive Kiosk Units~~); and (iii) one Shout! Experience system, which is the custom case program, enabling a customer to make a personalized wireless device accessory, which includes a computer, monitor, keyboard, mouse, sublimation printer, and heat press, and which will cost approximately $2,500 (which is optional~~ for both RMU and Interactive Kiosk Units~~). The current configuration of the various elements of the Technology Package includes a variety of hardware and software items such as PCs, monitors, printers, and related software. (See Item 11 for further details). The Shout! Experience elements of the Technology Package are provided by our affiliate, Global Cellular, and the Repair Station will be purchased from a third-party supplier. The figure in the chart includes the costs of the Technology Package (not including the required POS, described in Note 5) plus up to 3 months of any expected software or technology fee that may be required by a supplier. The low end of the range is the cost if you purchase none of the optional elements, and the high end of the range is if you purchase the most likely or typical elements, including one Repair Station and one Shout!® Experience. If you purchase the Shout! Experience, you must sign the “Equipment Purchase Agreement and License Agreement” with Global Cellular, which addresses the issues of product purchases, cost, license fees, and ongoing support. A copy is attached to this Disclosure Document as **Exhibit “M”~~O~~**.

[7] This figure is an estimate of the cost for a down payment against annual premium payments to maintain the insurance required by the Franchise Agreement. Based on our experience with mall operators, we estimate that the range given will be sufficient. In the event that Global Cellular directly leases or licenses the location of the Interactive Kiosk~~Mall Unit~~, then the mall operator will, in our experience, require that Global Cellular obtain general liability insurance, and may require property coverage, in the amount that the mall operator specifies. In this event, and as discussed in Item 5, Global Cellular will, on an annual basis, bill you $500 for that coverage, and Global Cellular’s billing will include a markup over its cost in order to cover administrative expenses and to provide an element of profit. Global Cellular’s billing to you will be made annually and payment in full will be due. There will be no installment payments and the billing will not be prorated over the year so operators may not receive a full year of coverage in their first and last year. This is insurance that covers Global Cellular as tenant, and as sub-licensor to you. This insurance is in addition to and will serve as excess coverage above other types of

insurance you are required to obtain under the Franchise Agreement. In addition, you must obtain and pay for worker's compensation coverage to the extent required by applicable law and you may wish, in your discretion to obtain supplemental liability insurance, cyber insurance, business interruption insurance (sometimes referred to as extra expense insurance), and any other type of insurance you deem appropriate, in your discretion. In the event you obtain any or all of your required insurance coverages yourself, you must submit proof of the coverages, policies, and endorsements that are required by us or by applicable law. We will charge you a $300 insurance review fee to cover our administrative costs and expenses to review your compliance with our insurance requirements.

[8] The initial franchise fee includes general training, advice, and assistance. The training will include approximately 12 days of training, which may take place at our headquarters and/or at regional training sites, as well as your Interactive Kiosk~~Mall Unit~~. As described in Items 5 and 11, we will provide our training personnel and they will travel your Interactive Kiosk~~Mall Unit~~ to conduct training. You must pay us a Training Personnel Fee of $2,000 per trainer. In addition to the Training Personnel Fee, you must pay your employees their wages, salaries, and benefits, and any meals or other benefits during training. If you or any of your employees must travel to a different location, you must pay, in addition to the wages, meals, *etc*., the travel costs for you and your employers, which may include travel, lodging and meals. Costs vary depending on the distance traveled, and the type of lodging. As of the date of this Disclosure Document those reasonable costs range from $3,500 to $5,500. This does not include wages. Your employees must be covered by your workers compensation insurance before we start any training, and you must certify to us in writing that your employees are covered.

[9] The Digital SEO and Communications Set-Up Fee is a flat fee which covers various elements of digital marketing for your Interactive Kiosk~~Mall Unit~~, whereby Global Cellular will contact and contract with certain third party marketing, search engine optimizations, and customer development entities, including search engine optimization work, uploading into the store locator portions of the Cellairis.com website, preparing press releases, and other online marketing efforts which are aimed at increasing customer foot traffic. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby we establish a call forwarding number, which does not require you to purchase a second phone line, but which allows both you and us to listen to any phone call received at the Interactive Kiosk~~Mall Unit~~.

[10] As part of the POS, each Interactive Kiosk~~Mall Unit~~ must have a separate email address that identifies the Interactive Kiosk~~Mall Unit~~ as a separate business. We will provide this email address to you in connection with the activation of the POS. We are charged $5 per month per email address from Microsoft, and we will collect this from you on a yearly basis and remit it to Microsoft. In addition, we may require you to have, or you may voluntarily select to have, an additional email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $5 per month charge, which will be collected on a yearly basis that we will assess and collect and remit to Microsoft.

[11] This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include Royalty payments, Product purchases, payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. If you are working at the Interactive Kiosk~~Mall Unit~~, payroll costs may be lower depending on what wage or salary you pay yourself. Payroll costs are typically higher if you employ a phone repair technician. Also, payroll costs may be higher during the holiday season since there is generally an increase in shopping mall traffic and you may have a need for additional employees during this time. Your costs will vary depending on how rapidly your business grows. These figures are estimates based on our past business experience with Interactive Kiosks~~Mall Units~~ and

information provided to us from our franchisees. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience and business knowledge; local economic conditions; the local market for our Products and Services; the prevailing wage rate; competition; and the sales level achieved during the initial period.

[12] Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, or cost of providing services and future policy changes. At the present time, we have no plans to increase payments over which we have control. Unless otherwise stated, none of the expenses described in this chart are refundable. In developing these estimates, we relied on the experience of our franchisees (as reported to us) in developing and owning Interactive Kiosks~~Mall Units~~, as well as our management's business acumen and experience, including estimates from contractors and vendors. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The amount shown is based upon our experience in franchising Interactive Kiosks~~Mall Units~~. These figures may vary considerably in other parts of the United States. Your actual investment and expenditures may vary from the above estimate depending on many factors including where your Interactive Kiosk~~Mall Unit~~ is situated and your management capabilities. In addition, your costs will depend on factors such as: your compliance with our methods and procedures; your management skill; your business experience and business acumen; local economic conditions; the prevailing wage rate; and the growth of your franchise during the initial period. We do not offer direct or indirect financing to franchisees for any of these items.

FULL STORE UNIT AND STORE-IN-STORE OUTLET FRANCHISES

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
Initial Franchise Fee[1]	**Full Store Unit**: $25~~30~~,000 **Store-in-Store Outlet**: $25~~35~~,000	Credit card or check	Signing the Franchise Agreement	Us
Inventory[2]	~~**Full Store Unit:**~~ $10~~2~~,000 - $25~~40~~,000 ~~**Store-in-Store Outlet**: $10,000 - $20,000~~	Credit card or check at time of order	Due when order is placed. Initial inventory is purchased prior to opening, and ongoing inventory orders are	Global Cellular, Vendor DP, or approved suppliers

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
			monthly.	
Lease or License of the location of the Full Store Unit and Store-in-Store Outlet[3]	**Full Store Unit**: three months of estimated monthly rent/ license fees would total between $6,000 - $37~~9~~,8~~3~~00 plus one month's rent/fees as a security deposit which would range from $0 - $12~~3~~,6~~1~~00 **Store-in-Store Outlet**: three months of estimated monthly rent/ license fees would total between $1,800 and $15~~6~~,6~~9~~00 plus a security deposit which would range from $0 - $5,000.	If Global Cellular or Cellairis WM is the sub-licensor then either by credit card or by automatic debit from your bank account If a third party is the lessor or licensor then per the lease or license terms	If Global Cellular or Cellairis WM is the sub-licensor then the 25th day of the month for the sub-license fees for the ensuring month. If a third party is the lessor or licensor then per the lease or license terms. Your first month's rent/fees plus the security deposit are due at the time that you sign the Sub-License Agreement with Global Cellular or Cellairis WM and may be due	Global Cellular, Cellairis WM, or third party landlord

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
			at the time you sign your lease or license depending on the landlord.	
Real Estate and Improvements[4]	**Full Store Unit**: $2,500 - $100,000 **Store-in-Store Outlet**: $5,000 - $25,000	However third party requests payment	At the time of the order	Global Cellular and third parties
Furnishings, Fixtures, Equipment and Decor[5]	**Full Store Unit**: $15,000 - $4~~6~~0,000 **Store-in-Store Outlet**: $15,000 - $25,000	However third party requests payment Payments to Global Cellular will be by credit card or check	At the time of the order	Global Cellular and third parties
Signage[6]	**Full Store Unit**: $3,000 - $6,000 **Store-in-Store Outlet**: $1,200 - $2,000	Payments to Global Cellular will be by credit card or check	Upon opening of the location	Global Cellular
Technology Package[7]	$1,180 - $5,980	Credit Card or check	As arranged before opening	Global Cellular and third parties
Telephone	$100	However third party requests payment	As arranged before opening	Third party
Office Supplies	$100	However third party requests payment	As arranged before opening	Third party

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
Phone and Internet Utility	$250 per month	However third party requests payment	As arranged before opening	Third party
Business Licenses	$100 - $300	However third party requests payment	Due on receipt	State or City Government
~~Wages for Employees~~	~~The payment of wages to employees is entirely your responsibility~~	~~As arranged between you and your employees~~	~~Depends on your payment cycle~~	~~Individual employees if there are any~~
Insurance[8]	$875- $2,500	However third party requests. Payments to Global Cellular will be by credit card or check	As arranged	Global Cellular and third parties
Incorporation (if desired)	$500 - $1,000	However third party requests payment	As arranged before opening	Third party
Professional Fees	$4,000 - $6,500	However third party requests payment	As arranged	Third party, *i.e.* accountant or attorney
Travel and Living Expenses while Training[9]	$3,500 - $5,500	However third parties request payment Payments to us and Global Cellular will be by credit card or check	Varies	Us, Global Cellular, and third parties, *i.e.* airline, hotel, and restaurant
Digital SEO and Communications Set-Up Fee[10]	$4,000	Credit card or check	At time of signing the Franchise Agreement	Global Cellular
Email Fee[11]	$60 to $120 per year	Credit card or check	As arranged before opening	Global Cellular

(1) Type of Expenditure	(2) Amount	(3) Method Of Payment	(4) When Due	(5) To whom payment is to be made
Credit Card Fee	$9 per month	Debited by Paymentech	Monthly	Payable to Paymentech (see Item 8 and **Exhibit** J~~L~~).
Music Licensing Fee[12]	$300 - $1,000	As required by third party	As required by third party; generally quarterly	Third party, *i.e.*, performing rights organizations, such as ASCAP or BMI
Additional Funds (initial 3 months)[13]	**Full Store Unit**: $27,000 - $57~~4~~,6~~0~~00 **Store-in-Store Outlet**: $25,500 - $57,900	Credit card or check if payable to us, or however third party requests payment	Varies	Varies
FULL STORE UNIT TOTAL[14]	**$103~~100~~,474 - $331~~69~~,3~~7~~59**			
STORE-IN-STORE OUTLET TOTAL[14]	**$98~~108~~,474 - $207~~4~~,8~~1~~59**			

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[1] The initial franchise fee is not refundable under any circumstance. We do not finance any fee. If you sign more than one Franchise Agreement at the same time, the initial franchise fee for each Franchise Agreement will be based on the following chart:

Number of Business Units	Franchise Fee
2	$20,000
3	$16,667
4	$16,250
5 and more	$15,000

[2] We estimate that the range given will be sufficient to cover your inventory needs for the first month of operation. Your costs will vary depending on various factors including the size of the site, your initial sales projections, population density in the area of either your Full Store Unit or Store-in-Store Outlet, and changes in new and best-selling Products and Services. We or our affiliates, may, in their reasonable discretion, from time to time during shortages or during special promotions or events, allocate the sales of Products among franchisees and others within and outside the System. You are required to purchase and maintain a Product inventory level sufficient to meet the current needs of your customers. We or our affiliates may, from time to time, introduce new Products and Services as well as identify best-selling Products and Services. The satisfaction of consumer demand for new or popular Products and Services is important to us,

to you and to the System as a whole. You must agree to use your best efforts to carry in your inventory a substantial percentage of new Products and Services and best-selling Products and Services. Also, depending on availability as well as the terms of the underlying lease, license, sublease, sub-license, or other occupancy agreement for the Full Store Unit or Store-in-Store Outlet, you may not be permitted to carry all Products and Services we make available to the System. From the range described, the minimum required inventory purchase from Global Cellular or Vendor DP for either a Full Store Unit ~~is $7,500 and for~~ or a Store-in-Store Outlet is $5~~10~~,000.

[3] We estimate monthly rent/license fees typically range from $2,000 - $12~~3~~,6~~1~~00 for a Full Store Unit and $600 - $5~~2~~,2~~3~~00 (which includes a $100 administrative cost) for a Store-in-Store Outlet. (See Item 6). These figures may vary considerably in different regions or markets of the United States. Sub-License fee/rent will vary depending upon the size of the premises, the site's condition, its location, demand for the site, businesses in the area, length of the lease/license, local market conditions, build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. These figures are based upon our limited experience in entering into leases/licenses for Full Store Units, in entering into leases/licenses for Interactive Kiosks~~Mall Units~~, information provided to us by our franchisees, and basic understanding of the leasing market. A typical Full Store Unit occupies approximately 600 to 1,500 square feet of space and a typical Store-in-Store Outlet occupies approximately 400 to 700 square feet. Because of the wide variation in lease/license rates for retail space, you should thoroughly investigate the costs of obtaining a location. Currently many mall operators and Hosts require Sub-Licensor to directly lease or license the space where the Full Store Unit or Store-in-Store Outlet will be located and, in such cases, we will require that you sign a Sub-License Agreement with Sub-Licensor and provide either one month security deposit to Global Cellular or the sum of $5,000 to Cellairis WM. Your first month's sub-license fees plus the security deposit are due at the time that you sign the Sub-License Agreement with Sub-Licensor and may be due at the time you sign your lease or license depending on the landlord. Your landlord may require a different security deposit and this deposit may or may not be refundable. If you perform all of your obligations under the Sub-License Agreement, the security deposit, or the portion which has not been applied by us or Sub-Licensor, will be returned to you, without payment of interest, at the expiration of the term of your Sub-License Agreement and after you have vacated the Full Store Unit or Store-in-Store Outlet. At times we may have another affiliate, in addition to Cellairis WM, which will enter into leases with a particular Host. With respect to Full Store Units, some mall operators may require Global Cellular to lease or license multiple sites in multiple malls and Global Cellular may be required to pay sums to the mall operators relating to either (a) an annual lump sum payment associated with such multiple locations or (b) rental or license fee payments for sites which are much less likely to be developed. In such cases, Global Cellular reserves the right to allocate a fee rate to you which represents a discretionary amount relating to such charges by the mall operators plus an administrative fee associated with its costs of administration as well as profit. Under the Franchise Agreement, we require that you provide us with your credit/charge card information and your bank information at the time you sign your Franchise Agreement. By signing the Franchise Agreement, you authorize us to charge your credit/charge card or automatically debit your bank account for the sub-license fee payments that are due each month.

[4] The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether there are any existing and comparable leasehold improvements in the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, price differences among contractors and/or subcontractors, services of the architect, general contractor, and

electrician, labor rates and other local conditions, ability to negotiate with the landlord and your financial strength, location of the premises, and the like. Improvements include electrical, carpentry, floor covering, painting, site surveys, construction drawings, space demolition and preparation, and contractor's fee. These expenses include fees paid by our affiliate, Global Cellular, to the General Contractor, architect, and electrician. Additional leasehold improvements may be required. These figures are based upon our limited experience in our affiliate-owned Full Store Units, affiliate-owned Store-in-Store Outlets, information provided to us by our franchisees, and basic understanding of the leasing market and leasehold improvements. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service.

[5] Furnishings, fixtures, equipment, and décor will include display cases and shelving to hold and display Product, and display racks to hold and display Products, accessories and inventory, graphics and wall items, flat screen television(s) and other visual merchandising elements as we require. This includes other branding elements. Other equipment will include hardware and cameras for the POS system enhancements for additional information retrieval and security. (See Item 11 for additional details.) Costs will vary depending on a number of factors including, without limitation, building codes where your Full Store Unit or Store-in-Store Outlet is located, the size and condition of the premises, the extent and quality of fixtures, furnishings, equipment and décor desired by you over and above our minimum requirements, location of the premises, shipping fees, and the like. Some payments, other than those to Global Cellular, will be made to approved suppliers. These amounts include the cost of the furnishings, fixtures, equipment, and décor items that you must purchase from our affiliate, Global Cellular, which comply with our specifications and standards. These estimates include installation. You may be permitted with our prior written approval to purchase certain furnishings such as televisions directly from third parties.

[6] The cost of your exterior sign will vary depending upon the size, color and specification of the lighting of the channel letters of the sign and other specifications as may be required by us, as well as what is permitted by your landlord and what is provided by your landlord. Costs will also vary depending on what is desired by you over and above our minimum requirements. While signage is listed as a separate fee in this Item 7, it also must be purchased from our affiliate, Global Cellular, and will be provided in the same manner as other fixtures, furnishings, and equipment.

[7] Based on our experience, we estimate that the amount given will be sufficient to purchase or lease the elements and components of the Technology Package. There are certain options of hardware and additional services that you can purchase for your Technology Package which are not included in the amount listed as they are not required to operate the technology discussed below. The Technology Package is comprised of the following three elements: (i) a POS, which will include a cash drawer, bar code reader, receipt printer, and computer to operate the POS, which will cost approximately $1,000 to $1,800 (which is required for a Full Store Unit and Store-in-Store Outlet); (ii) one Repair Station, which will perform diagnostics on various devices, will include a computer, monitor, mouse, keyboard, and printer than can also scan, and which will cost approximately $1,500 (which is optional); and (iii) one Shout! Experience system, which is the custom case program, enabling a customer to make a personalized wireless device accessory, which includes a computer, mouse, keyboard, monitor, sublimation printer, and heat press, and which will cost approximately $2,500 (which is optional). The current configuration of the various elements of the Technology Package includes a variety of hardware and software items such as PCs, monitors, printers, and related software. (See Item 11 for further details). The Shout!® Experience elements of the Technology Package are provided by our affiliate, Global Cellular, the Repair Station will be purchased from a third party supplier and the POS bundle is

provided by an approved or designated supplier (which is currently NCR Corporation). In addition, we require that you subscribe for internet access with a reputable internet service provider that offers a static IP address. You are also required to pay a monthly software license fee to NCR. The figure in the chart includes the costs of the Technology Package plus 3 months of the software fee at $60 per month. The figure in the chart includes the costs of the Technology Package plus up to 3 months of any expected software or technology fee that may be required by a supplier. The low end of the range is the cost if you purchase just the POS and none of the optional elements, and the high end of the range is if you purchase the most likely or typical elements, including one Repair Station and one Shout!® Experience. If you purchase the Shout! Experience, you must sign the "Equipment Purchase Agreement and License Agreement" with Global Cellular, which addresses the issues of product purchases, cost, license fees, and ongoing support. A copy is attached to this Disclosure Document as **Exhibit "M~~O~~"**.~~ You may also be required to use the proprietary technology software provided by Marketing Repair, LLC. This software will assist in the management of operational information and inventory as well as appointment setting. Currently, Marketing Repair, LLC does not charge a fee for the use of this software, but may do so in the future.~~

[8] This figure is an estimate of the cost for a down payment against annual premium payments to maintain the insurance required by the Franchise Agreement. Based on our experience with landlords, we estimate that the range given will be sufficient. In the event that Sub-Licensor directly leases or licenses the location of the Full Store Unit or Store-in-Store Outlet, then the landlord or Host will, in our experience, require that Sub-Licensor obtain general liability insurance, and may require property coverage, in the amount that the landlord or Host specifies. In this event, and as discussed in Item 5, Global Cellular will, on an annual basis, bill you $800 for either a Full Store Unit or ~~and $750 for~~ a Store-in-Store Outlet, for that coverage and Global Cellular's billing will include a markup over its cost in order to cover administrative expenses and to provide an element of profit. Global Cellular's billing to you will be made annually and payment in full will be due. There will be no installment payments and the billing will not be prorated over the year so operators may not receive a full year of coverage in their first and last year. This is insurance that covers Sub-Licensor as tenant, and as sublicensor to you. This insurance is in addition to and will serve as excess coverage above other types of insurance you are required to obtain under the Franchise Agreement. In addition, you must obtain and pay for worker's compensation coverage to the extent required by applicable law and you may wish, in your discretion to obtain supplemental liability insurance, cyber insurance, business interruption insurance (sometimes referred to as extra expense insurance), and any other type of insurance you deem appropriate, in your discretion. In the event you obtain any or all of your required insurance coverages yourself, you must submit proof of the coverages, policies, and endorsements that are required by us or by applicable law. We will charge you a $300 insurance review fee to cover our administrative costs and expenses to review your compliance with our insurance requirements.

[9] The initial franchise fee includes general training, advice, and assistance. The training will include approximately 12 days of training, which may take place at our headquarters and/or at regional training sites, as well as your Full Store Unit or Store-in-Store Outlet. As described in Item 5 and 11, we will provide our training personnel and they will travel to your Full Store Unit or Store-in-Store Outlet to conduct training. You must pay us a Training Personnel Fee of $2,000 per trainer. In addition to the Training Personnel Fee, you must pay your employees their wages, salaries, and benefits, and any meals or other benefits during training. If you or any of your employees must travel to a different location, you must pay, in addition to the wages, meals, *etc*., the travel costs for you and your employers, which may include travel, lodging, and meals. Costs vary depending on the distance traveled, and the type of lodging. As of the date of this

Disclosure Document those reasonable costs range from $3,500 to $5,500. This does not include wages. Your employees must be covered by your workers compensation insurance before we start any training, and you must certify to us in writing that your employees are covered.

[10] The Digital SEO and Communications Set-Up Fee is a flat fee which covers various elements of digital marketing for your Full Store Unit or Store-in-Store Outlet, whereby Global Cellular will contact and contract with certain third party marketing, search engine optimization, and customer development entities, including search engine optimization work, uploading into the store locator portions of the Cellairis.com website, preparing press releases, and other online marketing efforts which are aimed at increasing customer foot traffic. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby we establish a call forwarding number, which does not require you to purchase a second phone line, but which allows both you and us to listen to any phone call received at the Full Store Unit or Store-in-Store Outlet.

[11] As part of the POS, each Full Store Unit or Store-in-Store Outlet must have a separate email address that identifies the Full Store Unit or Store-in-Store Outlet as a separate business. We will provide this email address to you in connection with the activation of the POS. We are charged $5 per month per email address from Microsoft, and we will collect this from you on a yearly basis and remit it to Microsoft. In addition, we may require you to have, or you may voluntarily select to have, an additional email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $5 per month charge, which will be collected on a yearly basis that we will assess and collect and remit to Microsoft.

[12] You are required to purchase a license from each of the performing rights organizations (**"PROs"**) with licensing rights for the music you play in your Full Store Unit or Store-in-Store Outlet. The costs listed above are our best estimate of the costs you will incur for licensing fees for the three major performing rights organizations (ASCAP, BMI, and SESAC) during the first three months of operating your store. Your actual costs will depend on the music played, the number of locations you own, whether you obtain licenses from one, two, or three PROs, and whether you purchase monthly or annual licenses. You are responsible to purchase and maintain your own licenses.

[13] This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include Royalty payments, Product purchases, payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. If you are working at the Full Store Unit or Store-in-Store Outlet, payroll costs may be lower depending on what wage or salary you pay yourself. Also, payroll costs may be higher during the holiday season since there is generally an increase in shopping traffic and you may have a need for additional employees during this time. Your costs will vary depending on how rapidly your business grows. These figures are estimates based on our limited past business experience with Full Store Units, Store-in-Store Outlets, as well as our past business experience with Interactive Kiosks~~Mall Units~~, and information provided to us by our franchisees. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as how closely you follow our methods and procedures, your management skill, experience, and business knowledge, local economic conditions, the local market for our Products and Services, the prevailing wage rate, competition, and the sales level achieved during the initial period.

[14] Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, or cost of providing services and future policy changes. At the present time, we have no plans to increase payments over which we have control. Unless otherwise stated, none of the expenses described in this chart are refundable. In developing these estimates, we relied on our affiliate's experience in developing and owning Full Store Units and

Store-in-Store Outlets, the experience of our franchisees (as reported to us) in developing and owning Full Store Units and Store-in-Store Outlets, as well as our management's business acumen and experience, including estimates from contractors and vendors. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Your actual investment and expenditures may vary from the above estimate depending on many factors including where your Full Store Unit or Store-in-Store Outlet is situated, the size of your Full Store Unit or Store-in-Store Outlet, your ability to negotiate to your benefit with your landlord, your management capabilities, and the amount contributed by your landlord. In addition, your costs will depend on factors such as: your compliance with our methods and procedures, your management skill, your business experience and business acumen, local economic conditions, the prevailing wage rate, and the growth of your franchise during the initial period. We do not offer direct or indirect financing to franchisees for any of these items.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and Global Cellular have developed a program and service, in which Cellairis Business Units can sell a package of a proprietary cell phone case and protective screen, and repair/breakage warranties (**"The Cellairis Bundle"** or **"TCB"**) to customers. We have a rebate program whereby Global Cellular pays to us a rebate in the amount of $2.00 for each TCB purchased by a franchisee for its customer. Any rebate paid to us may be utilized or retained by us in our sole discretion. In the year ending December 31, 2020~~19~~, the amount of the rebate received by us was $11,726~~23,286~~. This amount was 0.91~~1.32~~% of our total revenue of $1,293,626~~$1,758,704~~ in 2020~~19~~. The source of this information is our audited financials. As discussed in Item 8 below, we also have entered into an agreement with Acima, LLC, (**"Acima"**) which will provide the Cellairis Business Units with the option to provide financing to its customers when its customers purchase a new or used wireless device. As a result of entering into this agreement, we have the right to receive rebates or fees, which payments will currently be paid into the Advertising Fund. In the year ending December 31, 2020, the revenues received by us from Acima to our franchisees was $0. The source of this information is our audited financial statements.

Our affiliates Global Cellular, Cellairis WM, ~~Vendor DP, Centurion Merchant Services, Inc. ("CMS"),~~ and CPT made sales, received rebates, or received fees for the sale of inventory, sub-licenses of the locations of the Cellairis Business Units, Interactive Kiosk Structures, furniture, fixtures, and equipment, real estate improvements, signage, insurance, ~~POS software fees, Shout! Experience,~~ Digital SEO and Communications Set-up Fee, and credit card processing to our franchisees in the year 2020~~19~~. In the year ending December 31, 2020~~19~~, the revenues received by Global Cellular from the sale of these various items to our franchisees was $5,498,212~~10,695,681~~. The source of this information is Global Cellular's unaudited financial statements. In the year ending December 31, 2020~~19~~, the revenues received by Cellairis WM from the subleasing and sublicensing of locations to Store-in-Store Outlets was $675,837~~872,057.~~. The source of this information is Cellairis WM's unaudited financial statements. ~~In the year ending December 31, 2019, the revenues received by Vendor DP from the sale of products to Cellairis Business Units was $1,566. The source of this information is Vendor DP's unaudited financial statements. In the year ending December 31, 2019, the revenues received by CMS based on purchases by our franchisees was $4,1788. The source of this information is CMS' unaudited financial statements.~~ In the year ending December 31, 2020~~19~~, the revenues received by CPT based on purchases by our franchisees was $46,041~~56,774~~. The source of this information is CPT's unaudited financial statements.

AREA REPRESENTATIVE

With respect to the Area Representative Agreement, Jubilee Franchise Inc. receives a rebate based on the monthly product sales made by Global Cellular to franchisees that operate Store-in-Store Outlets in Walmart locations. The amount of the rebate is 5% of purchases by Store-in-Store Outlet franchisees for the first $250,000 of monthly product purchases and 7% above that each month. In the year ending December 31, 2020, the rebate received by Jubilee Franchise Inc. from product sales made to Store-in-Store Outlets was $0. The source of this information is Global Cellular's unaudited financial statements. Jubilee Franchise Inc. also receives a rebate in the amount of 10% of monthly product purchases by Walmart which are then sold in a given calendar month either (i) on the shelves of a Walmart physical location; or (ii) online through Walmart.com. In the year ending December 31, 2020, the rebate received by Jubilee Franchise Inc. from product sales made to Walmart was $0. The source of this information is Global Cellular's unaudited financial statements.

INVENTORY

To ensure the highest degree of quality and service, it is an express condition of the franchise relationship that you must purchase your inventory from our approved suppliers. Currently, our affiliates Global Cellular and Vendor DP are two approved suppliers. In addition to the required minimum initial purchase of inventory from Global Cellular (see Item 5 above), you must purchase a minimum monthly amount of Cellairis-branded (or Cellairis-packaged) products in the amount of $1,0~~5~~00 per month for all Cellairis Business Unit~~Mall Units and Full Store Units, and the amount of $1,000 per month for Store-in-Store Outlets~~. (See Item 6). Global Cellular made sales to our franchisees in the year 2020~~19~~.~~-~~ Our affiliate may charge you a mark-up, surcharge, and handling fee on inventory you purchase that is higher than the cost charged to our affiliate by the manufacturer. We expect that based on our affiliate's purchasing power, the cost of inventory purchased by you from our affiliate is comparable to prevailing wholesale market prices. Our affiliate may charge higher, lower or the same prices for Product to individuals/entities that are not franchises.

We may approve other suppliers of products in the future. Our affiliate, Vendor DP, is a vendor of products and repair parts. Also, along with Global Cellular, Vendor DP will undertake to manage and administer the relationships with third-party manufacturers and suppliers of Products and Parts, including the relationship between us and the suppliers, and between the suppliers and the franchisees, and through that process will sell, or facilitate the sale of, Products and Parts to our franchisees. We expect that most Products and Parts will be ordered and purchased by franchisees directly from the approved suppliers (and not from Global Cellular) and the suppliers will sell directly to the franchisees. Global Cellular and Vendor DP will conduct inventory and product review for the entire system, negotiate system-wide pricing, manage the approved supplier evaluation functions for the system, and provide other communications and supply chain management assistance. Global Cellular and Vendor DP may receive fees, commissions, or compensation from the manufacturers and suppliers in consideration of the tasks undertaken by Global Cellular and Vendor DP, and those fees will be based on the volume of products purchased by franchisees. We expect that most of the fees paid by suppliers and received by Global Cellular and Vendor DP will be based on a price per unit sold. Even though Global Cellular is not the sole approved supplier, you must comply with the minimum monthly purchase requirement of Cellairis-branded or Cellairis-packaged products, whether it is purchased from Global Cellular or another approved supplier in the amount of $1,0~~5~~00 for all Cellairis Business Units~~Mall Units and Full Store Units, and in the amount of $1,000 for Store-in-Store Outlets~~.

We estimate that the cost of inventory purchased from our affiliate, Global Cellular or from approved third-party suppliers, is (A) ~~12.90% to 11.83% of your total cost to establish an RMU franchise and approximately 20.37% to 23.02% of on-going operation expenses for an RMU franchise, (B)~~ 10.51~~11.02~~% to 9.3~~6~~4% of your total cost to establish an Interactive Kiosk franchise and approximately 28.52~~23.96~~% to 22.28~~07~~% of on-going operation expenses for an Interactive Kiosk f~~F~~ranchise, (B~~C~~) 13.08~~16.33~~% to 9.13~~12.67~~% of your total cost to establish a Full Store Unit franchise and approximately 34~~0~~.73~~2~~% to 30.72~~29.98~~% of on-going operation expenses for a Full Store Unit franchise, and (C~~D~~) 13~~2~~.70~~5~~% to 16~~3~~.67% of your total cost to establish a Store-in-Store Outlet franchise and approximately 41.58~~37.67~~% to 39.60~~42.82~~% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

We create and modify our specifications and standards based on market, competitive, and economic conditions. We will communicate our standards and specifications to you in writing from time to time. Additionally, we will provide you recommended selling prices for the inventory.

Global Cellular and other approved suppliers who will sell directly to franchisees, and who will operate through the arrangement with Global Cellular or Vendor DP are currently the only approved suppliers. We have the discretion to have a sole source of supply, whether that is Global Cellular or another entity. Also, we may expand the number of other approved suppliers of the inventory that is needed for your franchise. However, Global Cellular and Vendor DP will manage this supply chain function and relationship. As a condition of operation of the Store-in-Store Outlet from the Host premises, the Host may require that certain Products that will be sold at or from the Store-in-Store Outlet must be purchased from the Host or an affiliate of the Host. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Additionally, there is no purchasing or distribution cooperative established between us and a third party. Your additional inventory purchases will vary based upon the amount of sales made in the ensuing months. You are required to purchase all products utilized in the on-going operation of the franchise from our affiliate and the amount of these purchases will directly relate to the success of your business. Except for The Cellairis Bundle as discussed above, we receive no rebates from either Global Cellular or Vendor DP as a result of those companies being approved suppliers to you.

Failure to purchase all of your inventory from our affiliate Global Cellular, and other approved suppliers, is a material event of default that may lead to termination of your franchise.

In addition, we may require that franchisees engage in product repair and refurbishments arrangements with an affiliate (likely Global Cellular~~ or Recycle Trader~~) or other approved vendor, in which franchisees will sell or furnish broken or damaged products to our affiliate (likely Global Cellular~~ or Recycle Trader~~) or approved vendor in exchange for repaired products or credits toward future transactions. Franchisees may also purchase repaired, refurbished, or recycled products from our affiliate or approved vendor to offer to customers at the Cellairis Business Units. In the event an affiliate is part of this program described in this paragraph, then such affiliate will receive revenue from its transactions with franchisees.

In 2021~~0~~, we may introduce an optional program by which franchisees and Cellairis Business Unit owners and operators may purchase used cellphones, accessories, other wireless devices, tablets, and components, and then pursue multiple options to refurbish, or sell to third-party used equipment resellers, these products. We are currently evaluating potential arrangements to facilitate transactions, based on the franchisee facilitating or brokering a purchase of used products from customers. The franchisee would receive a commission from the entity that is the ultimate purchaser of the products. As a program is finalized and implemented, we will advise all franchisees regarding the details, including the process and payments.

LICENSE OF PREMISES

You will likely sub-license the premises for your Cellairis Business Unit from Sub-Licensor (either Global Cellular if you operate an Interactive Kiosk~~ Mall Unit~~ or Full Store Unit, or Cellairis WM if you operate a Store-in-Store Outlet). In such case, Sub-Licensor will require that you sign a Sub-License Agreement, a sample of which is attached as **Exhibit "E"**, or such sub-license as the landlord may require. While all are similar in concept, there may be some variations in the Sub-License Agreement depending on the landlord. For Interactive Kiosks~~Mall Units~~ and some Full Store Units operating inside a shopping mall, mall developers typically require a payment of a percentage of gross sales over a stipulated breakpoint, and each mall developer's definition of gross sales slightly varies. For Cellairis Business Units, landlords typically use different events (such as the date when the Cellairis Business Unit opens or a certain number of days after the landlord gives over possession of the premises, *etc*.) as the commencement date for when payment of rent or license fees are to begin. There are no other material differences in the Sub-License Agreements. The underlying master lease or license, as redacted, will be provided to you with the Sub-License Agreement. In the event that you must enter into a Sub-License Agreement, then you will not be charged a fee by us for having to enter into the Sub-License Agreement but Sub-Licensor will make revenues in the amount which is charged to you, which amount will be greater than the amount which Sub-Licensor is required to pay the underlying landlord. You may also lease or license the premises from a third party if the landlord is agreeable to such arrangement. Your lease or license of the Premises (as defined below) directly from any third party however, is required to include certain provisions as described below. You must send us a copy of any lease or license for your franchise and any lease or license for the location of the franchise (**"Premises"**) must contain the following terms and conditions:

(a) The Premises must be used only for the operation of a Cellairis Business Unit;

(b) The landlord must consent to your use of the Premises as a Cellairis Business Unit;

(c) The landlord must agree to furnish us with copies of any and all letters and notices sent to you, including notes of default, if any, pertaining to the lease and the Premises, at the same time that these letters and notices are sent to you;

(d) You may not sublease, sub-license or assign all or any part of your occupancy rights in the Premises, or extend the term or renew the lease or license, without our prior written consent;

(e) Landlord must grant us the right to enter the Premises to make any modifications necessary to protect our trademarks and related proprietary rights and marks, to cure any default under the lease or license, or under the Franchise Agreement, and to examine the inventory being sold from the Premises;~~ and~~

(f) We will have the right, at our sole option and without any obligation whatsoever to do so, to assume your occupancy rights under the lease or license for the remainder of its term upon your default or termination under the lease or license, or under the Franchise Agreement; and

(g) The landlord and you sign the then current form of our Conditional Lease Assignment Agreement, which is attached to the Franchise Agreement as Exhibit "2"~~"G"~~.

Currently some landlords require Sub-Licensor to directly lease or license the location of the Cellairis Business Unit and, in such cases, we will require that you sign the Sub-License Agreement and provide Sub-Licensor one month's deposit.

For Interactive Kiosks ~~Mall Units~~ and Full Store Units, some mall developers may require Global Cellular to lease or license multiple sites in multiple malls and Global Cellular may be required to pay sums to the mall operators relating to either (a) an annual lump sum payment associated with such multiple locations or (b) rental or license payments for sites which are much less likely to be developed.~~ ~~ In such cases, in addition to any established monthly rent or sub-license fee, Global Cellular reserves the right to allocate a mall upcharge rate to you which represents a discretionary amount relating to such upcharges by the mall developers plus an administrative fee associated with Global Cellular's costs of administration and profit to Global Cellular.

Global Cellular and Cellairis WM did make sales to our franchisees for rental of locations in 2020. There is no purchasing or distribution cooperative established between us and a third party.

We estimate that the cost of the initial payment of one month's rent plus the security deposit which is payable to Sub-Licensor, is (A) ~~2.90% to 17.88% of your total cost to establish an RMU franchise and approximately 9.17% to 31.31% of on-going operation expenses for an RMU franchise, (B)~~ 2.76~~3.58~~% to 18~~9~~.44~~03~~% of your total cost to establish an Interactive Kiosk franchise and approximately 19.96~~20.77~~% to 47~~6~~.11~~66~~% of on-going operation expenses for an Interactive Kiosk f~~F~~ranchise, (B~~C~~) 2.6~~7~~2% to 9.21~~8.30~~% of your total cost to establish a Full Store Unit franchise and approximately 17~~5~~.36% to 38~~9~~.71~~28~~% of on-going operation expenses for a Full Store Unit franchise, and (C~~D~~) 0.8~~7~~2% to 6.80~~4.997~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 6.24~~5.65~~% to 20.59~~9.85~~% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

SITE DEVELOPMENT

General Obligations and Prototypical Plans. You are fully responsible for locating, leasing, and constructing the Cellairis Business Unit in strict compliance with our requirements within the Franchise Agreement, in the Manual, and as we may direct from time to time. We will provide you prototypical plans and specifications for the construction, build-out, and furnishing of the Cellairis Business Unit, including, if applicable, the exterior and interior design and layout, fixtures, furnishings, equipment, and signage (both inside and outside the Cellairis Business Unit). You will adapt, at your expense, the standard specifications to the Cellairis Business Unit location, subject to our approval.

Site Approval. Upon our written acceptance of a proposed site, you will proceed promptly to enter into the approved lease, license, sublease, or sub-license for the accepted site and obtain all necessary zoning, building, and other governmental or regulatory approvals and permits required for the establishment of the Cellairis Business Unit. We may, in our discretion, and without any liability to you, assist you in obtaining these approvals and permits.

General Contractor. You must, at your expense, ~~Our affiliate Global Cellular, will~~ engage~~, and you will pay for~~ the services of a qualified and duly licensed general contractor, who is reputable and experienced in building units of similar retail concepts, to supervise, delegate, and/or perform (i) the construction and development of the Cellairis Business Unit, (ii) the completion of all improvements, (iii) the outfitting of the

Cellairis Business Unit with furnishings, fixtures, and equipment, and (iv) all other services that are designated by us to be performed by the general contractor in connection with constructing the Cellairis Business Unit (the **"General Contractor"**). The General Contractor will, at your sole expense, engage the services of a qualified and reputable electrician and other trades persons to perform all services necessary to properly wire the Cellairis Business Unit for electricity and provide other building and operational services. The General Contractor will obtain all required licenses, permits, and approvals associated with construction and operation of the Cellairis Business Unit. We, our subsidiaries, affiliates, the architect, and approved distributors and suppliers are not responsible with regard to obtaining and/or maintaining such licenses, permits, and approvals. Our affiliate may charge you a management fee for overseeing and managing the build-out process. We may designate, at any time and for any reason, a single or multiple approved General Contractors and require you to engage the services exclusively from such designated General Contractor(s), which exclusive designated General Contractor may be our affiliate.

Architectural Firm. We have the right to designate one or more suppliers of design services and/or architecture services (an **"Architectural Firm"**) to supply architectural and/or design services to the System, and the Architectural Firm may be our affiliate or it may be hired by our affiliate. At our option, we may authorize the General Contractor to select an Architectural Firm to assist in developing the Cellairis Business Unit. Upon request by us, the Architectural Firm will provide to us, for our written acceptance, proposed preliminary site and construction plans and specifications for the Cellairis Business Unit which, if accepted, will not be modified, altered or changed without our prior written consent. You must sign such contracts or agreements as required to obtain the services of the Architectural Firm. You are solely responsible for payment to our affiliate for all services provided by the Architectural Firm. Our affiliate may charge you a mark-up on the services provided by the Architectural Firm.

Construction of Cellairis Business Unit. You must provide us with such information relating to the construction of the Business Unit and development of the site as we may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address and telephone number for any lenders and contractors, and a copy of any construction or financing agreements. You will commence construction of the Business Unit per the accepted site and construction plans and specifications ~~Our affiliate Global Cellular will cause the construction of the Cellairis Business Unit at the accepted site per the construction plans and specifications to begin~~ as soon as possible and shall complete construction, including the purchase and installation of all equipment specified by us, and have the Interactive Kiosk ~~Mall Unit~~ or Full Store Unit ready to open for business within 5 months after we sign the Franchise Agreement and have the Store-in-Store Outlet ready to open for business within 60 days after we sign the Franchise Agreement~~-~~. We and our agents have the right to inspect the construction site at any reasonable time without prior notice. You must correct, upon our request and at your sole expense, any change from any accepted site or construction plans or specifications. We have the right to designate the General Contractor and Architectural Firm.

~~In the event you are responsible for building the Cellairis Business Unit, then you must provide us with such information relating to the construction of the Cellairis Business Unit and development of the site as we may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address, and telephone number for any lenders and contractors, and a copy of any construction or financing agreements.~~ It is your responsibility to ensure that the Cellairis Business Unit and Location are in full compliance with the Americans with Disabilities Act of 1990, as amended (**"ADA"**) or similar rules governing public accommodations or commercial facilities for persons with disabilities. We, our subsidiaries, affiliates, the Architectural Firm, the General Contractor, and approved distributors and suppliers are not responsible with regard to obtaining and/or maintaining such licenses, permits, and approvals and compliance.

In connection with your construction of the Cellairis Business Unit, use of the General Contractor and use of the Architectural Firm, we assume no responsibility for the quality of any construction because of any inspections made by us or any reports or recommendations made as a result of such inspections, or unsatisfactory performance of any contractor, architect, or suppler (including the General Contractor and Architectural Firm), even if such contractor, architect, or supplier was designated by us, and we are not liable for the Full Store Unit or Store-in-Store Outlet's non-compliance with any law, statute, regulation, ordinance, or other requirements including but not limited to the ADA. We shall have the option of approving or denying a request from you to use a General Contractor and/or Architectural Firm submitted by you to develop and construct the Full Store Unit or Store-in-Store Outlet. In connection with such request, you and the proposed General Contractor and/or Architectural Firm must submit all information and data as we may require to consider the request. We reserve the right to charge you a fee in connection with evaluating a request to use a proposed General Contractor and/or Architectural Firm. We may deny such request for any reason, including our determination to limit the number of approved General Contractors and/or Architectural Firms.

Global Cellular did not make sales to our franchisees for making real estate improvements in 2020. ~~—~~We do not maintain written criteria for approving service providers, so these criteria are not available to you or your proposed service provider. Additionally

, there is no purchasing or distribution cooperative established between us and a third party.

We estimate that the cost of the real estate improvements purchased from our affiliate, Global Cellular, is (A) ~~0% of your total cost to establish an RMU franchise and approximately 0% of on-going operation expenses for an RMU franchise, (B)~~ 0% of your total cost to establish an Interactive Kiosk franchise and approximately 0% of on-going operation expenses for an Interactive Kiosk f~~F~~ranchise, (B~~C~~) 3.27~~40~~% to 36~~1~~.53~~67~~% of your total cost to establish a Full Store Unit franchise and approximately 0% of on-going operation expenses for a Full Store Unit franchise, and (C~~D~~) 6.85~~03~~% to 16~~7~~.67~~09~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including price differences among contractors and/or subcontractors, services of the architect, general contractor, and electrician, labor rates and other local conditions, ability to negotiate with the landlord and your financial strength, and the location of the premises. These ranges may also vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

FIXTURES, FURNISHINGS, AND EQUIPMENT

You must maintain at the Cellairis Business Unit, at your expense, all fixtures, furnishings and equipment as we may direct from time to time in the Manual or otherwise, and you may not install or permit to be installed any fixtures, furnishings, or equipment that do not meet our specifications. You must maintain the Cellairis Business Unit in a clean, attractive condition, and in good repair. We may, in our sole discretion, designate us or our affiliates (which will likely be Global Cellular) as the sole supplier of all fixtures, furnishings, and equipment, including the physical Interactive Kiosk Structure, to be installed and utilized at the Cellairis Business Unit. In that event, us, or our affiliates will use their reasonable commercial efforts to timely supply and ship to the location of your Cellairis Business Unit, at your expense, all fixtures, furnishings, and equipment for the Cellairis Business Unit from which the Products will be sold and Services provided. The price for the fixtures, furnishings, and equipment, and other associated charges and fees, including taxes, shipping costs, and installation costs will need to be paid by you to us, or our affiliates, prior to any shipment of these items, and the price for these items and other charges and fees are in addition to any Franchise Fee paid by you. Neither we nor our affiliates or any designated third party supplier shall be liable for any delay or failure in the delivery of the fixtures, furnishings, or equipment to the location. Except for certain items which may be purchased from third parties, us and our affiliates are and will likely remain the sole source for the fixtures, furnishings, and equipment, including the physical Interactive Kiosk Structure, and our affiliates will set the price for the fixtures, furnishings, and equipment (including the cost for the shipping), and we or our affiliates may charge you a mark-up on these items that you purchase that is higher than the cost charged by the manufacturer because our affiliate expects to generate profits from such sales. We expect that based on our affiliate's purchasing power, the cost of the fixtures, furnishings, and equipment purchased by you from our affiliate is comparable to prevailing market prices.

Global Cellular did make sales to our franchisees for fixtures, furnishing, and equipment in 2020. ~~While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of the fixtures, furnishings, and equipment that are needed for your franchise.~~ We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Additionally, there is no purchasing or distribution cooperative established between us and a third party.~~ We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier to you~~

We estimate that the cost of the fixtures, furnishings, and equipment purchased from our affiliate, Global Cellular, is (A) ~~16.13% to 14.46% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 324.85~~44~~% to 24~~5~~.9~~7~~1% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~) 19~~6~~.6~~8~~1% to 14~~9~~.61~~00~~% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 20.56~~18.08~~% to 16~~7~~.67~~09~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

~~While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of the fixtures, furnishings, and equipment that are needed for your franchise. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Additionally, there is no purchasing or distribution cooperative established between us and a third party. We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier to you.~~

Failure to purchase the fixtures, furnishings, and equipment from our affiliate Global Cellular is a material event of default that may lead to termination of your franchise.

SIGNAGE

For Full Store Units and Store-in-Store Outlets only, you must obtain the signage, at your expense, as we may direct from time to time in the Manual or otherwise, and you may not install or permit to be installed any signage that does not meet our specifications. The signage is not required for Interactive Kiosks~~the Mall Units~~ as the signage for such locations are included within the price of the fixtures, furnishings, and equipment.

We may, in our sole discretion, designate us or our affiliates (which will likely be Global Cellular) as the sole supplier of signage to be installed and utilized at either the Full Store Unit or Store-in-Store Outlet. In that event, we or our affiliates will use our or their reasonable commercial efforts to timely supply and ship the signage to the location of either your Full Store Unit or Store-in-Store Outlet, at your expense. The price for the signage and other associated charges and fees, including taxes, shipping costs, and installation costs will need to be paid by you to us, or our affiliates, prior to any shipment of this item, and the price for this item and other charges and fees are in addition to any Franchise Fee or fixtures, furnishings, and equipment described above that is paid by you. Neither we nor our affiliates ~~or any designated third party supplier~~ shall be liable for any delay or failure in the delivery of the signage to the location of either your Full Store Unit or Store-in-Store Outlet. Our affiliates will set the price for the signage (including the cost for the shipping), and our affiliate may charge you a mark-up on these items that you purchase that is higher than the cost charged to our affiliate by the manufacturer because we and our affiliate expects to generate profits from such sales. We expect that based on our affiliate's purchasing power, the cost of the signage purchased by you from our affiliate is comparable to prevailing market prices.

Global Cellular did not make sales to our franchisees for signage in 2020. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. There is no purchasing or distribution cooperative established between us and a third party.

We estimate that the cost of the signage~~fixtures, furnishings, and equipment~~ purchased from our affiliate, Global Cellular, is (A) ~~0% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 0% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~) 3.92~~4.08~~% to 2~~1~~.19~~0~~% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 1.6~~4~~4% to 1.33~~7~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

~~While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of the signage that is needed for your Cellairis Business Unit. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Additionally, there is no purchasing or distribution cooperative established between us and a third party. We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier to you of the signage.~~

~~Failure to purchase the signage from our affiliate Global Cellular is a material event of default that may lead to termination of your franchise.~~

INSURANCE

You must maintain current and effective insurance policies issued by carriers acceptable to your landlord and to us for:

(a) Comprehensive general and product liability insurance at a minimum of the insurance coverage that meets the levels required by the lessor, by local law, and regulation that covers the operation of the Cellairis Business Unit;

(b) General casualty insurance, including fire and extended coverage, vandalism malicious mischief insurance, for the replacement value of the Cellairis Business Unit and its contents;

(c) Employer's liability and worker's compensation as required by law;

(d) Cyber/Privacy/Network Liability Insurance/Professional Liability Coverage to provide coverage: (i) in the event of an information security incident or breach of confidential client information including personal information; (ii) for liability arising from the loss or disclosure of personal information; (iii) for lawsuits or investigations by federal, state, or foreign regulators relating to applicable privacy or data protection laws; (iv) for first party expenses to conduct a forensic investigation of any system intrusion; (v) for first party expenses to hire a public relations firm; (vi) first party expenses to recover data damaged on your systems or in your custody as a result of an information security incident; and (vii) for first party coverage for notification and credit monitoring and third party coverage for network security errors and omissions with no exclusions for unencrypted portable devices or media or cyber events; and

(e) Any other type of insurance policies, such as business interruption insurance, (sometimes referred to as extra expense insurance), with coverage as we presently or may in the future require.

The policies will require the following: (a) Commercial General Liability, with coverage of $1,000,000 per occurrence and $2,000,000 aggregate; and (b) $75,000 broad form property coverage, including flood and earthquake coverage. Additionally, for Full Store Units and Store-in-Store Outlets, the property coverage shall also include tenant improvement and betterment coverage, in the amount of $200,000.

Each insurance policy must name us as an additional insured and must include such other provisions, as we may reasonably require. You must deliver to us certificates of insurance and other evidence of your compliance with the insurance requirements that we may require, including endorsements and/or copies of the subject policies. However, our failure to request and obtain the required certificates of insurance or to identify a deficiency in obtaining the required insurance will not be construed as a waiver of your obligation to maintain the required insurance. If you fail to deliver to us proof of insurance or if your insurance is canceled, expires, or is otherwise terminated, we have the option to (but are not required to) purchase the required insurance on your behalf and you must reimburse us for its cost. We do not anticipate that we would derive income from purchasing insurance for you but we reserve the right to pass any and all administrative costs of such activity on to you.

In connection with the required insurance: (a) the required insurance does not represent that coverage and limits will necessarily be adequate to protect you for all events, nor will it be deemed as a limitation on your liability to us; (b) you may meet the required insurance coverages and limits with any combination of primary and umbrella/excess liability insurance; (c) you are responsible for any deductible or self-insured retention; (d) we are not responsible to pay any deductible or retention under your policies; and (e) in the event we receive any proceeds from any claim under your policy, we may retain any such amount to offset any monies you owe to us or any of our affiliates.

In 2021~~0~~, we may introduce an optional program by which franchisees and Cellairis Business Unit owners and operators may purchase insurance from an approved vendor who is an insurance broker. In the event you utilize this optional approved insurance broker, then the broker may contribute money to us or our affiliate for marketing, branding, and brand development purposes. As a program is finalized and implemented, we will advise all franchisees regarding the details.

As stated above, Global Cellular and Cellairis WM may (and we expect that in most instances, will) directly lease or license the location of the Cellairis Business Unit and, in such case, our current experience is that Sub-Licensor may be required to obtain general liability insurance, and most likely property insurance, in the amount that the landlord or Host specifies. If this happens, then Global Cellular will, on an annual basis, bill you for this insurance coverage and Global Cellular's billing will include a markup over its cost in order to cover administrative expenses and to provide an element of revenue. This markup will range between $0 and $800 per policy, depending on the cost to Global Cellular of the policy as well as other factors. There will be no installment payments and the billing will not be prorated over the year so operators may not receive a full year of coverage in their first and last year. In the event you wish to obtain either or both coverages (general liability insurance and property insurance, which would include flood and earthquake coverages) on your own, you may do so, and must advise Sub-Licensor and us of your intention to secure your own insurance. In addition, you must obtain and pay for worker's compensation coverage to the extent required by applicable law and you may wish, in your discretion to obtain supplemental liability insurance, cyber insurance, business interruption insurance (sometimes referred to as extra expense insurance), and any other type of insurance you deem appropriate, in your discretion. In the event you obtain any or all of your required insurance coverages yourself, you must submit proof of the coverages, policies and endorsements that are required by us or by applicable law. In that event, we will charge you a $300 insurance review fee to cover our administrative costs and expenses to review your compliance with our insurance requirements.

Global Cellular did make sales to our franchisees for insurance in 2020. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. There is no purchasing or distribution cooperative established between us and a third party.

We estimate that the cost of the insurance that is purchased by our affiliate Global Cellular, as part of the general liability insurance and property insurance requirements imposed by the mall developers, is (A) ~~0.97% to 0.66% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 0.39~~41~~% to 0.31~~2~~% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~)

0.39~~41~~% to 0.29~~5~~% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 0.41~~36~~% to 0.53~~1~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

TECHNOLOGY PACKAGE

Only equipment approved by us that meets our criteria and performance standards may be used in the operation of a franchise, including but not limited to such Technology Package items and associated software as may be approved or required for purchase by us. If we determine that additional or replacement equipment is needed because of a change in business considerations, you will, at your sole cost and expense, install the additional equipment or replacement equipment within the reasonable time specified by us. You must, at your sole cost, install and maintain all equipment designated and required by us that we deem to be necessary to carry out, offer, and perform all of the Services that we require to be offered at the Cellairis Business Unit. At your sole cost, you must install and maintain the various elements of the Technology Package designated and required by us. The Technology Package will likely include the associated software required by us and you shall pay such amounts to us and/or third parties as may be reasonably required to maintain the Technology Package and associated software and associated administrative costs. You must purchase the Technology Package system described in Item 7. As described in Item 7, the current initial cost of the hardware and software of the Technology Package is ~~(A) for an RMU franchise approximately between $1,180 and $5,980, because the Shout! Experience and Repair Station are optional (B) for an Interactive Kiosk franchise~~ approximately between $1,180 and $5,980 for all Cellairis Business Units because the Shout! Experience and Repair Station are optional ~~(C) for a Full Store Unit franchise between $1,180 and $5,980 because the Shout! Experience and Repair Station are optional (D) for a Store-in-Store Outlet franchise between $1,180 and $5,980 because the Shout! Experience and Repair Station are optional~~. As described below there are restrictions on the purchase of two of the three elements that make up the Technology Package, specifically, the point of sale system and the Shout! Experience. With respect to the third component of the Technology Package, the Repair Station, as described in Item 11, there are no purchase restrictions.

One of the components to the Technology Package is the point of sale system (**"POS"**). You must purchase the POS defined in Item 7. At your sole cost, you must install and maintain the POS designated and required by us. The POS will likely include the associated software required by us and you shall pay such amounts to us and/or third parties as may be reasonably required to maintain the POS and associated software and associated administrative costs. The main functions of the POS are to collect and manage information about the various sales transactions at your Cellairis Business Unit. For example, you will likely use the POS to post all Product and Service sales, keep inventory control, post sales tax, refunds, and credits, and maintain customer information. Currently, NCR Corporation is the sole designated supplier for the POS. Global Cellular has a supply arrangement with Radiant Systems, Inc. of Georgia for the POS. The POS will run on your iPad® device and can also work with your iPhone® or iPod touch®. The POS bundle offered by NCR includes, hardware, software, and accessories. Some of the hardware and software required for the POS is proprietary to NCR. You will be responsible for purchasing an iPad 2 or iPad with Retina display or any other compatible iPad model directly from a third party supplier of your choice. ~~You may also be required to use the proprietary technology software provided by Marketing Repair, LLC. This software will assist in the management of operational information and inventory as well as appointment setting. Currently, Marketing Repair, LLC does not charge a fee for the use of this software, but may do so in the future.~~ As described in Item 7 for the Interactive Kiosks~~Mall Units~~ and in the Notes to Item 7 for the Full Store Units and Store-in-Store Outlets, the current initial cost of the POS is approximately between $1,000 and $1,800. In addition, you are also required to pay a monthly software license fee to NCR of $60 per month, and the chart within Item 7 includes 3 months of this fee.

In 2020~~19~~, Global Cellular did not make sales to our franchisees for the POS or ~~and but did make sales~~ for the software fee. ~~-~~We do not maintain written criteria for approving suppliers of the POS, so these criteria are not available to you. Additionally, there is no purchasing or distribution cooperative established between us and a third party.

You are contractually required at your expense to upgrade and update the POS to remain in compliance with our standards and specifications. As of the date of this Disclosure Document, we are not aware of the range or the frequency of upgrades or updates. There are no contractual limitations on the frequency and cost of this requirement.

We estimate that the cost of the POS and 3 months of the software fee purchased from an approved supplier are (A) ~~3.80% to 2.60% of your total cost to establish an RMU franchise and approximately 0.61% to 0.28% of on-going operation expenses for an RMU franchise, (B)~~ 1.55~~63~~% to 1.23~~7~~% of your total cost to establish an Interactive Kiosk franchise and approximately 0.57~~48~~% to 0.19% of on-going operation expenses for an Interactive Kiosk franchise, (B~~C~~) 1.54~~61~~% to 0.72~~63~~% of your total cost to establish a Full Store Unit franchise and approximately 0.52~~46~~% to 0.18% of on-going operation expenses for a Full Store Unit franchise, and (C~~D~~) 1.6~~4~~2% to 1.32~~5~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0.62~~57~~% to 0.24~~6~~% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

A second component to the Technology Package, which is optional for all Cellairis Business Units, is the Shout! Experience. Currently, our affiliate, Global Cellular, is the sole designated supplier for the Shout!® Experience. The Shout!® Experience includes a computer, a keyboard, a mouse, a monitor a sublimation printer, and heat press. ~~You may also be required to use the proprietary technology software provided by Marketing Repair, LLC. This software will assist in the management of~~

~~operational information and inventory as well as appointment setting. Currently, Marketing Repair, LLC does not charge a fee for the use of this software, but may do so in the future.~~ As described in Item 7, the current initial cost of the hardware and software related to the Shout!® Experience is $2,500. As discussed in Item 7 above, if you purchase this item from Global Cellular, you must sign the Equipment Purchase Agreement and License Agreement, a copy of which is attached to this Disclosure Document at **Exhibit "M~~O~~"**. When selling the Shout! Experience to franchisees, Global Cellular may charge you a mark-up, surcharge, and handling fee on the various components, which is higher than the cost charged to Global Cellular by the manufacturers.

Global Cellular did not make sales to our franchisees for the Shout! Experience in 2020. While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of the Shout! Experience that is needed for your franchise. We do not maintain written criteria for approving suppliers, so these criteria are not available to you. Additionally, there is no purchasing or distribution cooperative established between us and a third party. We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier to you.

We estimate that the cost of the Shout! Experience purchased from our affiliate Global Cellular, is (A) ~~0% to 3.29% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 0% to 1.56~~1~~% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~) 0% to 0.~~7~~91% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 0% to 1.67~~1~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

E-MAIL FEE

Before your business opens, as part of the POS, the Cellairis Business Unit must have a separate email address that identifies the Cellairis Business Unit as a separate business. We will provide this email address to you in connection with the activation of the POS. We are charged $60 per year per email address from Microsoft, and you must pay us this fee by credit card or check at the time of the order. In addition, we may require you to have, or you may voluntarily select to have, an additional email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $60 per year charge that must be paid by credit card or check at the time of the order.

Global Cellular did not make sales to our franchisees for the E-Mail Fee in 2020~~19~~. While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of the E-Mail Fee that is needed for your franchise. We do not maintain written criteria for approving suppliers of the E-Mail Fee, so these criteria are not available to you. Additionally, there is no purchasing or distribution cooperative established between us and a third party. We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier of this service to you.

We estimate that the cost of the E-Mail Fee paid to our affiliate Global Cellular, is (A) ~~0.19% to 0.16% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 0.08% to 0.07~~8~~% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~) 0.08% to 0.04% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 0.08~~7~~% to 0.08% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

DIGITAL SEO AND COMMUNICATIONS SET-UP FEE

Before your business opens, you must pay our affiliate, Global Cellular a "Digital SEO and Communications Set-Up Fee". The Digital SEO and Communications Set-Up Fee is a flat fee which covers various elements of digital marketing for your Cellairis Business Unit, including search engine optimization work, uploading into the store locator portions of the Cellairis.com website, preparing press releases, and other online marketing efforts which are aimed at increasing customer foot traffic. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby we establish a call forwarding number, which does not require you to purchase a second phone line, but which allows both you and us to listen to any phone call received at the Cellairis Business Unit.

Global Cellular did make sales to our franchisees for the Digital SEO and Communications Set-Up Fee in 2020. We do not maintain written criteria for approving suppliers of the Digital SEO and Communications Set-Up Fee, so these criteria are not available to you. Additionally, there is no purchasing or distribution cooperative established between us and a third party. ~~–~~We receive no rebate from Global Cellular as a result of Global Cellular being the exclusive supplier of this service to you.

We estimate that the cost of the Digital SEO and Communications Set-Up Fee paid to our affiliate Global Cellular, is (A) ~~12.90% to 5.26% of your total cost to establish an RMU franchise, and approximately 0% of on-going operation expenses for an RMU, (B)~~ 5.26~~51~~% to 2.49~~57~~% of your total cost to establish an Interactive Kiosk franchise, and approximately 0% of on-going operation expenses for an Interactive Kiosk, (B~~C~~) 5.23~~44~~% to 1.46~~27~~% of your total cost to establish a Full Store Unit franchise, and approximately 0% of on-going operation expenses for a Full Store Unit, and (C~~D~~) 5.48~~4.82~~% to 2.67~~3~~% of your total cost to establish a Store-in-Store Outlet franchise and approximately 0% of on-going operation expenses for a Store-in-Store Outlet franchise. These ranges may vary depending on factors including the cost of monthly rent or sub-license fees and wages for employees.

SUPPLIER PAYMENTS AND SUPPLY ARRANGEMENTS

We and our affiliates have the right to receive payments from approved suppliers based upon their dealings with you and other franchisees and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary. Suppliers may pay us based upon the quantities of products or services our franchise System purchases from them. We do not provide material benefits to franchisees (for example, renewal of existing or granting additional franchises) based on their use of designated or approved suppliers. Certain of our officers own an interest in our approved and designated suppliers. In the year ending December 31, 2020~~19~~, we only had revenue from Global Cellular as it related to The Cellairis Bundle based on its dealings with our franchisees. However, as discussed above with the amounts paid to Global Cellular and Vendor DP for managing the supply chain management for the sale of certain Products and, as discussed below with respect to the financing of wireless devices and credit card processing, we or our affiliates received payments from suppliers. Other than the disclosures made within Item 11, we and our affiliates do not currently, but we may in the future, negotiate supply arrangements with suppliers for the benefit of franchisees.

Financing Option for Purchase of Wireless Devices

In the event your Cellairis Business Unit sells new or used wireless devices and in the event you desire to have your customers have the option to finance the purchase of such new or used wireless devices, then we have an arrangement with Acima, LLC to provide such financing. Acima will provide financing in the form of a lease purchase arrangement between Acima and the customer of a Cellairis Business Unit, whereby you would sell the new or used wireless device to Acima and it would in turn enter into a lease agreement with the customer (the "**Payment Arrangement**").

Acima is the designated supplier, with its principal address at P.O. Box 1667, Draper, Utah 84020. We will require that you use Acima for all of your financing processing in the event you sell new or used wireless devices and you want to provide a financing option to customers. There is no cost for entering into this financing program with Acima. As part of the Payment Arrangement, you must sign a Merchant Enrollment Agreement with Acima. A copy of the form of Merchant Enrollment Agreement is attached to this Disclosure Document as **Exhibit N**. We do not guaranty or warranty the obligations, duties, services, or reports of Acima, and we are not a party to your agreement with Acima.

We will receive monies under the Payment Arrangement relationship based upon the number of wireless devices that are financed across all Cellairis Business Units each month. The specific percentages are described in the Payment Arrangement and vary on a per transaction basis depending on the total number of transactions per month. From the monies we receive from Acima each month, we currently intend to equally split the sum, whereby half of the monies will put into the Advertising Fund for the benefit of the Cellairis System and the other half of the monies will be paid by Acima to the Cellairis Business Units, pro rata based on the specific transactions that are funded. We are not contractually bound to split the monies received from Acima as described in the preceding sentence, and we may modify the current arrangement in the future, including retaining all of the Acima rebate money.

While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of consumer financing that is needed for your franchise. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier.

Credit Card Processing

We and our affiliates may negotiate supply arrangements with suppliers for the benefit of franchisees. Currently, our affiliate, CPT, has an arrangement with Paymentech, LLC ("**Paymentech**") to provide credit/charge card processing services to our franchise System (the "**Paymentech Arrangement**"). We will require that you use CPT and Paymentech for all of your credit card processing. Under the Paymentech Arrangement, all of our franchisees are required to use Paymentech as their credit/charge card processing service provider. While it is within our discretion to do so, we do not anticipate any circumstances in which we would approve other approved suppliers of credit/charge card processing that is needed for your franchise. We do not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Our affiliate, CPT receives monies under the Paymentech Arrangement relationship based upon a percentage of the transaction fees collected by Paymentech from our franchisees. The specific percentages are described in the Paymentech Arrangement and vary on a per transaction basis depending on the type of transaction and the type of credit/charge card being processed. As part of the Paymentech Arrangement, you must sign a Customer Processing Agreement with Paymentech. A copy of the form of Customer Processing Agreement is attached to this Disclosure Document as **Exhibit J~~L~~**.

~~In 2015 our affiliate, CMS, was the designated credit card processing company that interfaced with Paymentech. In late 2015, we discontinued using CMS, and switched over to using CPT; however, there are still some franchisees who utilize CMS for their credit card processing.~~

Item 9

FRANCHISEE’S OBLIGATIONS

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

Obligation	Paragraph in Agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 5.D.	Items 5, 8, and 11
b. Pre-opening purchases/leases	§ 5	Items 5, 8, and 11
c. Site development and other pre-opening requirements	§§ 5; 6.O.	Items 5, 6, 7, and 11
d. Initial and ongoing training	§ 5	Items 5, 6, 7, and 11
e. Opening	§ 6.G.	Item 11
f. Fees	§ 3	Items 5, 6, and 7
g. Compliance with standards and policies/Operating Manual	§ 6	Items 8 and 11
h. Trademarks and proprietary information	§ 8	Item 13
i. Restrictions on products/services offered	§§ 5.C.; 6.D.; 6.F.; and 6.I.	Items 8 and 16
j. Warranty and customer service requirements	§§ 5.C. and 6.J.	Items 11 and 16
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	§§ 5.C.; 6.D.; and 6.F.	Item 6, 8, and 11
m. Maintenance, appearance, and remodeling requirements	§ 6.C. and § 6.D.	Items 11 and 17
n. Insurance	§ 6.K.	Items 5, 7, and 8
o. Advertising	§ 8.A.	Item 11
p. Indemnification	§ 6.M.	Item 6
q. Owner’s participation/management/ Staffing	§§ 6.A.; 6.J.; and 9.A.	Items 11 and 15
r. Records and reports	§§ 7.A. and 7.B.	Item 6
s. Inspections and audits	§ 6.I. and 7.B.	Items 6 and 11
t. Transfer	§ 9.D.	Items 6 and 17
u. Renewal	§ 4	Items 6 and 17
v. Post-termination obligations	§ 11	Item 17
w. Non-competition covenants	§ 8.D.	Item 17
x. Dispute resolution	§ 13	Item 17
y. Owners/Shareholders/Spouse	§ 1.A.; Ex. 1	Item 15

Obligation	**Paragraph in Agreement**	**Disclosure document item**
Personal Guaranty		

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

Item 11

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

If you are a franchisee of a Store-in-Store Outlet located in a Walmart store, our area representative will perform some or all of the obligations that we describe in this Item 11 for us. The Franchise Agreement allows us to delegate these responsibilities. The term "we" in this Item 11 (and in other items of this Disclosure Document describing our obligations under the Franchise Agreement) refers interchangeably to us and to the area representative responsible for the Store-in-Store Outlets located in Walmart store.

Except as listed below, Cellairis is not required to provide you with any assistance.

Services Before Opening. Before you open your Cellairis Business Unit, we (or the area representative, if applicable) will:

(A) Assist you in selecting, and then approve (if appropriate) the Premises, and assist in obtaining the lease, license, sublease, or sub-license. We may lease or license the location of the Cellairis Business Unit from the landlord or Host where your Cellairis Business Unit will be located and sub-lease or sub-license the location of the Cellairis Business Unit to you. (See Franchise Agreement, § 5.D.);

(B) Assist you in the construction of your Cellairis Business Unit through our affiliate, Global Cellular, by selling to you the Interactive Kiosk physical Structure which includes the architect fee and shipping, ~~selling to you the fixtures for your RMU,~~ or for a Full Store or Store-in-Store Outlet, providing our prototypical plans ~~standards~~ and specifications for the build-out and design for your Full Store Business Unit or Store-in-Store Outlet as well as providing you with an approved General Contractor and Architectural Firm which may be our affiliate, Global Cellular. We or our affiliate will assist you in the development and planning of any construction and design but you are responsible for all costs. (See Franchise Agreement, § 6.O.);

(C) Provide you with initial training. (See Franchise Agreement, § 5.A.);

(D) Assist you in purchasing, through our affiliate Global Cellular and other approved suppliers, your opening inventory. (See Franchise Agreement, § 5.C.);

(E) Assist you in purchasing, through our affiliate Global Cellular, the Shout! Experience. (See Franchise Agreement, § 6.D.);

(F) Assist you in purchasing furnishings, fixtures, and equipment through our affiliate, Global Cellular. (See Franchise Agreement, § 6.O.); and

(G) Assist you in performing the initial digital marketing services. (See Franchise Agreement § 6.T.).

Services During Operation. During the operation of your Cellairis Business Unit, we (or the area representative, if applicable) will:

(A) Give you access to advertising and promotional materials we develop. (See Franchise Agreement, § 8);

(B) Provide additional training. (See Franchise Agreement, § 5.A.);

(C) Assist you in purchasing, through our affiliate Global Cellular and other approved suppliers, any and all inventory that you may need on an ongoing basis. We will provide you updates on the latest goods being offered and we will assist you on a reasonable basis in helping you decide which goods to purchase. (See Franchise Agreement §§ 5.C., 5.S.);

(D) Notify you of changes to, or the creation of, Cellairis Business Unit standards and specifications and approved or designated suppliers, or the termination of existing approved or designated suppliers. (See Franchise Agreement, §§ 6.J., 6.L., 8.E.); and

(E) Provide you with reasonable over-the-phone support during our normal business hours. (See Franchise Agreement, § 5.B.).

SITE SELECTION

You must submit for our approval a site for your Cellairis Business Unit. If the site is not known or approved by us before you sign the Franchise Agreement, you must locate a site following our site review and approval procedures, which are summarized below. We (or the area representative, if applicable) may help you select the site for your Cellairis Business Unit, although we are not obligated to do so. In some circumstances, especially in shopping malls and in Host retail centers, you will likely sub-license your store location from Sub-Licensor. Otherwise, you will likely lease or license your store location from independent third parties. We will consider the locations of other wireless device accessory stores or locations which repair wireless devices in the vicinity of the proposed site and other such items, as may be part of our standard site criteria in determining whether to approve a site. Additional factors and information may include a copy of the site plan, financial information, population information, median household income, traffic flow, and presence of businesses such as cell phone carriers. Additionally, as noted above, there may be occasions when we have executed a lease or license for a site and we are willing to sub-license the location to you. You are responsible for locating a site and we are not obligated to sub-license a site to you. (See Franchise Agreement § 5.D.).

To seek our approval of the lease or license for the Premises, you must provide a copy of the proposed lease or license. The terms of the lease or license must, in our reasonable opinion comply with the requirements laid out in Item 8. We will use our reasonable efforts to approve or disapprove your site within 30 to 60 days after we receive notice of the location and have all the necessary documentation for review. (See Franchise Agreement § 5.D.). If you lease or license the premises from a third party, you and the landlord must enter into a Conditional Lease Assignment in the form attached to the Franchise Agreement as Exhibit "2"~~"G"~~, which includes, among other things, a provision that permits you to assign your interest in the premises to us when your Franchise Agreement expires or terminates. If we do not approve a site, you must propose a new site. The Franchise Agreement states that you must begin your operations of the Interactive Kiosk ~~Mall Unit~~ or Full Store Unit no later than 5 months after signing the Franchise Agreement, and you must begin your operations of the Store-in-Store Outlet no later than 60 days after signing the Franchise Agreement, unless we authorize you to open at a later date. (See Franchise Agreement § 6.G.). If we and you are unable to agree upon a site for a Cellairis Business Unit we may terminate your Franchise Agreement.

We do not in any way endorse, warrant, or guarantee either directly or indirectly the suitability of your franchise site or the success of your franchise. The success of your franchise depends on a number of factors including your operational abilities, site location, mall traffic, consumer trends, and other such factors that may or may not be within your direct control.

We estimate that the average length of time between signing of a franchise agreement and opening of a franchised business will be between 30 and 60 days for a Interactive Kiosk ~~Mall Unit~~ and Store-in-Store Outlet, and between 4 and 5 months for a Full Store Unit. Factors that may affect the length of time it takes to open include site location, design of the location of the Cellairis Business Unit, construction of the site, installation of furnishings, fixtures, and equipment, financing, permits, ordinance issues, landlord approval, and training.

FIXTURES AND SITE DEVELOPMENT

We, or our subsidiaries or affiliates will use their reasonable efforts to timely supply and ship to the location of your Cellairis Business Unit, at your expense, the fixtures, furnishings and equipment for the Cellairis Business Unit from which the Products and Services will be sold.

We or our subsidiaries or affiliates are and will likely remain the sole source for the fixtures, furnishings, and equipment. The fixtures, furnishing and equipment must be maintained in accordance with the requirements and specifications established from time to time by us in the Manual or otherwise. The General Contractor will provide for delivery and installation of these items at your expense.

TRAINING

Before you are allowed to operate your franchise, you must attend and successfully complete our training program. The initial training program consists of 5 days of classroom training at our headquarters and 7 days of on-site training in a Cellairis Business Unit. Each full day of training shall consist of 8 hours.

Classroom Training: The classes will be located at our headquarters (or the area representative headquarters, if applicable). There will then be 5 days of classroom training with tracks for each of the roles. The chart below summarizes the classroom training program. Cellairis will provide a training resources and materials. In addition, there will be 7 days of in-store training at your location. See Items 5 and 7 for a discussion of the Training Personnel Fee and other expenses that you will incur.

TRAINING PROGRAM

Subject	Hours/Days Classroom Training	Hours/Days On-the-Job Training	Location
Store Operations	2 Day	4 Days	Cellairis corporate headquarters (Alpharetta, Georgia), a training center location, and Your franchise location
Technical	3/4 Day	1/4 Days	Cellairis corporate headquarters (Alpharetta GA), a training center location, and Your franchise location
Point Of Sale	1/4 Day	3/4 Days	Cellairis corporate headquarters (Alpharetta GA), a training center location, and Your franchise location
Management/Financial	1 Day	0 Days	Cellairis corporate headquarters (Alpharetta GA), a training center location, and Your franchise location
Retail Sales	1 Day	2 Days	Cellairis corporate

Subject	Hours/Days Classroom Training	Hours/Days On-the-Job Training	Location
			headquarters (Alpharetta GA), a training center location, and Your franchise location

You or your designated manager must attend all phases of the initial training program and complete it to our satisfaction before your Cellairis Business Unit opens for business. If you decide to designate a manager that is not you, your designated manager must be (i) designated by you to assume primary responsibility for managing the Cellairis Business Unit and (ii) will devote full time and best efforts to the management and operation of the Cellairis Business Unit. Unless you will be a manager for the Cellairis Business Unit, you do not have to attend initial training. Training will occur monthly, or such other times, to ensure that you can be trained as quickly as possible. We have the option and sole discretion to decide where training will occur. Currently, we anticipate providing approximately 5 days of classroom training at our corporate headquarters in Alpharetta, Georgia and 7 days of in-store training at your location. These estimates are subject to change at our sole discretion, and you may not receive training in all three locations. Failure to successfully complete any aspect of the training program, as we determine in our sole discretion, constitutes grounds for immediate termination of your franchise.

See discussion in Item 5 and Item 7 regarding the Training Personnel Fee (currently $2,000 per trainer), and other expenses that you will incur. After the initial training, additional training is available but there are additional fees and costs associated.

The training and instructional materials will include the Manual. The training program will be supervised and overseen by one of our senior management team, which include Mr. Skouras, Mr. Jaime Brown, and Mr. Ciardullo~~ (see Item 2)~~, and the current training program will be supervised by the following instructor: Matt Smith~~Andy Keith~~ – 7 years of franchise experience at the corporate level and 5~~4~~ years overseeing the performance of training services. Additionally, in the event the area representative will be performing the training for Store-in-Store Outlets located inside a Walmart, the trainers will be Imtyaz Isani – who has 22 years of retail experience, 9 years of experience in the wireless device and repair industry, and 8 years of experience being a franchisee in the Cellairis system, and Salim Samani – who has 7 years of experience managing and owning Cellairis Business Units.

As discussed above, our training program will include advice and modules that address suggested or recommended staffing for the efficient operation of the Cellairis Business Unit, and for delivering products and services in accordance with our customer service standards and other brand standards. Despite this training, you will have sole responsibility for all employment decisions and functions related to your Cellairis

Business Unit(s), including hiring, firing, compensation, benefits, scheduling of employee work hours and shifts, work rules, record-keeping, supervision, and discipline of employees, even though we may offer suggestions, advice, guidelines, or programs. All personnel decisions will be made by you, without any influence or advice from us. As discussed in Item 7 above, you must have workers compensation insurance for all of your employees who attend training prior to the commencement of training, and you must certify to us that this insurance is in place for each person.

Additionally, we may require you to attend conferences which may be offered by us from time to time. You will be responsible for the travel and living expenses of the attendees, and we may charge a reasonable fee sufficient to cover the costs and expenses of such conferences.

ADVERTISING SERVICES

Only those advertising and promotional materials or items which are authorized by us in writing before use shall be used, sold, or distributed, and no display or use of the Marks (as defined in Item 13) shall be made without our prior written approval. All materials on which the Marks are used must include the designation ® or such other designation as we may specify. You must, at your sole cost and expense, participate in and offer all System coupons, loyalty cards, gift cards, discounts and other promotions in accordance with marketing programs we establish, and honor the coupons, loyalty cards, gift cards, discounts and other promotions issued by our other franchisees under any such program. (See Franchise Agreement § 8).

Local Advertising

You must spend a reasonable amount that is no less than 1% of Gross Sales per calendar quarter, on local market advertising. Local advertising expenditures may not include incentive programs, including the cost of honoring coupons, costs incurred in honoring sales promotions, salaries, contributions, donations, press parties, in-store fixtures or equipment, displays, and exterior or interior signage.

If you fail to make the required local advertising expenditures, we have the right to spend an amount not to exceed 1% of the Gross Sales of the Cellairis Business Unit on local advertising on your behalf for the following 4 quarters, and you will be required to reimburse us for such expenses, including an administrative fee. (See Franchise Agreement § 8.A.(9)).

Advertising Fund

There is currently an advertising fund to which you must contribute. You must pay to us, or a designee, which may be our affiliate, Global Cellular, a monthly Advertising Fee in an amount to be designated by us or our designee, not to exceed 3% of Gross Sales for the preceding month. Our current policy is that we or our affiliates that operate Cellairis Business Units will contribute to the Advertising Fund on the same basis that is required of our franchisees. The Advertising Fees will be paid monthly by the 10th day of each month for the previous month.

The Advertising Fund is intended to maximize and support general public recognition, brand identity, sales and patronage of Cellairis franchises for the benefit of all Cellairis franchises and the overall System including all types of Cellairis Business Units. The Advertising Fee will be used for maintaining, administering, directing, and preparing international, national, regional, or local advertising materials, programs, and public relations activities including the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for us and/or our franchises, surveys of advertising effectiveness and other media programs and activities, establishing and administering gift-card programs, customer loyalty programs, employing advertising agencies, purchasing naming rights and sponsorships for public venues, events, and other sponsorship uses to promote the "Cellairis" brand name, and providing promotional brochures, decals, and other marketing materials.

Monthly Advertising Fees will be deposited in a separate banking account and moneys received will be accounted for separately from our other funds, and will not be used to pay any of our general operating expenses, except for salaries, administrative costs, and overhead incurred by us in relation to the administration or direction of the Advertising Fund or its programs. A financial statement of the operations of the Advertising Fund shall be prepared annually (the cost of preparing such statement to be paid out of the Advertising Fund), and shall be made available to you upon written request to us. (See Franchise Agreement § 8.A.(8)).

In 2020~~19~~, the Advertising Fund monies were used for the following purposes: media placement (including traditional placements, event marketing, media marketing, website expenses, public relations, and advertising) – 100%. None of the amounts collected or held by the Advertising Fund were used, or will be used, for marketing that is principally a solicitation for the sale of franchises.

Advertising Cooperatives

While there are currently no advertising cooperatives formed, you may be required to participate in a local, regional or national Advertising Cooperative, consisting of other Cellairis franchisees. We may designate the particular Advertising Cooperative which you must participate in, and the designation may be based upon, without limitation, the particular designated market area or area of dominant influence where the Cellairis Business Units operated by the franchisee are located.

Any required payments to the Advertising Cooperative will be determined by the franchisees who are participants in the Advertising Cooperative, as set forth in the by-laws of the Advertising Cooperative. Any by-laws or other written governing documents of the Advertising Cooperative must be approved by us in advance and in writing. Any by-laws of an Advertising Cooperative and any other written governing documents must be approved in advance by us in writing and must use such voting and advertising processes and procedures as may be directed by us for all Cellairis Advertising Cooperatives. However, you are not required to spend more than 2% of Gross Sales per year in connection with any Advertising Cooperative. Amounts paid to an Advertising Cooperative will be credited against payments you would otherwise be required to make for local advertising, as described in § 8.A.(9) of the Franchise Agreement.

If you fail to pay any required Advertising Cooperative payments or do not abide by any formal agreements or authorized decisions of the Advertising Cooperative, this is deemed to be a failure to participate in the Advertising Cooperative and is a breach of the Franchise Agreement.

Upon our request, you must provide us with all requested information relating to the Advertising Cooperative within 10 days of our request. Upon 30 days' written notice, we may suspend or terminate an Advertising Cooperative's program or operations. (See Franchise Agreement § 8.A.(11)).

Digital SEO and Communications Set-Up Fee

Before your business opens, you must pay our affiliate Global Cellular a Digital SEO and Communications Set-Up Fee. The Digital SEO and Communications Set-Up Fee covers various elements of digital marketing for your Cellairis Business Unit, including search engine optimization work, uploading into the store locator portions of the Cellairis.com website, preparing press releases, and other online marketing efforts which are aimed at increasing customer foot traffic. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby we establish a call forwarding number, which does not require you to purchase a second phone line, but which allows both you and us to listen to any phone call received at the Cellairis Business Unit. (See Franchise Agreement § 6.T.).

BOOKING SERVICES

We may retain a company, which may be an affiliate or third party, to administer a booking and lead generation service (**"Booking Service"**) to assist in providing you with appointment leads for the Services. If and when offered, you may utilize the Booking Service upon the terms and conditions set forth by the administrator (which may be our affiliate or third party). You may also use other booking, reservation, and lead generation systems so long as they comply with our marketing and advertising requirements. The Booking Service may not be exclusive to the System. We reserve the right to designate the Booking Service as the exclusive provider of these services to all franchisees and Cellairis Business Units within the System. We and our affiliates have the right to utilize the Booking Service for other businesses such as other retailers, franchise systems, or service providers, in any location, on any terms and conditions that we or our designated affiliate or third party deem appropriate, without any compensation to you, and regardless of their actual or threatened impact on sales at the Cellairis Business Unit. As with all supplier, vendor, and service provider payments, we and our affiliates have the right to receive payments, discounts, or other consideration from approved service providers based upon their dealings with you and/or the System, and we and our affiliates may use the monies received without restriction. Your use of the Booking Service does not in any way, either express or implied, guarantee, represent, promise or assure that you will receive any customers or revenue. (See Franchise Agreement § 8.A.(12)).

ADDITIONAL TRAINING

We also provide additional training programs at our option and discretion. Additional training may be required by us or may be requested by you and provided at our option and discretion. If you refuse or are unable to maintain our required standards for the Cellairis Business Unit, additional training may in our discretion be mandated and required. The circumstances when we may require you to attend additional training are typically when we receive verbal or written complaints from the mall where the Cellairis Business Unit is located or from customers or the presentation and appearance of the Cellairis Business Unit. If we require that you attend additional training or if you request additional training and we agree to provide additional training, and that additional training occurs at our corporate headquarters then you will be required to pay a fee of $250 per day, as well as any and all reasonable and actual costs associated with all instructional materials, and any of your employee's salaries and travel costs associated with participating in such additional training programs. If that additional training occurs at the location of your Cellairis Business Unit, then you will be required to pay a fee of $250 per day as well as any and all reasonable and actual travel, hotel, and meal costs associated with training occurring at the location. (See Franchise Agreement § 5.A.).

SUPPLY INVENTORY

Our affiliates, Global Cellular and Vendor DP, are approved suppliers of inventory, which includes Products, Parts, and Services, and as such they will continue to supply you with any and all inventory that you may need on an ongoing basis. The payment for inventory will be made by credit card, or automatic debit from your bank account, at the time the order is placed, as described in Item 6. We will provide you updates on the latest goods being offered and we will assist you on a reasonable basis in helping you decide which goods to purchase. (See Franchise Agreement § 5.C.).

Before your Cellairis Business Unit opens, you are required to purchase a minimum amount of Cellairis® branded or Cellairis® packaged Parts and Products that will make-up your initial inventory from our affiliates. As described in Items 5, 7, and 8, the minimum required initial inventory purchase shall be ~~$3,000 for an RMU,~~ $5~~6~~,000 for an Interactive Kiosk, ~~$7,500 for a~~ Full Store Unit, and ~~$10,000 for a~~ Store-in-Store Outlet. In addition to the above initial purchase requirement, and as described in Items 6 and 8, you are also required to purchase from our affiliates Cellairis® branded or Cellairis® packaged inventory, which amount is the wholesale price charged to you, in the amount of $1,0~~5~~00 per month for all Cellairis Business Units~~Mall Units and Full Store Units and $1,000 per month for Store-in-Store Outlets~~.

~~HIRING~~

~~We will not provide any assistance in the hiring of any employees that you may hire. You are an independent owner and operator of the Cellairis Business Unit and you are responsible for the day-to-day operations of the Cellairis Business Unit. You will be the sole and exclusive employer of your employees with the sole right to hire, discipline, discharge, and establish wages, hours, scheduling of employee hours and shifts, benefits, employment policies, and other terms and conditions of employment for its employees without consultation with or approval by us. We will not have any control over the terms and conditions of employment of your employees. You must comply with all applicable federal, state and local employment, labor and wage and hour laws and regulations, and all personnel decisions will be made by you, without any influence or advice from us. All decisions and actions will not be, nor be deemed to be, a decision or action of ours.~~

WARRANTY

You are not authorized to create any obligation or liability in connection with the sale of Parts, Products or Services to end users and consumers and the Parts, Products, and Services are to be sold strictly in accordance with those warranties and conditions which we, our affiliate and/or the manufacturer may from time to time issue and you must honor such warranties in accordance with their terms. You must extend to your customers the same warranty that we extend to you from our manufacturer on all of the goods sold to you. You are not authorized to grant more extensive warranties with respect to the products. You must warrant original repairs performed at the Cellairis Business Unit against defects in material and workmanship for a time period established by us in the Manual or otherwise in writing, which time period may change from time to time. You must also offer and/or sell warranties as set forth by us in the manual or otherwise in writing. (See Franchise Agreement § 5.C.).

CONSULTATION

We will provide reasonable over-the-phone technical support to you and make our personnel available to your business for no additional charge. (See Franchise Agreement § 5.B.).

OPERATIONS MANUAL

We will loan you one copy of the operations manual which contains mandatory and suggested specifications, standards, instructions, and procedures, (the "**Manual**"). The Manual may be provided to you in text and/or electronic format, and may be in the form of various instructional manuals, such as manuals that provide procedures on repairing various devices. The Manual is confidential and proprietary and remains our property. We have the right to modify the Manual as we deem appropriate, and we will notify you of changes in a reasonable and appropriate manner. You must comply with all modifications within the time frames specified by us. The modifications will not alter your status and rights under the Franchise Agreement. You may review a copy of the Manual at our corporate offices in Alpharetta, Georgia before you sign the Franchise Agreement; provided that you first sign the form of Confidentiality Agreement attached to this Disclosure Document as **Exhibit "K~~M~~"**, and a copy of the table of contents for the Manual is attached as **Exhibit "L~~N~~"** to this Disclosure Document. (See Franchise Agreement § 6.L.). There are approximately 659 pages in the Manual.

POINT OF SALE SYSTEM, E-MAIL FEE, AND TECHNOLOGY PACKAGE

Before you open for business, you must purchase various components of the Technology Package. As discussed in Item 7 above, the Technology Package is comprised of three elements: (i) the POS which is required for all Cellairis Business Units; (ii) the Repair station which is optional for all Cellairis Business Units, and (iii) the Shout!® Experience, which is optional for all Cellairis Business Units. The elements of the Technology Package includes: (i) the POS, which includes a cash drawer, bar code reader, receipt printer, and computer to operate the POS, and will cost approximately $1,000 to $1,800; (ii) one Repair Station, which will perform diagnostics on various devices, and will cost approximately $1,500; and (iii) one Shout!® Experience system, which is the custom case program enabling a customer to make a personalized wireless device accessory, which includes a computer, monitor, keyboard, mouse, sublimation printer, and heat press, and will cost approximately $2,500.

POS

All Cellairis Business Units must purchase the required POS from our designated or approved supplier, which is currently NCR Corporation ("**NCR**"). The main functions of the POS are to collect and manage information about the various sales transactions at your Cellairis Business Unit. For example, you will likely use the POS to post all product and service sales, keep inventory control, post sales tax, refunds, and credits, and maintain customer information. Global Cellular has a supply arrangement with Radiant, Inc. of Georgia for the POS. The POS bundle offered by NCR includes, hardware, software, and accessories. Some of the hardware and software required for the POS is proprietary to NCR. The POS will run on your iPad® device and can also work with your iPhone® or iPod touch®. You will be responsible for purchasing an iPad 2 or iPad with Retina display or any other compatible iPad model directly from a third party supplier of your choice. ~~You may also be required to use the proprietary technology software provided by Marketing Repair, LLC. This software will assist in the management of operational information and inventory as well as appointment setting. Currently, Marketing Repair, LLC does not charge a fee for the use of this software, but may do so in the future.~~ As described in Item 7 for the Interactive Kiosk~~Mall Units~~s and in the Notes to Item 7 for the Full Store Units and Store-in-Store Outlets, the current initial cost of the POS is approximately between $1,000 and $1,800 which includes the cost you will pay a third party for the iPad. You are also required to pay a monthly software license fee to NCR. The software fee is also part of the NCR arrangement. We estimate that the monthly cost for the software fee will be approximately $60, and the chart within Item 7 includes 3 months of this fee.

As part of the POS, the Cellairis Business Unit must have a separate email address that identifies the Cellairis Business Unit as a separate business. We will provide this email address to you in connection with the activation of the POS. As described in Items 6 and 7, our affiliate Global Cellular is charged $60 per year per email address from Microsoft, which you must pay by credit card or check at the time of the order. In addition, we may require you to have, or you may voluntarily select to have, an additional email address with the "Cellairis" name as part of the domain. If you so choose this, or if we require this, there will be additional $60 per year charge that must be paid by credit card or check at the time of the order.

Shout! Experience

Cellairis Business Units have the option to purchase the Shout! Experience. Currently, our affiliate, Global Cellular, is the sole designated supplier for the Shout!® Experience. The Shout!® Experience includes a computer, a keyboard, a mouse, a monitor a sublimation printer, and heat press. As described in Item 7, the current initial cost of the hardware and software related to the Shout!® Experience is $2,500. As discussed in Item 7 above, if you purchase this item, you must sign the Equipment Purchase Agreement and License Agreement, a copy of which is attached to this Disclosure Document at **Exhibit "M~~O~~"**.

Repair Station

Cellairis Business Units have the option to purchase the Repair Station. The Repair Station is comprised of a computer, monitor, keyboard, mouse, and printer, which can also scan. You can purchase these components from a third party. As described in Item 7, the current initial cost of the hardware and software related to the Repair Station is $1,500.

You are contractually required at your expense to maintain, repair, upgrade, and update the POS to remain in compliance with our standards and specifications. As of the date of this Disclosure Document, we are not aware of the range or the frequency of the maintenance, repairs, upgrades or updates. There are no contractual limitations on the frequency and cost of this requirement.

We have the right to electronically and manually access the information that the POS collects and generates. You must cooperate with us in helping us access this information. We will have the right at any time to access your system to retrieve and compile information concerning your Cellairis Business Unit. In other words, we will have independent access to your sales information and data produced by your systems. There are no contractual limitations on our right to access this information and data. In addition, we require that you subscribe for internet access with a reputable internet service provider that offers a static IP address. You must supply the appropriate communications devices in order to permit the POS to operate and provide us with access. (See Franchise Agreement § 6.D.).

Item 12

TERRITORY

You must establish your franchise only at an approved 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. This franchise is for the operation of a single location Cellairis Business Unit at the specified location only and does not in any way grant or imply any area, market, or territorial rights proprietary to you. It is entirely within our sole and arbitrary discretion whether to offer or grant additional Cellairis Business Units or locations to you. There will be no minimal sales requirements imposed on you as a condition of you being able to keep your Cellairis Business Unit location. ~~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 may establish other franchised or company owned outlets that may compete with your location.

You can only sell the Products, Parts, and/or Services at retail prices to consumers from and through your Cellairis Business Unit and you cannot sell the Products, Parts, and/or Services from any location other than your Cellairis Business Unit. You cannot sell such items for redistribution or resale unless otherwise approved in writing by us in our discretion. (See Franchise Agreement § 6.F.).

If you enter into a sub-lease or sub-license with Sub-Licensor, for your Cellairis Business Unit location, your sub-lease or sub-license is expressly made subject to all the obligations and conditions of the underlying lease or license which you will receive a redacted copy of or a summary of with your sub-lease or sub-license. In the event that the underlying lease or license expires or is terminated by the landlord, irrespective of the cause or circumstance, then we have the right to immediately terminate your Sub-License Agreement without any liability whatsoever of us or Sub-Licensor to you except that you may obtain from Sub-Licensor, as your sole and entire remedy, any unearned fees paid in advance which shall be refunded to you only if such termination is not the result of a breach by you of your Sub-License Agreement. In the event that the underlying lease, license, sublease, or sub-license for your Cellairis Business Unit location expires or is terminated, we have the right to terminate your Franchise Agreement at the same time. We have no obligation to provide you with an alternate location in the event your lease, license, sublease, or sub-license is terminated. While it is within our sole discretion, some of the conditions/circumstances under which we will consider not exercising our right to terminate your Franchise Agreement are whether you have complied with the Franchise Agreement, and if, in our judgment and discretion, you have obtained another suitable location for the Cellairis Business Unit.

Additionally, we and our affiliates expressly reserve and retain the right, in our sole discretion, to:

(1) own and/or operate Cellairis Business Units utilizing the System or other systems as well as the right to grant franchises, licenses or distributorships for other Cellairis Business Units utilizing the System as well as to operate and grant franchises, licenses, and distributorships to and/or for any type of business including those which are the same as or similar to the operations of the Cellairis Business Unit under any marks or the Marks, or any variation of the Marks or the System, in any location, on any terms and conditions that we deem appropriate, without granting you any rights or compensation, and regardless of their actual or threatened impact on sales at the Cellairis Business Unit, provided that with respect to Store-in-Store Outlets, such Cellairis Business Units will not be located at or within the Host location;

(2) sell wireless/cellular accessories and other products or services, including the Products and Services, at wholesale or retail, and solicit customers and prospective customers (including solicitation through other franchisees), under any marks or the Marks, or any variation of the Marks, through other channels or methods of distribution, including, but not limited to, sales over the internet (or any other existing or future form of electronic commerce), sales to the Host, other retailers (including but not limited to big box retailers such as Best Buy, Office Max, *etc*., mass market stores such as Walmart, Target, etc., mid-tier stores, specialty stores, department stores, kiosks, carts, toy stores, military post exchanges, drug stores and convenience stores such as CVS, Walgreens), wholesalers, carrier channels (including but not limited to cell phone service providers such as AT&T, Verizon, *etc*.), mail order and catalogue sales, and sales via radio and television, all of which may include carrier channels, methods of distribution, wholesalers, retailers, vendors, resellers, and any other distributors, in any location, on any terms and conditions that we deem appropriate, without any compensation to you, and regardless of their actual or threatened impact on sales at the Cellairis Business Unit;

(3) establish, and license others to establish, Cellairis Business Units at or within any institutional or captive audience facilities, including, without limitation, military bases, airports and other public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or highway rest stops, parks, stadiums, malls, museums, art centers, contract or institutional food service operators, theaters, warehouse clubs, theme parks, amusement centers, truck stops, universities, colleges, schools, hotels, motels, gyms, big box retailers (such as Best Buy, Office Max, etc.), mass market stores (such as Walmart, Target, etc.), specialty stores, convenience stores, or casinos, in any location and on any terms and conditions that we deem appropriate, without granting you any rights or compensation, and regardless of their actual or threatened impact on sales at the Cellairis Business Unit, provided that with respect to Store-in-Store Outlets, such Cellairis Business Units will not be located at or within the Host location.

(4) in the event we or our affiliates acquire another chain or system, regardless of the number of outlets or units, or we or our affiliates are acquired by another chain or system, that operates and/or licenses/franchises units or stores that are the same or similar to Cellairis Business Units in that they have a substantially similar catalog, line or inventory of products and services, or similar theme or concept, we or our

affiliates may, in addition to any other rights in this Agreement, establish, acquire or operate, or license/franchise others to establish and operate, units or stores under other systems or other marks, which units or stores may offer or sell products or services that are the same as, or similar to, the products and services offered from the Cellairis Business Unit, regardless of these units' or stores' proximity to the Cellairis Business Unit, or their actual or threatened impact on sales at the Cellairis Business Unit;

(5) purchase, merge, acquire, or affiliate with an existing competitive or noncompetitive license/franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Cellairis Business Units operating under the Marks or any other marks following our or our affiliate's purchase, merger, acquisition, or affiliation, regardless of the location of these facilities, which may be proximate to the Cellairis Business Unit, and regardless of these businesses and/or facilities proximity to the Business Unit, or their actual or threatened impact on sales at the Cellairis Business Unit; and

(6) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

Item 13

TRADEMARKS

The principal Cellairis® commercial symbol, which we will license to you, appears on the cover of this Disclosure Document. We grant you the non-exclusive right to operate a franchise under the name and mark Cellairis®. You may also at a later date be expressly authorized by us to use other current or future trademarks in connection with your franchise. By trademarks we mean trade names, trademarks, service marks, and logos used to identify your franchise (**"Marks"**).

The following is a description of the principal Marks which we will license to you:

Registration Number	Description Of Mark	Principal Or Supplemental Register of the United States Patent and Trademark Office	Registration Date
3,291,761	CELLAIRIS	Principal	September, 11, 2007
3,955,085	CELLAIRIS	Principal	May 3, 2011

Registration Number	Description Of Mark	Principal Or Supplemental Register of the United States Patent and Trademark Office	Registration Date
4,424,089	CELLAIRIS	Principal	October 29, 2013
4,424,093	Cellairis	Principal	October 29, 2013
4,773,727	CELLAIRIS	Principal	July 14, 2015
4,822,991		Principal	September 29, 2015

You must follow our rules when you use the principal Marks. You cannot use any of the Marks as part of a corporate name, other business name, or with modifying words, designs, or symbols unless we provide you with express prior written authorization to do so. You may not use the Marks in connection with the sale of unauthorized products or services or in a manner not authorized in writing by us.

All required affidavits for the principal Marks have been filed. Additionally, all renewals, including all Section 8 and 15 filings will be filed in a timely manner. There is no currently effective determination of the USPTO, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving any of the principal Marks.

As stated above, the principal Mark "Cellairis" is registered on the Principal Registrar of the USPTO.

We have been licensed by our affiliate Global Cellular to use certain trade names, trademarks, service marks and logos including those consisting of or including the term "Cellairis" since December 1, 2006. On March 15, 2016, the Marks were assigned by Global Cellular to JJT. JJT in turn granted Global Cellular the right to use and to sub-license permitted sublicensee(s), including Cellairis and its franchisees, the right to use the Marks. On March 15, 2016, our affiliate Global Cellular granted a 30 year license to us to use, and to sublicense further its franchisees to use pursuant to a Franchise Agreement, the Marks in connection with, among other things, the Products and Services. Global Cellular also granted to us the right to utilize the Marks in advertising relating to the Products and Services. JJT and Global Cellular have reserved the right to utilize the Marks themselves and to authorize the use of the Marks by others. The license agreement between us and Global Cellular may only be terminated by Global Cellular for a willful, intentional, and material breach by us. Any such termination may only be upon 120 days advance written notice by Global Cellular to us during which period we shall have an opportunity to cure or correct the breach. It is the clear intention of Global Cellular and us to establish a long term working relationship upon which we and our franchisees may rely and the parties intend to establish a substantial threshold which must be overcome by Global Cellular in order to claim a right to terminate the license agreement. In this context, the parties to that license agreement agreed that we shall be given every reasonable right and opportunity to cure any claimed breach and to correct any practice or procedure that may lead to any claimed breach. Any termination by JJT shall not operate to terminate license agreements which we have entered into with third parties and, in the event of termination; JJT shall honor such license agreements in accordance with their terms.

No other agreement limits our right to use or license the use of any of the Marks.

You must notify us immediately in writing if you become aware of any unauthorized use of any of the Marks. You shall immediately notify us of all infringements of or limitations on the Marks which come to your attention or challenges to your use of any of the Marks, and we shall exercise absolute discretion in deciding what action, if any, should be taken in connection therewith. You agree to cooperate in the prosecution of any action to prevent the infringement, limitation, illegal use, or misuse of the Marks and agree to be named as a party in any such action if so requested by us. We agree to bear the legal expenses incident to your participation in such action, except for fees, expenses and other costs of your personal legal counsel if you elect to be represented by counsel of your own choosing. We have no obligation to protect your right to use the Marks or to protect or indemnify you against claims of infringement or unfair competition regarding your use of the Marks.

We plan to invest time, energy, and money in the promotion and protection of our Marks. We do not intend to change them and have no current knowledge of any intention by JJT to change them. However, rights in intangible property such as the Marks are often difficult to establish and defend. Changes in the cultural and economic environment within which we operate or third party challenges to JJT's and our rights in the Marks may make it desirable or necessary to change the Marks. We and JJT therefore have the right to change the Marks and the specifications for each when we believe, in our reasonable discretion, that the changes will benefit the franchise on a whole. You must promptly conform, at your own expense, to any such changes.

We are not aware of any superior prior rights or infringing uses that would materially affect your use of the Marks in this state or the state where your franchise is to be operated.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have not registered any patents or copyrights. We have no pending patent applications. We do not have any ownership rights or licenses to patents that are material to the franchise. We claim common law copyrights in our original materials used in the franchise, including any manuals that do not exist now, but may exist in the future, promotional materials used within the franchise, and any other confidential information.

Pursuant to the Franchise Agreement, you must fully and strictly adhere to all security procedures prescribed by us for maintaining the confidentiality of our proprietary information. You must exercise the highest degree of diligence in protecting the secrecy of the confidential information during and the term of the Franchise Agreement and for 5 years following the termination or expiration of the Franchise Agreement. You may not, during the term of the Franchise Agreement or after its termination or expiration, communicate, divulge, or use for the benefit of any other person or legal entity, any confidential information, drawings, knowledge, or know how concerning the methods of development or operation of the franchise which may be communicated to you or of which you may be apprised in operating a franchise under the terms of the Franchise Agreement. You may divulge the confidential information only to those of your employees, as must have access to it in order to develop or operate the franchise. All information, drawings, knowledge, know how, and techniques used in or related to the franchise which we communicate in writing or otherwise to you, including plans and specifications, marketing information and strategies, site evaluation and selection techniques, methods of inventory control, storage, product handling, and management are confidential for purposes of the Franchise Agreement.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosures to others and tell us when you learn about unauthorized use of this information. We are not obligated to take any action but will respond to this information as we think appropriate. You must also agree not to contest our interest in these or our other trade secrets.

If you fail to comply with the requirements of the Franchise Agreement concerning confidentiality, it will cause us irreparable injury and you are required to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against any violation of, the requirements of the Franchise Agreement concerning confidentiality.

Our affiliate, Global Cellular, has registered a patent with respect to certain shelving and fixtures, that are referred to as "stadium shelf styled displays," and are utilized and installed at some Cellairis Business Units, including many ~~carts and~~ Interactive Kiosks.~~–~~ The design patent, for "Handheld Electronic Device Display," USPTO No. US D683,555 S, was issued on June 4, 2013, and has a term of 14 years.~~-~~ In the event of a transfer, termination, or expiration of the Franchise Agreement, neither you nor any subsequent owner or operator of that location or that facility may use the patented shelving and equipment without our or Global Cellular's authorization.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you devote your full time and best efforts to the day to day operation of the franchised Cellairis Business Unit with no other operational or management commitments in other businesses (except other franchised Cellairis Business Units granted by us to you) and if you are an individual, we recommend on-premises supervision and participation by you. If you are an entity, you must designate and retain an individual to serve as your "Managing Owner". The Managing Owner (i) must have at least a 30% share of unencumbered equity ownership in you, (ii) must be authorized by you to bind you in any dealings with us, our affiliates, and authorized distributors, suppliers and contractors, (iii) must be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, (iv) must devote full time and best efforts toward the satisfaction of your obligations under the Franchise Agreement; and (v) must execute a personal guaranty in the form we require. If the Managing Owner does not intend to devote his/her full time and best efforts toward the satisfaction of your obligations under the Franchise Agreement, then you must also designate an individual "Operating Partner" who must be approved by us and the Operating Partner (i) must be authorized by you to bind you in any dealings with us, our affiliates, and authorized distributors, suppliers, and contractors, (ii) must be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, (iii) must devote his/her full time and best efforts towards the satisfaction of your obligations under the Franchise Agreement with no operation or management commitments to other businesses, and (iv) must execute a personal guaranty in the form we require. We may, in our discretion in instances such as where you operate multiple franchised Cellairis Business Units, and where you are a business entity, allow you to hire a qualified manager to operate the day to day affairs of the franchised Cellairis Business Unit, but you must continue to provide full time and best efforts and you must remain actively involved in the operations and management of each franchised Cellairis Business Unit. You are not required to obtain our approval of your qualified manager. You must cause the manager to properly perform his or her duties, and if you know, discover, or are advised that the manager is not properly performing his or her duties, and operating and managing the Cellairis Business Unit in accordance with Cellairis' brand standards, you must immediately take steps to correct the situation to ensure that the Cellairis Business Unit is operating and serving customers.

You must carefully monitor, supervise, and be responsible for the performance of anyone designated to manage the operation of the Cellairis Business Unit. Any designated manager who will operate the Cellairis Business Unit must satisfactorily complete initial training. The on-premises manager cannot have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in a corporate or partnership franchisee. Upon our request, you must advise us, in writing, of all personnel involved in the operation of the Cellairis Business Unit and their position including job duties and relationship to you.

We will not provide any assistance in the hiring of any employees that you may hire. You are an independent owner and operator of the Cellairis Business Unit and you are responsible for the day-to-day operations of the Cellairis Business Unit. You will be the sole and exclusive employer of your employees with the sole right to hire, discipline, discharge, and establish wages, hours, scheduling of employee hours and shifts, benefits, employment policies, and other terms and conditions of employment for its employees without consultation with or approval by us. We will not have any control over the terms and conditions of employment of your employees. You must comply with all applicable federal, state and local employment, labor and wage and hour laws and regulations, and all personnel decisions will be made by you, without any influence or advice from us. All decisions and actions will not be, nor be deemed to be, a decision or action of ours.

We have the right to request that you require and obtain noncompetition and/or nondisclosure agreements (including covenants applicable on the termination of the person's relationship with you) from any and all of your managers and any other employees of yours, who have received or will receive training or confidential information from us and any holder (except for limited partners) of a beneficial interest of your securities and any corporation, partnership, or limited liability company directly or indirectly controlling you, if you are operating as a corporation, partnership, or limited liability company (or of any general partner that is a corporation, partnership or limited liability company or any corporation, partnership, or limited liability company directly or indirectly controlling a general partner of yours, if you are operating as a partnership), who have received or will receive training or confidential information. We do not provide a form agreement that must be signed, but we require, to the greatest extent allowable by law, that any noncompetition and/or nondisclosure agreement prohibits these parties from directly or indirectly engaging in activities that compete with the operations of your Cellairis Business Unit or any other franchised Cellairis Business Unit and disclosing our confidential and proprietary information and trade secrets. The execution of covenants with managers and other individuals described in this paragraph is necessary for the protection of confidential information, goodwill, the System, and the franchisees operating under the System.

If you are a business entity, we may, as a condition to the signing of or continuation of the Franchise Agreement, require that each of your owners execute the Personal Guaranty attached to the Franchise Agreement as Exhibit "1". Additionally, if the Franchise Agreement is to be signed by an individual(s) in his/her/their individual capacity or by an entity, whereby the individual(s) or entity's owner(s) only satisfies our financial, creditworthiness and/or management qualifications based on, or with the joint qualifications of, his/her/their spouse(s), we may, as a condition to the signing of or continuation of the Franchise Agreement, require each such spouse to sign the Personal Guaranty attached to the Franchise Agreement as Exhibit "1". The Personal Guaranty will bind the guarantors to all of the obligations in the Franchise Agreement including noncompetition, nonsolicitation, and nondisclosure of our confidential and proprietary information and trade secrets, as well as the financial obligations.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the location of your Cellairis Business Unit solely for the operation of your franchised Cellairis Business Unit. The Cellairis Business Unit shall be open for business during those hours specified by us to adequately serve the needs and expectations of customers and to present a consistent brand and customer experience, and at a minimum, strictly in accordance with the requirements of any lease associated with the location of your Cellairis Business Unit, and with respect to Store-in-Store Outlets, any requirements of the Host. (See Franchise Agreement § 6.E.).

You must display, offer, and sell all the Products, Parts, and Services and only the Products, Parts, and Services that we have authorized you to provide. You may not offer or sell any products (including the Products), services (including the Services), parts (including the Parts), or equipment that are not authorized and approved by us in writing. For Store-in-Store Outlets, we expect that sales of device repairs and related services will be predominant over sales of Products. Based on restrictions that may be established by the Host, you may not be authorized to sell the full line of Cellairis Products from your Store-in-Store Outlet.

You may not sell any products in violation of the trademark laws of the United States. You are required to offer or sell Products, Parts, and Services only at retail and from the location of your Cellairis Business Unit and to refrain from off-site sales unless expressly authorized by us in writing. Additionally, unless such statement is expressly approved in advance in writing by us, you cannot, directly or indirectly, represent yourself, your employees, your repair services, or repair products as being an “authorized repair facility”, an “authorized repair service” or an “authorized repair product” (or any similar phrase that implies a relationship with a branded product, company, manufacturer, carrier channel etc.) for any branded products, manufacturers, carrier channels or other companies (such as “An authorized BRAND X repair location” or similar words).

You must only sell the Products, Parts, and/or Services at retail to consumers from and through the Cellairis Business Unit, and you must not sell such items for redistribution or resale unless otherwise approved in writing by us in our discretion. You must not transship or redirect any Products purchased for resale at the Cellairis Business Unit to any other location for redistribution or resale including but not limited to other Cellairis Business Units and non-Cellairis businesses. You also must not reproduce or copy any Products sold or offered for sale at the Cellairis Business Unit or any other Cellairis Business Unit, in any manner, fashion, or media, including making derivatives, alternatives, updates, revisions, modifications, amendments, expansions, condensations, transformations, transpositions, additions to or deletions from, for any personal, private, public, or commercial reason or gain, without the prior written consent by us. With respect to any and all Products and Services, you must not sell or offer for sale any Product or Service on any website, electronic, or on-line service that offers products for sale, barter, or trade, including, by way of example only, Amazon.com, EBAY, Craigslist, or Etsy. All Products and Services must be sold, offered for sale, or provided only at the Cellairis Business Unit to customers who are present or at the Cellairis Business Unit at the time of the transaction.

You are not authorized to create any obligation or liability in connection with the sale of Parts, Products, or Services to end users and consumers, and the Parts, Products, and Services are to be sold strictly in accordance with those warranties and conditions which we, our affiliate, and/or the manufacturer may from time to time issue and you must honor such warranties in accordance with their terms. You must extend to your customers the same warranty that our manufacturers extend to us on all of the goods sold to you. You are not authorized to grant more extensive warranties with respect to the products. You must warrant original repairs performed at the Cellairis Business Unit against defects in material and workmanship for a time period established by us in the Manual or otherwise in writing, which time period may change from time to time. You must also offer and/or sell warranties as set forth by us in the manual or otherwise in writing.

You have discretion as to the prices to be charged customers for the sale of any Products, Parts, or Services. However, subject to the requirements of applicable law, we reserve the right to specify in writing a retail price and/or to establish in writing minimum and/or maximum prices for Products and Services. For Store-in-Store Outlets, at times, subject to the requirements of applicable law, the Host may also specify minimum and/or maximum prices for Products and Services. In such event, you will sell or offer for sale Products and Services at the specified retail price or, if applicable, per the minimum and/or maximum retail prices established by us, our affiliate, or the Host from time to time. Where no retail price or maximum or minimum price has been specified or established by us, our affiliate, or the Host with respect to a particular Product, Part, or Service, you may sell such Product, Part, or Service at any reasonable price you choose. You will offer and participate in any retail program advertised by us to the public as available at Cellairis stores, including without limitation, those retail programs which specify one or more Products, Parts, or Services at a particular price. Advertised retail prices and specified maximum and minimum prices for Products, Parts, or Services may vary from region to region to the extent deemed necessary by us or our affiliate in order to reflect differences in costs and other factors applicable to such regions. You may not sell Products or Parts for redistribution or resale. There are no other restrictions on the people or companies to which you may sell Products, Parts, or Services.

You may not engage in any local, regional, or national advertising activities utilizing the trademarks or erect, hand out, or display any sign, poster, coupon, advertising, or promotional material utilizing the trademarks of any type without our prior written consent. We will have the right to remove any unauthorized material at your expense.

You must operate your franchise in total compliance with the systems and procedures stated in the Franchise Agreement. We may make changes in our systems and procedures, when, in our reasonable discretion, change is needed for the continued success and development of the franchise. Such changes may require the purchase of equipment, supplies, furnishings, or other goods, completion of additional training by your employees, or other costs to you. You must promptly conform to the modified systems and procedures at your own expense.

We may offer some goods and services as optional for qualified franchisees. Currently, we have one optional service, which is the ability to allow your customers to finance the purchase of a new or used wireless device. This service is not mandatory and it is optional as you currently have the option to sell new or used wireless devices, as long as it is allowed under your lease with the landlord. In the event you do sell new or used wireless devices, you have the further option to offer your customers the ability to finance such purchases, which was described in Items 8 and 11. Other than the financing for the purchase of new or used wireless devices, t~~T~~here are no current optional services; however, these optional goods and services may include additional products, the sale of cellular telephones, the sale of cellular telephone plans, and other goods and/or services associated with wireless devices. To offer optional goods and services, you must be in substantial compliance with all material obligations under your Franchise Agreement. In addition, we may require you to comply with other requirements (such as training, marketing, and insurance) before we will allow you to offer certain optional services. We or our affiliates, may, in their reasonable discretion, from time to time during shortages or during special promotions or events, allocate the sales of Products and Parts among franchisees and others within and outside the System. We do not have specific methods of how we would allocate such sales in these circumstances, but factors that we would consider are past sales history, purchase history, current franchisee inventory levels, ongoing compliance with the Franchise Agreement, and regional sales data.

Also, depending on availability as well as the terms of the underlying lease, license or other occupancy agreement for the location of your Cellairis Business Unit, you may not be permitted to carry all Products and Services we make available to the System. For Store-in-Store Outlets, the Host may require that certain Products or Services be sold at the Store-in-Store Outlet, and may prohibit the sale of certain Products or Services.

Further, we may, in our sole discretion, condition the availability to you of special promotional Products and Services, special branded Products and Services, or designated premium Products, upon your agreement to comply with established promotional conditions or requirements, upon your compliance with the Franchise Agreement, or upon such other conditions as we may elect, in our discretion to impose with respect to access to such special or premium Products or Services. You are also required to purchase and maintain a Products and Parts inventory level sufficient to meet the current needs of your customers. Your current needs will typically be determined by reviewing your month to month sales, comparisons to previous years, new wireless devices introduced into the market, and regional sales data. We or our affiliates may, from time to time, introduce new Products and Services as well as identify best-selling Products and Services. The satisfaction of consumer demand for new or popular Products and Services is important to us, to you and to the System as a whole. You must agree to use your best efforts to carry in your inventory a substantial percentage of new Products and Services and best-selling Products and Services.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Paragraph in Agreement	Summary
a. Length of the Franchise Term	§ 1.A.	Term is 5 years unless sooner terminated in accordance with the provisions of the Franchise Agreement and provided, however, that we may terminate the Franchise Agreement in the event that the underlying lease, license, sublease or sub-license for the Cellairis Business Unit location expires or is terminated, irrespective of the cause of any such termination.
b. Renewal or Extension of Franchise	§ 4	If you meet conditions (as detailed below) and are in good standing, you can add one additional consecutive 5 year term. Some states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us in the area of renewal of your franchise.
c. Requirements for you to renew or extend	§ 4	The requirements for renewal include: 1) you must sign a new agreement; 2) be in good standing; 3) give timely notice; 4) pay a Successor Franchise Fee; 5) sign a release; 6) you must have operated the unit in accordance with the terms and conditions of the Franchise Agreement; 7) satisfied, in a timely fashion, all financial obligations; 8) attend and complete any retraining program; and 9) you must maintain, improve, alter, replace and remodel the unit, in accordance with the terms and conditions of the Franchise Agreement. We can refuse to allow you to renew or extend if you fail or refuse (or, in some cases, if during the term of the franchise agreement you have failed or

Provision	Paragraph in Agreement	Summary
		refused) to meet each and every of these required conditions. You may be asked to sign a contract with materially different terms and conditions than your original contract. Some states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us in the area of renewal of your franchise.
d. Termination by you[1]	§ 10.B.	You may terminate the agreement if you are in substantial compliance with all material terms of the Franchise Agreement and we materially breach the Franchise Agreement and fail to cure such breach within 60 days after written notice is delivered to us. A termination (or attempted termination) by you other than in strict compliance with § 10.B. shall be deemed a termination by you without cause and a material breach of the Franchise Agreement. Some states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us in the areas of renewal and/or termination of your franchise
e. Termination by Cellairis without cause[1]	None	N/A
f. Termination by Cellairis with cause[1]	§ 10.A.	We can terminate only upon uncured or noncurable material event of default. Some states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us in the areas of renewal and/or termination of your franchise.
g. "Cause" defined – defaults which can be cured	§ 10.A.	You have 5 days to cure the following (among others): 1) failures to operate pursuant to operating standards; 2) selling products in violation of the Agreement; 3) not selling Products or providing Services as designated by us; 4) improper use of equipment; 5) non-payment of monies; 6) failure to provide valid credit/charge card information; 7) failure to provide valid

Provision	Paragraph in Agreement	Summary
		bank account information, and 15 days to cure other items listed in § 10.A. See Paragraph 10.A. for details for each default, and any cure period.
h. "Cause" defined – non-curable defaults	§ 10.A.	Noncurable defaults include the following (among others): 1) the sale of trademark products under circumstances in which the trademark owner has not authorized the sale; 2) failure to submit financial documents; 3) abandonment of the franchise relationship; 4) inability to pay debts; 5) conviction of an offense with a term of punishment of one year in prison; 6) engagement of unfair competition; 7) denial of our ability to inspect the unit or audit the sales and accounting records; 8) conduct which reflects unfavorably on us; 9) submission of knowingly false information, 10) failure to open the unit; 11) failure to complete Initial Training program; 12) failure to pay lessor; 13) failure to cure default under other agreements with us or our affiliates; 14) failure to strictly comply with our requirements regarding the sale of Products and Services as stated in §§ 5.C. and 6.F. of the Franchise Agreement; 15) failure to strictly comply with an inspection as stated in § 6.I. of the Franchise Agreement; 16) unauthorized use of any Mark, acts which can be reasonably expected to materially impair the goodwill associated with any Mark, your challenge of our ownership of the Marks, you file a lawsuit involving the Marks without our consent, you fail to cooperate with us in the defense of any Mark; and 17) the occurrence of repeated breaches even if cured.
i. Your obligation on termination / nonrenewal	§ 11	In the event of your termination or nonrenewal then you must discontinue the use of all marks, engage in complete deidentification, pay all amounts due, and return confidential materials, assign to us or our designee all of your interest in the

Provision	Paragraph in Agreement	Summary
		telephone numbers, telephone directory listings and advertisements, website URLs, e-mail addresses, and governmental licenses or permits used for the operation of the Cellairis Business Unit, and you will no longer have an interest in the franchised business. Additionally, if you leased or licensed the site for the unit directly from the landlord, then we may exercise our option to assume your lease within 30 days after termination and if you are a sub-licensee of ours, then we have the option to terminate your Sub-License Agreement in accordance with the provisions of said Sub-License Agreement. In any event, we have the right to take possession of the unit and you shall have no further right, title or interest in the lease, license, sublease, or sub-license. Also, you must comply with our or our affiliate's instructions regarding use, inventory, equipment of the unit, and all other matters regarding the unit.
j. Assignment of contract by Cellairis	§9.E.	No restriction on Cellairis' ability to assign.
k. "Transfer" by you – defined[1]	§ 9.A.	You may not make any assignment or transfer of the Franchise Agreement, or any right of ownership interest in the franchise granted or the location of your unit, or all or substantially all of the assets of the business, or any direct or indirect ownership interest in you (the Franchisee entity) nor permit any such assignment or transfer to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of an officer of us.
l. Cellairis' approval of your Transfer	§ 9.D.	We have the right to approve all transfers and it will not be unreasonably withheld.
m. Conditions for Cellairis' approval of Transfer	§ 9.D.	You must have performed all of your obligations under the Franchise Agreement and not be in default under any of the provisions, you and the transferee must

Provision	Paragraph in Agreement	Summary
		have satisfied all obligations, including financial obligations, to us, our affiliates, and suppliers, you and the guarantors must execute a general release, you pay the transfer fee, the new franchisee agrees to assume all liabilities and obligations, the new franchisee must complete Initial Training, the new franchisee must update and remodel the Cellairis Business Unit as necessary, and you must sign a release. We may also require you and the guarantors to remain liable for the performance of all obligations for the remainder of the term.
n. Cellairis' right of first refusal to buy your business	§ 9.D.	We have a right of first refusal regarding any proposed transfer subject to your Franchise Agreement. If there are material changes in the terms of the sale, we will have additional rights of first refusal. Our rights under this provision are fully transferable.
o. Cellairis' option to buy your business	§ 11.E.	We may exercise the option to assume your lease or license after termination or expiration of your Franchise Agreement or after you provide notification to the landlord of your intent to terminate your lease or license.
p. Your death or disability	§ 9.C.	Heirs must qualify or sell within 9 months.
q. Non-competition covenants during term of franchise	§ 8.D.	No involvement in a business that specializes in (i) offering wireless device accessories and other related products or (ii) wireless device repair services within the United States. This provision may be subject to applicable state law.
r. Non-competition covenants after franchise is terminated or expires	§ 8.D.	No competition for a period of 2 years (i) at the location of the unit, or (ii) within a 10 mile radius of the location of the unit, or (iii) within the state in which the unit is located, or (iv) within 10 mile radius of any Cellairis Business Unit in operation and existence as of the termination date, or (v) within the United States of America. This provision may be subject to applicable state

Provision	Paragraph in Agreement	Summary
		law.
s. Modification of the agreement	§ 13.H.	No modification without a written document signed by both parties; however a manual may be created at a later date.
t. Integration / merger clause	§ 13.N.	The Agreement is the entire agreement and it supersedes all prior negotiations, commitments, representations, and undertakings; however, nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable ~~as a matter of law~~.
u. Dispute resolution by arbitration or mediation	§ 13	Except for certain claims, disputes must be settled by arbitration, which must occur in the Atlanta, Georgia office of the American Arbitration Association or at any other location within the boundaries of the City of Atlanta, as may be decided solely in our discretion.
v. Choice of forum	§ 13	Arbitration must be conducted before a single arbitrator, or a panel of 3 arbitrators if either the demand for arbitration or any counterclaim respectively seeks an amount over $250,000, in Atlanta, Georgia, but injunctive or other equitable relief and certain other claims may be filed in the State Courts of Georgia or in the United States District Court for the Northern District of Georgia. This provision may be subject to applicable state law.
w. Choice of law	§ 13.C.	Georgia law applies except for federal law. This provision may be subject to applicable state law.

You should also review Exhibit "A" which is attached to this document, and which lists state franchise laws to be considered in making your determination.

[1] Upon termination, expiration or transfer of the Franchise Agreement for any reason whatsoever, all of your rights under the Franchise Agreement terminate and you are then required to comply with all of the post termination requirements contained within the Franchise Agreement. See Franchise Agreement § 11.

Notes to Item 17: In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Paragraph 13 of the Franchise Agreement (as amended by applicable state law).

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jaime Brown, our Chief Franchise Officer, c/o Cellairis Franchise, Inc., 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005, 678-513-4020 ext. 222, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of December 31.

The following Tables reflect Cellairis Business Units operating throughout the United States for the years 2018~~7~~ through 2020~~19~~.

Table No. 1

System wide Outlet Summary
For Years 2018~~7~~ to 2020~~19~~

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2018~~2017~~	411~~490~~	247~~411~~	-164~~-79~~
	2019~~2018~~	247~~411~~	211~~247~~	-36~~-164~~
	2020~~2019~~	211~~247~~	142~~211~~	-69~~-36~~
Company-Owned	2018~~2017~~	6~~14~~	4~~6~~	-2~~-8~~
	2019~~2018~~	4~~6~~	0~~4~~	-4~~-2~~
	2020~~2019~~	0~~4~~	0~~0~~	0~~-4~~
Total Outlets	**2018~~2017~~**	**417~~504~~**	**251~~417~~**	**-166~~-87~~**
	2019~~2018~~	**251~~417~~**	**211~~251~~**	**-40~~-166~~**
	2020~~2019~~	**211~~251~~**	**142~~211~~**	**-69~~-40~~**

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2018~~7~~ to 2020~~19~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2018~~2017~~	2~~7~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~
Arizona	2018~~2017~~	0~~0~~
	2019~~2018~~	2~~1~~
	2020~~2019~~	0~~4~~
Arkansas	2018~~2017~~	1~~1~~
	2019~~2018~~	4~~0~~
	2020~~2019~~	0~~2~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2018~~2017~~	3~~5~~
	2019~~2018~~	2~~3~~
	2020~~2019~~	0~~2~~
Colorado	2018~~2017~~	5~~9~~
	2019~~2018~~	7~~5~~
	2020~~2019~~	0~~7~~
~~Connecticut~~	~~2017~~	~~2~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Florida	2018~~2017~~	4~~6~~
	2019~~2018~~	2~~4~~
	2020~~2019~~	0~~2~~
Georgia	2018~~2017~~	7~~3~~
	2019~~2018~~	7~~7~~
	2020~~2019~~	3~~7~~
~~Illinois~~	~~2017~~	~~1~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Indiana	2018~~2017~~	1~~2~~
	2019~~2018~~	0~~1~~
	2020~~2019~~	0~~0~~
~~Iowa~~	~~2017~~	~~2~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Maryland	2018~~2017~~	2~~0~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~
Massachusetts	2018~~2017~~	1~~1~~
	2019~~2018~~	3~~1~~
	2020~~2019~~	0~~3~~
~~Michigan~~	~~2017~~	~~3~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Minnesota	2018~~2017~~	1~~3~~
	2019~~2018~~	2~~1~~
	2020~~2019~~	0~~2~~
Mississippi	2018~~2017~~	0~~2~~
	2019~~2018~~	3~~0~~
	2020~~2019~~	0~~3~~
Missouri	2018~~2017~~	0~~0~~
	2019~~2018~~	1~~0~~
	2020~~2019~~	0~~1~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
~~Nebraska~~	~~2017~~	~~1~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Nevada	2018~~2017~~	0~~1~~
	2019~~2018~~	0~~0~~
	2020~~2019~~	4~~0~~
New Jersey	2018~~2017~~	6~~0~~
	2019~~2018~~	3~~6~~
	2020~~2019~~	0~~3~~
New York	2018~~2017~~	1~~1~~
	2019~~2018~~	0~~1~~
	2020~~2019~~	0~~0~~
North Carolina	2018~~2017~~	2~~5~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~
Oklahoma	2018~~2017~~	1~~0~~
	2019~~2018~~	0~~1~~
	2020~~2019~~	0~~0~~
Oregon	2018~~2017~~	1~~5~~
	2019~~2018~~	0~~1~~
	2020~~2019~~	0~~0~~
Pennsylvania	2018~~2017~~	2~~1~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~
Tennessee	2018~~2017~~	2~~0~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~
Texas	2018~~2017~~	15~~14~~
	2019~~2018~~	1~~15~~
	2020~~2019~~	2~~1~~
Utah	2018~~2017~~	1~~0~~
	2019~~2018~~	3~~1~~
	2020~~2019~~	2~~3~~
Virginia	2018~~2017~~	2~~2~~
	2019~~2018~~	2~~2~~
	2020~~2019~~	0~~2~~
~~Washington~~	~~2017~~	~~3~~
	~~2018~~	~~0~~
	~~2019~~	~~0~~
Wisconsin	2018~~2017~~	2~~1~~
	2019~~2018~~	0~~2~~
	2020~~2019~~	0~~0~~

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	**2018~~2017~~**	**62~~81~~**
	2019~~2018~~	**42~~62~~**
	2020~~2019~~	**11~~42~~**

Table No. 3
Status of Franchised Outlets
For the Years 2018~~7~~ to 2020~~19~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama 2019 (Note 1, 2) 2020 (Note 1)	2018~~2017~~	14~~13~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	2~~0~~	12~~14~~
	2019~~2018~~	12~~14~~	0~~0~~	0~~0~~	3~~0~~	0~~0~~	0~~2~~	9~~12~~
	2020~~2019~~	9~~12~~	0~~0~~	0~~0~~	1~~3~~	0~~0~~	0~~0~~	8~~9~~
Alaska 2020 (Note 2)	2018~~2017~~	2~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~2~~
	2019~~2018~~	2~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~2~~
	2020~~2019~~	2~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~0~~	1~~2~~
Arizona ~~2017 (Note 1)~~ 2019 (Note 3, 4, 5, 6, 7)	2018~~2017~~	15~~19~~	0~~0~~	0~~0~~	0~~4~~	0~~0~~	6~~0~~	9~~15~~
	2019~~2018~~	9~~15~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	2~~6~~	6~~9~~
	2020~~2019~~	6~~9~~	1~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~2~~	7~~6~~
Arkansas	2018~~2017~~	3~~2~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~3~~
	2019~~2018~~	3~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~3~~
	2020~~2019~~	3~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~3~~
California ~~2017 (Note 2, 3)~~ 2019 (Note 8) 2020 (Note 3, 4, 5, 6, 7, 8)	2018~~2017~~	30~~35~~	1~~2~~	0~~0~~	0~~7~~	0~~0~~	13~~0~~	18~~30~~
	2019~~2018~~	18~~30~~	0~~1~~	0~~0~~	2~~0~~	0~~0~~	1~~13~~	15~~18~~
	2020~~2019~~	15~~18~~	0~~0~~	1~~0~~	4~~2~~	0~~0~~	1~~1~~	9~~15~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Colorado 2020 (Note 9, 10, 11, 12, 13, 14, 15, 16, 17)	2018~~2017~~	16~~17~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	5~~1~~	11~~16~~
	2019~~2018~~	11~~16~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~5~~	10~~11~~
	2020~~2019~~	10~~11~~	0~~0~~	9~~0~~	0~~0~~	0~~0~~	0~~1~~	1~~10~~
Connecticut ~~2017 (Note 4, 5)~~ 2018 (Note 1) 2019 (Note 9)	2018~~2017~~	5~~8~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	4~~3~~	1~~5~~
	2019~~2018~~	1~~5~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~4~~	0~~1~~
	2020~~2019~~	0~~1~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~
Delaware	2018~~2017~~	5~~4~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	4~~0~~	1~~5~~
	2019~~2018~~	1~~5~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~4~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Florida 2020 (Note 18, 19, 20, 21, 22, 23, 24)~~2017 (Note 6)~~	2018~~2017~~	26~~37~~	1~~0~~	1~~0~~	0~~5~~	0~~0~~	9~~6~~	17~~26~~
	2019~~2018~~	17~~26~~	0~~1~~	0~~1~~	1~~0~~	0~~0~~	0~~9~~	16~~17~~
	2020~~2019~~	16~~17~~	2~~0~~	1~~0~~	6~~1~~	0~~0~~	3~~0~~	~~16~~8
Georgia ~~2017 (Note 7, 8)~~ 2018 (Note 2, 3, 4, 5, 6, 7) 2020 (Note 25, 26, 27, 28, 29, 30, 31, 32)	2018~~2017~~	39~~32~~	2~~9~~	0~~0~~	1~~0~~	0~~0~~	5~~2~~	35~~39~~
	2019~~2018~~	35~~39~~	0~~2~~	0~~0~~	2~~1~~	0~~0~~	1~~5~~	32~~35~~
	2020~~2019~~	32~~35~~	4~~0~~	0~~0~~	5~~2~~	0~~0~~	1~~1~~	30~~32~~
Hawaii	2018~~2017~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~0~~	0~~1~~
	2019~~2018~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Idaho	2018~~2017~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
	2019~~2018~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
	2020~~20~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	~~19~~							
Illinois 2020 (Note 33)	2018~~2017~~	4~~8~~	0~~0~~	0~~0~~	1~~1~~	0~~0~~	0~~3~~	3~~4~~
	2019~~2018~~	3~~4~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	1~~0~~	2~~3~~
	2020~~2019~~	2~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~	1~~2~~
Indiana 2020 (Note 34)	2018~~2017~~	3~~5~~	0~~0~~	0~~0~~	1~~2~~	0~~0~~	1~~0~~	1~~3~~
	2019~~2018~~	1~~3~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~1~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	0~~1~~
Iowa	2018~~2017~~	4~~4~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	3~~4~~
	2019~~2018~~	3~~4~~	0~~0~~	2~~0~~	0~~1~~	0~~0~~	0~~0~~	1~~3~~
	2020~~2019~~	1~~3~~	0~~0~~	0~~2~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Kansas	2018~~2017~~	1~~2~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~0~~	1~~1~~
	2019~~2018~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Kentucky ~~2017 (Note 9, 10)~~	2018~~2017~~	3~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~0~~	0~~3~~
	2019~~2018~~	0~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Louisiana 2020 (Note 35)~~2017 (Note 11, 12)~~	2018~~2017~~	9~~10~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	6~~0~~	3~~9~~
	2019~~2018~~	3~~9~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~6~~	1~~3~~
	2020~~2019~~	1~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~2~~	0~~1~~
Maine	2018~~2017~~	2~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~0~~	0~~2~~
	2019~~2018~~	0~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~2~~	0~~0~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Maryland	2018~~2017~~	10~~14~~	0~~0~~	0~~0~~	1~~3~~	0~~0~~	0~~1~~	9~~10~~
	2019~~2018~~	9~~10~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~0~~	9~~9~~
	2020~~2019~~	9~~9~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	9~~9~~
Massachusetts 2018 (Note 8) 2019 (Note 10) 2020 (Note 36, 37)	2018~~2017~~	6~~6~~	0~~0~~	0~~0~~	0~~0~~	3~~0~~	2~~0~~	1~~6~~
	2019~~2018~~	1~~6~~	3~~0~~	0~~0~~	0~~0~~	0~~3~~	0~~2~~	4~~1~~
	2020~~2019~~	4~~1~~	0~~3~~	0~~0~~	0~~0~~	0~~0~~	3~~0~~	1~~4~~
Michigan	2018~~2017~~	7~~6~~	0~~3~~	0~~0~~	0~~1~~	0~~0~~	6~~1~~	1~~7~~
	2019~~2018~~	1~~7~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~6~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Minnesota	2018~~2017~~	4~~4~~	0~~2~~	0~~0~~	0~~1~~	0~~0~~	3~~1~~	1~~4~~
	2019~~2018~~	1~~4~~	1~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~	2~~1~~
	2020~~2019~~	2~~1~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~2~~
Mississippi 2020 (Note 38, 39, 40)	2018~~2017~~	5~~5~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~0~~	3~~5~~
	2019~~2018~~	3~~5~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~2~~	3~~3~~
	2020~~2019~~	3~~3~~	0~~0~~	3~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~
Missouri 2020 (Note 41)~~2017 (Note 13)~~	2018~~2017~~	6~~8~~	0~~0~~	0~~0~~	2~~2~~	0~~0~~	2~~0~~	2~~6~~
	2019~~2018~~	2~~6~~	0~~0~~	0~~0~~	0~~2~~	0~~0~~	0~~2~~	2~~2~~
	2020~~2019~~	2~~2~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	1~~2~~
Montana	2018~~2017~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
	2019~~20~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	~~18~~							
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Nebraska	2018~~2017~~	3~~4~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~1~~	0~~3~~
	2019~~2018~~	0~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Nevada 2020 (Note 42, 43, 44, 45)	2018~~2017~~	10~~10~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	5~~0~~	5~~10~~
	2019~~2018~~	5~~10~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~5~~	5~~5~~
	2020~~2019~~	5~~5~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	0~~0~~	4~~5~~
New Hampshire 2018 (Note 9)	2018~~2017~~	4~~4~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	3~~0~~	0~~4~~
	2019~~2018~~	0~~4~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~3~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
New Jersey 2018 (Note 10) 2020 (Note 46, 47, 48, 49, 50, 51)	2018~~2017~~	16~~13~~	2~~5~~	0~~0~~	2~~0~~	0~~0~~	2~~2~~	14~~16~~
	2019~~2018~~	14~~16~~	0~~2~~	0~~0~~	0~~2~~	0~~0~~	1~~2~~	13~~14~~
	2020~~2019~~	13~~14~~	2~~0~~	1~~0~~	4~~0~~	0~~0~~	1~~1~~	9~~13~~
~~New Mexico~~	~~2017~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
New York 2020 (Note 52, 53)	2018~~2017~~	12~~20~~	0~~2~~	0~~0~~	0~~7~~	0~~0~~	6~~3~~	6~~12~~
	2019~~2018~~	6~~12~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~6~~	6~~6~~
	2020~~2019~~	6~~6~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	1~~0~~	4~~6~~
North Carolina 2020 (Note 54, 55)	2018~~2017~~	11~~11~~	1~~0~~	0~~0~~	2~~0~~	0~~0~~	6~~0~~	4~~11~~
	2019~~2018~~	4~~11~~	0~~1~~	0~~0~~	0~~2~~	0~~0~~	2~~6~~	2~~4~~
	2020~~20~~	2~~4~~	0~~0~~	2~~0~~	0~~0~~	0~~0~~	0~~2~~	0~~2~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	~~19~~							
~~North Dakota~~	~~2017~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Ohio ~~2017 (Note 14)~~	2018~~2017~~	8~~12~~	0~~0~~	0~~0~~	0~~2~~	0~~0~~	7~~2~~	1~~8~~
	2019~~2018~~	1~~8~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~7~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Oklahoma 2020 (Note 56)	2018~~2017~~	1~~8~~	1~~0~~	0~~0~~	0~~7~~	0~~0~~	0~~0~~	2~~1~~
	2019~~2018~~	2~~1~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~2~~
	2020~~2019~~	2~~2~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	1~~2~~
Oregon 2020 (Note 57)	2018~~2017~~	6~~7~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~1~~	3~~6~~
	2019~~2018~~	3~~6~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~	3~~3~~
	2020~~2019~~	3~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~0~~	2~~3~~
Pennsylvania 2018 (Note 11) 2020 (Note 58)	2018~~2017~~	8~~8~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	4~~1~~	5~~8~~
	2019~~2018~~	5~~8~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~4~~	5~~5~~
	2020~~2019~~	5~~5~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	0~~0~~	4~~5~~
Puerto Rico	2018~~2017~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
	2019~~2018~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
	2020~~2019~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~1~~
Rhode Island 2020 (Note 59)	2018~~2017~~	5~~4~~	0~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	5~~5~~
	2019~~2018~~	5~~5~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	1~~0~~	4~~5~~
	2020~~2019~~	4~~5~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~1~~	2~~4~~
South	2018~~20~~	6~~7~~	1~~0~~	0~~0~~	0~~1~~	0~~0~~	5~~0~~	2~~6~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Carolina	~~17~~							
	2019~~2018~~	2~~6~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~5~~	2~~2~~
	2020~~2019~~	2~~2~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~2~~
~~South Dakota~~	~~2017~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Tennessee 2020 (Note 60, 61, 62)	2018~~2017~~	8~~11~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~3~~	6~~8~~
	2019~~2018~~	6~~8~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	1~~2~~	4~~6~~
	2020~~2019~~	4~~6~~	0~~0~~	0~~1~~	2~~0~~	0~~0~~	1~~1~~	1~~4~~
Texas ~~2017 (Note 15, 16, 17)~~ 2018 (Note 12) 2020 (Note 63, 64, 65, 66, 67, 68, 69, 70, 71)	2018~~2017~~	62~~78~~	0~~3~~	0~~0~~	2~~1~~	0~~0~~	21~~18~~	39~~62~~
	2019~~2018~~	39~~62~~	0~~0~~	1~~0~~	0~~2~~	0~~0~~	12~~21~~	26~~39~~
	2020~~2019~~	26~~39~~	1~~0~~	3~~1~~	3~~0~~	0~~0~~	2~~12~~	19~~26~~
Utah 2020 (Note 72, 73, 74)	2018~~2017~~	2~~5~~	1~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~2~~	3~~2~~
	2019~~2018~~	3~~2~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	3~~3~~
	2020~~2019~~	3~~3~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	0~~0~~	2~~3~~
Virginia 2018 (Note 13) 2020 (Note 75, 76, 77)	2018~~2017~~	12~~14~~	0~~0~~	0~~0~~	1~~1~~	0~~0~~	1~~1~~	10~~12~~
	2019~~2018~~	10~~12~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~	0~~1~~	10~~10~~
	2020~~2019~~	10~~10~~	0~~0~~	2~~0~~	5~~0~~	0~~0~~	0~~0~~	3~~10~~
Washington 2020 (Note 78)~~2017 (Note 18)~~	2018~~2017~~	10~~11~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	7~~1~~	2~~10~~
	2019~~2018~~	2~~10~~	0~~0~~	0~~1~~	0~~0~~	0~~0~~	0~~7~~	2~~2~~
	2020~~2019~~	2~~2~~	0~~0~~	0~~0~~	1~~0~~	0~~0~~	0~~0~~	1~~2~~
~~West Virginia~~	~~2017~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Wisconsin 2018 (Note 14)	2018~~2017~~	5~~11~~	1~~0~~	0~~0~~	3~~0~~	0~~0~~	2~~6~~	1~~5~~
	2019~~2018~~	1~~5~~	0~~1~~	0~~0~~	0~~3~~	0~~0~~	1~~2~~	0~~1~~
	2020~~2019~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
Total	**2018~~2017~~**	**411~~490~~**	**12~~32~~**	**2~~0~~**	**18~~47~~**	**3~~1~~**	**153~~63~~**	**247~~411~~**
	2019~~2018~~	**247~~411~~**	**4~~12~~**	**4~~2~~**	**10~~18~~**	**0~~3~~**	**26~~153~~**	**211~~247~~**
	2020~~2019~~	**211~~247~~**	**104**	**254**	**35~~10~~**	**0~~0~~**	**19~~26~~**	**142~~211~~**

~~Below are the notes for year 2017 only, years 2018 and 2019 are below.~~

~~FN 1 – 2 units at Arrowhead Towne Center~~
- ~~On 08-31-17 two (2) units did not renew~~
- ~~On 09-01-17 two (2) units were acquired by new Franchisee~~
- ~~On 09-01-17 one (1) unit closed~~

~~FN 2 – 2 units at Glendale Galleria~~
- ~~On 04-30-17 two (2) units did not renew~~
- ~~On 05-01-17 two (2) units were acquired by new Franchisee~~

~~FN 3 – 1 unit at Valencia Mall~~
- ~~On 02-01-17 one (1) unit was transferred~~
- ~~On 11-15-17 one (1) unit was transferred~~

~~FN 4 – 2 units at Danbury Fair~~
- ~~On 03-01-17 two (2) units were acquired by new Franchisee~~
- ~~On 08-31-17 two (2) units were closed~~

~~FN 5 – 2 units at Brass Mills~~
- ~~On 04-30-17 two (2) units did not renew~~
- ~~On 05-01-17 two (2) units were acquired by new Franchisee~~

~~FN 6 – 1 unit at Coastland Center~~
- ~~On 05-31-17 one (1) unit did not renew~~
- ~~On 06-01-17 one (1) unit was acquired by new Franchisee~~

~~FN 7 – 2 units at North Point Mall~~

- ~~On 04-30-17 one (1) unit closed~~
- ~~On 05-31-17 one (1) unit did not renew~~
- ~~On 06-01-17 one (1) unit was acquired by new Franchisee~~

~~FN 8 – 2 units at Atlantic Station~~

- ~~On 03-08-17 two (2) units did not renew~~
- ~~On 03-09-17 two (2) units were acquired by new Franchisee~~

~~FN 9 – 1 unit at Florence Mall~~

- ~~On 05-31-17 one (1) unit did not renew~~
- ~~On 06-01-17 one (1) unit was acquired by new Franchisee~~

~~FN 10 – 1 unit at Mall St. Matthews~~

- ~~On 11-02-17 one (1) unit was mutually terminated~~
- ~~On 11-03-17 one (1) unit was acquired by new Franchisee~~

~~FN 11 – 3 units at Oakwood Center~~

- ~~On 05-31-17 two (2) units did not renew~~
- ~~On 06-01-17 two (2) units were acquired by new Franchisee~~
- ~~On 08-31-17 one (1) unit did not renew~~

~~FN 12 – 4 units at Pecanland Mall~~

- ~~On 04-31-17 four (4) units did not renew~~
- ~~On 05-01-17 four (4) units were acquired by new Franchisee~~

~~FN 13 – 1 unit at Columbia Mall~~

- ~~On 05-31-17 one (1) unit did not renew~~
- ~~On 06-01-17 one (1) unit was acquired by new Franchisee~~

~~FN 14 – 1 unit at Polaris Mall~~

- ~~On 11-07-17 one (1) unit did not renew~~
- ~~On 11-08-17 one (1) unit was acquired by new Franchisee~~

~~FN 15 – 4 units at Katy Mills~~

- ~~On 03-31-17 four (4) units did not renew~~
- ~~On 03-31-17 two (2) units were acquired by new Franchisee~~

~~FN 16 – 2 units at South Plains Mall~~

- ~~On 08-31-17 two (2) units did not renew~~
- ~~On 09-01-17 two (2) units were acquired by new Franchisee~~

~~FN 17 – 4 units at The Woodlands Mall~~

- ~~On 04-30-17 two (4) units did not renew~~

- ~~On 04-30-17 one (1) unit closed~~
- ~~On 05-01-17 three (3) units were acquired by new Franchisee~~

~~FN 18 – 1 unit at Bellis Fair~~
- ~~On 07-31-17 one (1) unit did not renew~~
- ~~On 08-01-17 one (1) unit was acquired by new Franchisee~~

Below are the notes for year 2018 only, years 2019~~7~~ ~~is above and year~~ and 2020~~19~~ are~~is~~ below.

FN1 – 2 units at Brass Mills
- On 02/28/18 two (2) units did not renew
- On 03/01/18 two (2) units were acquired by new Franchisee
- On 07/01/18 two (2) units closed

FN2 – 2 units at Cumberland Mall
- On 02/28/18 two (2) units did not renew
- On 03/01/18 two (2) units were acquired by new Franchisee

FN3 – 1 unit at Perimeter Mall
- On 02/28/18 one (1) unit did not renew
- On 03/01/18 one (1) unit was acquired by new Franchisee

FN4 – 1 unit at Piedmont Peachtree
- On 06/26/18 one (1) unit did not renew
- On 06/27/18 one (1) unit was acquired by new Franchisee

FN5 – 1 unit at Arbor Place Mall
- On 02/28/18 one (1) unit did not renew
- On 03/01/18 one (1) unit was acquired by new Franchisee

FN6 – 1 unit at Sugarloaf Mills
- On 02/28/18 one (1) unit did not renew
- On 03/01/18 one (1) unit was acquired by new Franchisee

FN7 – 1 unit at Holcomb Woods
- On 11/30/18 one (1) unit did not renew
- On 12/01/18 one (1) unit was acquired by new Franchisee

FN8 – 3 units at Natick Collection
- On 07/06/2018 three (3) units were terminated
- On 07/06/2018 three (3) units were acquired by new Franchisee

FN9 – 1 unit at Fox Run Mall
- On 02/01/2018 one (1) unit transferred
- On 09/30/2018 one (1) unit did not renew

FN10 – 1 unit at Menlo Park

- On 03/01/2018 one (1) unit transferred
- On 06/30/2018 one (1) unit closed 06/30/2018

FN11 – 1 unit at Logan Valley Mall

- On 01/01/2018 one (1) unit transferred
- On 05/31/2018 one (1) unit closed

FN12 – 1 unit at La Plaza Mall

- On 04/01/2018 one (1) unit transferred
- On 12/01/2018 one (1) unit transferred

FN13 – 1 unit at Apple Blossom Mall

- On 02/01/2018 one (1) unit transferred
- On 09/30/2018 one (1) unit did not renew

FN14 – 1 unit at Bay Park Square

- On 04/04/2018 one (1) unit transferred
- On 09/30/2018 one (1) unit did not renew

Below are the notes for year 2019 only, years 2018~~7~~ is above and year 2020~~18~~ is below~~are above~~.

FN1 – 1 unit at Bel Air Mall

- On 01/31/19 one (1) unit did not renew
- On 02/01/19 one (1) unit closed

FN2 – 1 unit at Eastdale Mall

- On 03/31/19 one (1) unit did not renew
- On 04/01/19 one (1) unit closed

FN3 – 1 unit at The Mall at Sierra Vista

- On 03/31/19 one (1) unit did not renew
- On 04/01/19 one (1) unit closed

FN4 – 1 unit at Walmart Store #2767

- On 03/01/19 one (1) unit was acquired by new Franchisee
- On 11/01/19 one (1) unit was acquired by new Franchisee

FN5 – 1 unit at Walmart Store #2777

- On 03/01/19 one (1) unit was acquired by new Franchisee
- On 11/01/19 one (1) unit was acquired by new Franchisee

FN6 – 1 unit at Walmart Store #5186

- On 03/01/19 one (1) unit was acquired by new Franchisee
- On 11/01/19 one (1) unit was acquired by new Franchisee

FN7 – 1 unit at Walmart Store #5190

- On 03/01/19 one (1) unit was acquired by new Franchisee
- On 11/01/19 one (1) unit was acquired by new Franchisee

FN8 – 1 unit at Puente Mall

- On 04/30/19 one (1) unit did not renew
- On 05/01/19 one (1) unit closed

FN9 – 1 unit at Stamford Town Center

- On 02/16/19 one (1) unit did not renew
- On 02/17/19 one (1) unit closed

FN10 – 1 unit at Natick Collection

- On 02/03/19 one (1) unit was acquired by new Franchisee
- On 10/23/19 one (1) unit was acquired by new Franchisee

Below are the notes for year 2020 only, years 2018 and 2019 are above.

FN1 – 1 unit at Bel Air Mall

- On 12/31/2020 one (1) unit did not renew

FN2 – 1 unit at 5th Avenue Mall

- On 12/31/2020 one (1) unit closed

FN3 – 1 unit at Brea Mall

- On 9/30/2020 one (1) unit did not renew

FN4 – 1 unit at Solano Mall

- On 6/30/2020 one (1) unit did not renew

FN5 – 1 unit at Stoneridge Shopping Center

- On 9/30/2020 one (1) unit did not renew

FN6 – 1 unit at Santa Rosa Plaza

- On 9/30/2020 one (1) unit did not renew

FN7 – 1 unit at West Covina Mall

- On 11/30/2020 one (1) unit closed

FN8 – 1 unit at Walmart #2950

- On 4/30/2020 one (1) unit was terminated

FN9 – 1 unit at Walmart #842
- On 10/31/2020 one (1) unit was terminated

FN10 – 1 unit at Walmart #953
- On 4/30/2020 one (1) unit was terminated

FN11 – 1 unit at Walmart #1273
- On 4/30/2020 one (1) unit was terminated

FN12 – 1 unit at Walmart #1434
- On 1/31/2020 one (1) unit was terminated

FN13 – 1 unit at Walmart #1689
- On 4/30/2020 one (1) unit was terminated

FN14 – 1 unit at Walmart #2729
- On 4/30/2020 one (1) unit was terminated

FN15 – 1 unit at Walmart #3313
- On 4/30/2020 one (1) unit was terminated

FN16 – 1 unit at Walmart #3533
- On 4/30/2020 one (1) unit was terminated

FN17 – 1 unit at Walmart #5049
- On 4/30/2020 one (1) unit was terminated

FN18 – 1 unit at Dadeland Mall
- On 9/30/2020 one (1) unit did not renew

FN19 – 1 unit at Miami International
- On 9/30/2020 one (1) unit did not renew

FN20 – 1 unit at Coastland Center
- On 8/31/2020 one (1) unit closed

FN21 – 1 unit at Pembroke Lakes Mall
- On 8/31/2020 one (2) units closed

FN22 – 3 units at Sawgrass Mills
- On 1/31/2020 three (3) units did not renew

FN23 – 1 unit at Governor’s Square

- On 10/1/2020 one (1) unit was terminated

FN24 – 1 unit at Walmart #942
- On 4/30/2020 one (1) unit did not renew

FN25 – 1 unit at North Point Mall
- On 7/24/2020 one (1) unit closed

FN26 – 2 units at Mall of Georgia
- On 2/29/2020 one (1) unit did not renew
- On 9/30/2020 one (1) unit did not renew

FN27 – 1 unit at Arbor Place
- On 12/31/2020 one (1) unit did not renew

FN28 – 1 unit at Town Center at Cobb
- On 9/30/2020 one (1) unit did not renew

FN29 – 1 unit at Sugarloaf Mills
- On 1/31/2020 one (1) unit did not renew

FN30 – 1 unit at Walmart #1458
- On 2/1/2020 one (1) unit was acquired by new Franchisee

FN31 – 1 unit at Walmart #5173
- On 2/1/2020 one (1) unit was acquired by new Franchisee

FN32 – 1 unit at Walmart #3570
- On 1/23/2020 one (1) unit was acquired by new Franchisee

FN33 – 1 unit at Water Tower Place
- On 10/1/2020 one (1) unit closed

FN34 – 1 unit at Castleton Square
- On 9/30/2020 one (1) unit did not renew

FN35 – 1 unit at Walmart #1353
- On 12/31/2020 one (1) unit closed

FN36 – 1 unit at Cape Cod Mall
- On 12/31/2020 one (1) unit closed

FN37 – 2 units at Natick Collection
- On 12/31/2020 two (2) units closed

FN38 – 1 unit at Walmart #105

- On 4/30/2020 one (1) unit was terminated

FN39 – 1 unit at Walmart #699

- On 4/30/2020 one (1) unit was terminated

FN40 – 1 unit at Walmart #2846

- On 10/31/2020 one (1) unit was terminated

FN41 – 1 unit at Battlefield Mall

- On 9/30/2020 one (1) unit did not renew

FN42 – 1 unit at Walmart #2593

- On 2/12/2020 one (1) unit was acquired by new Franchisee

FN43 – 1 unit at Walmart #2838

- On 2/12/2020 one (1) unit was acquired by new Franchisee

FN44 – 1 unit at Walmart #3473

- On 2/12/2020 one (1) unit was acquired by new Franchisee
- On 10/31/2020 one (1) unit was terminated

FN45 – 1 unit at Walmart #4356

- On 2/12/2020 one (1) unit was acquired by new Franchisee

FN46 – 1 unit at Newport Center

- On 7/31/2020 one (1) unit did not renew

FN47 – 1 unit at Quaker Bridge Mall

- On 10/31/2020 one (1) unit did not renew

FN48 – 1 unit at Rockaway Town Square

- On 9/30/2020 one (1) unit did not renew

FN49 – 1 unit at Cherry Hill

- On 5/31/2020 one (1) unit did not renew

FN50 – 1 unit at Walmart #1742

- On 4/30/2020 one (1) unit was terminated

FN51 – 1 unit at Walmart #2171

- On 8/21/2020 one (1) unit closed

FN52 – 1 unit at Columbus Circle

- On 12/31/2020 one (1) unit closed

FN53 – 1 unit at Walt Whitman Mall

- On 9/30/2020 one (1) unit did not renew

FN54 – 1 unit at Streets at Southpoint

- On 10/31/2020 one (1) unit was terminated

FN55 – 1 unit at Walmart #5063

- On 4/30/2020 one (1) unit was terminated

FN56 – 1 unit at Woodland Hills Mall

- On 9/30/2020 one (1) unit did not renew

FN57 – 1 unit at Clackamas Mall

- On 8/31/2020 one (1) unit closed

FN58 – 1 unit at Walmart #5130

- On 4/30/2020 one (1) unit was terminated

FN59 – 2 units at Providence Place Mall

- On 12/31/2020 two (2) units closed

FN60 – 1 unit at The Mall at Johnson City

- On 3/30/2020 one (1) unit closed

FN61 – 1 unit at Wolfchase Galleria

- On 9/30/2020 one (1) unit did not renew

FN62 – 1 unit at Opry Mills Mall

- On 1/31/2020 one (1) unit did not renew

FN63 – 1 unit at Grapevine Mills

- On 12/31/2020 one (1) unit closed

FN64 – 1 unit at Houston Galleria

- On 7/31/2020 one (1) unit did not renew

FN65 – 1 unit at La Plaza Mall

- On 5/31/2020 one (1) unit did not renew

FN66 – 1 unit at Ingram Park

- On 9/30/2020 one (1) unit did not renew

FN67 – 2 units at Shops at La Cantera

- On 5/31/2020 two (2) units were terminated

FN68 – 1 unit at Walmart #1303

- On 9/15/2020 one (1) unit transferred to new Franchisee

FN69 – 1 unit at Walmart #3297

- On 4/30/2020 one (1) unit did not renew

FN70 – 1 unit at Walmart #3510

- On 4/30/2020 one (1) unit was terminated
- On 5/1/2020 one (1) unit was acquired by new Franchisee

FN71 – 1 unit at Walmart #6286

- On 9/15/20 one (1) unit transferred to new Franchisee

FN72 – 1 unit at Walmart #1768

- On 4/30/2020 one (1) unit was terminated

FN73 – 1 unit at Walmart #2511

- On 7/14/2020 one (1) unit was acquired by new Franchisee

FN74 – 1 unit at Walmart #3568

- On 7/14/2020 one (1) unit was acquired by new Franchisee

FN75 – 2 units at Tyson's Corner

- On 1/31/2020 two (2) units did not renew

FN76 – 3 units at Potomac Mills

- On 1/31/2020 three (3) units did not renew

FN77 – 2 units at Lynnhaven Mall

- On 12/1/2020 two (2) units were terminated

FN78 – 1 unit at Columbia Center

- On 9/30/2020 one (1) unit did not renew

Table No. 4
Status of Company-Owned Outlets
For Years 2018~~7~~ to 2020~~19~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold To Franchisees	Column 8 Outlets at End of The Year
~~Arkansas~~	~~2017~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~0~~

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold To Franchisees	Column 8 Outlets at End of The Year
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Florida	2018~~2017~~	1~~1~~	0~~1~~	0~~0~~	0~~0~~	1~~1~~	0~~1~~
	2019~~2018~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
~~Georgia~~	~~2017~~	~~3~~	~~0~~	~~0~~	~~1~~	~~2~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Massachusetts	2018~~2017~~	0~~0~~	0~~0~~	3~~0~~	0~~0~~	0~~0~~	3~~0~~
	2019~~2018~~	3~~0~~	0~~0~~	0~~3~~	0~~0~~	3~~0~~	0~~3~~
	2020~~2019~~	0~~3~~	0~~0~~	0~~0~~	0~~0~~	0~~3~~	0~~0~~
~~Michigan~~	~~2017~~	~~3~~	~~0~~	~~0~~	~~0~~	~~3~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Minnesota	2018~~2017~~	3~~5~~	0~~0~~	0~~0~~	2~~0~~	0~~2~~	1~~3~~
	2019~~2018~~	1~~3~~	0~~0~~	0~~0~~	0~~2~~	1~~0~~	0~~1~~
	2020~~2019~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
~~Texas~~	~~2017~~	~~0~~	~~1~~	~~0~~	~~0~~	~~1~~	~~0~~
	~~2018~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2019~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Utah	2018~~2017~~	1~~0~~	0~~0~~	0~~1~~	0~~0~~	1~~0~~	0~~1~~
	2019~~2018~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Wisconsin	2018~~2017~~	1~~1~~	0~~0~~	0~~0~~	0~~0~~	1~~0~~	0~~1~~
	2019~~2018~~	0~~1~~	0~~0~~	0~~0~~	0~~0~~	0~~1~~	0~~0~~
	2020~~2019~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~	0~~0~~
Total	**2018~~2017~~**	6~~14~~	0~~2~~	3~~1~~	2~~1~~	3~~10~~	4~~6~~
	2019~~2018~~	4~~6~~	0~~0~~	0~~3~~	0~~2~~	4~~3~~	0~~4~~
	2020~~2019~~	0~~4~~	0~~0~~	0~~0~~	0~~0~~	0~~4~~	0~~0~~

For all charts presented in this Item 20, states not listed in a chart had no franchised, company-owned or affiliate-owned Cellairis Business Units or activity during the relevant period.

Attached to this Disclosure Document, as **Exhibit "F~~H~~"** is a list of the addresses of all Cellairis franchisees. The tables listed in this Item are for all types of Cellairis Business Units. Full Store Units are identified with a plus sign (+) and Store-in-Store Outlets are identified with an asterisk (*) on **Exhibit "F~~H~~"**. Additionally, Cellairis

Business Units which are operated by the owners and management of our area representative, Jubilee Franchise Inc., are identified by a carat (^).

We have implemented a franchisee referral program in which an existing, eligible franchisee (who may be among the franchisees listed on **Exhibit “F~~H~~”**) will receive a financial reward or referral fee if the franchisee refers to us a new qualified franchisee candidate that becomes a franchisee and opens at least one Cellairis Business Unit. Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states.

Attached to this Disclosure Document, is **Exhibit “I~~K~~”** which lists the name, city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Cellairis. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any franchisee association regardless of whether they use our marks.

The following table gives our estimate of openings of Cellairis Business Units franchises, by state, for the coming year:

Table No. 5
Projected Openings as of December 31, 2020~~19~~ for fiscal year 2021~~0~~

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama	0	3~~3~~	0
Arizona	0	2~~5~~	0
Arkansas	0	2~~2~~	0
~~California~~	~~0~~	~~4~~	~~0~~
~~Colorado~~	~~0~~	~~1~~	~~0~~
~~Connecticut~~	~~0~~	~~1~~	~~0~~

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Florida	0	15~~4~~	0
Georgia	0	25~~6~~	0
~~Idaho~~	~~0~~	~~1~~	~~0~~
~~Illinois~~	~~0~~	~~3~~	~~0~~
~~Indiana~~	~~0~~	~~2~~	~~0~~
~~Iowa~~	~~0~~	~~1~~	~~0~~
~~Kansas~~	~~0~~	~~1~~	~~0~~
~~Kentucky~~	~~0~~	~~1~~	~~0~~
~~Louisiana~~	~~0~~	~~2~~	~~0~~
~~Maine~~	~~0~~	~~3~~	~~0~~
~~Maryland~~	~~0~~	~~1~~	~~0~~
~~Massachusetts~~	~~0~~	~~2~~	~~0~~
~~Michigan~~	~~0~~	~~2~~	~~0~~
~~Minnesota~~	~~0~~	~~2~~	~~0~~
~~Mississippi~~	~~0~~	~~1~~	~~0~~
~~Missouri~~	~~0~~	~~2~~	~~0~~
~~Nebraska~~	~~0~~	~~2~~	~~0~~
~~Nevada~~	~~0~~	~~2~~	~~0~~
~~New Hampshire~~	~~0~~	~~2~~	~~0~~
New Jersey	0	3~~2~~	0
~~New Mexico~~	~~0~~	~~2~~	~~0~~
New York	0	2~~2~~	0
~~North Carolina~~	~~0~~	~~3~~	~~0~~
~~Ohio~~	~~0~~	~~3~~	~~0~~
~~Oklahoma~~	~~0~~	~~3~~	~~0~~
~~Oregon~~	~~0~~	~~4~~	~~0~~
~~Pennsylvania~~	~~0~~	~~2~~	~~0~~
~~Rhode Island~~	~~0~~	~~2~~	~~0~~
~~South Carolina~~	~~0~~	~~2~~	~~0~~
~~South Dakota~~	~~0~~	~~1~~	~~0~~
~~Tennessee~~	~~0~~	~~5~~	~~0~~
Texas	0	20~~3~~	0
~~Utah~~	~~0~~	~~1~~	0
~~Vermont~~	~~0~~	~~1~~	0
~~Virginia~~	~~0~~	~~2~~	0
~~Washington~~	~~0~~	~~3~~	0
~~Wisconsin~~	~~0~~	~~4~~	0
~~Wyoming~~	~~0~~	~~1~~	0

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
TOTAL	**0**	**102**	**0**

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document, as **Exhibit “G~~I~~”** are our audited balance sheets for our fiscal years ended December 31, 2020~~19~~, December 31, 2019~~8~~, and December 31, 2018~~7~~, and the related statements of operations, statements of stockholders’ equity, and cash flows for the fiscal years then ended. Also attached in **Exhibit “G~~I~~”** are our unaudited financial statements as of February 28~~March 31~~, 2021~~0~~.

Our fiscal year end is December 31.

Item 22

CONTRACTS

The following agreements are attached to this disclosure document in the pages immediately following:

Exhibit	Agreement
D	Franchise Agreement
E	Sub-License Agreement
~~F~~	~~Personal Guaranty and Subordination Agreement~~
~~G~~	~~Conditional Lease Assignment Agreement~~
H~~J~~	General Release
J~~L~~	Chase Paymentech Merchant Application and Agreement
K~~M~~	Confidentiality Agreement for Cellairis Confidential Operations Manual
M~~O~~	Equipment Purchase Agreement and License Agreement
N	Merchant Enrollment Agreement
O~~P~~	Franchisee Disclosure Questionnaire
Q~~R~~	Receipts

Item 23

RECEIPT

You will find copies of a detachable receipt in **Exhibit “Q~~R~~”** at the very end of this Disclosure Document.

EXHIBIT "A"

State-Specific Addendum

CALIFORNIA APPENDUM~~IX~~ TO THE FDD

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 OFFERING CIRCULAR.

Neither the Franchisor nor any person identified in Item 2 of this FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SPECIFIC CALIFORNIA REGULATIONS

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee 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. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

1. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq*.).

2. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

3. The franchise agreement provides that interest shall be at 18% or the highest rate allowable by law. This provision may not be enforceable under California law and the interest rate is 10% annually.

4. The franchise agreement requires application of the laws of Georgia. This provision may not be enforceable under California law.

5. The Franchisor is aware of and will comply with (to the extent they are applicable) the "negotiated sales" requirements of § 310.100.2, Title 10, California Code of Regulations. All negotiated terms made for franchisees in California in the last 12 months are available upon written request to Jason Adler c/o Cellairis Franchise, Inc., 6485 Shiloh Road, Bldg. B Unit 100, Alpharetta, GA 30005.

6. 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 be rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

8. 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.

HAWAII APPENDUM~~IX~~ TO THE FDD

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 AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE HAWAII 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 THIS OFFERING CIRCULAR TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E-1 *et seq*. the Cellairis Franchise, Inc. Disclosure Document for the offer of Cellairis franchise for use in Hawaii shall be amended as follows:

1. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum to the Disclosure Document.

ILLINOIS APPENDUM~~IX~~ TO THE FDD

In recognition of the Illinois Franchise Disclosure Act of 1987, Illinois compiled Statues 1992, Chapter 818, Sections 704/1 thru 705/44, the Franchise Disclosure Document for Cellairis Franchise, Inc. for the offer of Cellairis Franchises for use in the State of Illinois, and notwithstanding anything to the contrary contained in the Franchise Disclosure Document, to the extent that the Franchise Disclosure Document contains provisions that are inconsistent with the following, such provisions shall be amended to include the following language:

Each provision of this Appendix to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Appendix to the Disclosure Document.

1. All initial fees and payments due to Franchisor and its affiliates are deferred until the Franchisor has fulfilled all its pre-opening obligations and the Cellairis Business Unit is opened for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

2. Illinois law governs the Agreement.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, the Agreement may provide for arbitration to take place outside of Illinois.

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

MARYLAND APPENDUM~~IX~~ TO THE FDD

The Cellairis Franchise Disclosure Document for use in the State of Maryland shall be amended to include the following:

Notwithstanding anything to the contrary set forth in the Cellairis Franchise Inc.'s Disclosure Document, the following provisions shall supersede and apply to all Franchises offered and sold in the State of Maryland.

Item 17 of this Disclosure Document is amended as follows:

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

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.

The provision that allows us to require you and the guarantors to remain liable for the performance of all obligations for the remainder of the term will not be applicable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable. However, we intend to enforce the franchise agreement provisions to the fullest extent permitted by law.

To the extent that any provisions of the Franchisee Disclosure Questionnaire require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a Cellairis franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Each provision of this Appendix to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Appendix to the Disclosure Document.

MICHIGAN APPENDUM~~IX~~ TO THE FDD

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 MAY BE VOID AND MAY NOT BE ENFORCEABLE AGAINST YOU:

(A) A prohibition on the right of a franchisee to join an association of franchisees.

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

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to comply with any lawful provisions 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 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, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchise 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 franchisors then current reasonable qualifications or standards.

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

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

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

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (C).

(I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

* * * * * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL

* * * * * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 LAW BUILDING
LANSING, MICHIGAN 48913
TELEPHONE NUMBER: 517-373-7117

MINNESOTA APPENDUM~~IX~~ TO THE FDD

1. The following is hereby added to the cover page of the Cellairis Disclosure Document:

   Minnesota law provides franchisees with certain rights regarding termination and nonrenewal of their franchises. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Ann. Sec. 80.C.14, Subd. 3, 4, and 5 which require, except in certain specified cases, (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of a franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

   The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

   Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J may prohibit Cellairis from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Agreement or this Disclosure Document may abrogate or reduce any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or the Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. The following is hereby added to Item 17 of the Cellairis Disclosure Document:

   Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J may prohibit Cellairis from requiring a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration bar.

   The State of Minnesota has statutes that might supersede the Franchise Agreement in your relationship with us. Minnesota Department of Commerce

Rule 2860.4400D prohibits a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22; provided, that this part shall not bar the voluntary settlement of disputes.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.
Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK STATE DISCLOSURE ADDENDUM

ADDITIONAL RISK FACTORS:

You must make inventory and supply purchases of at least $1,0~~5~~00 minimum monthly inventory each month for all Cellairis Business Units~~Mall Units and Full Store Units and $1,000 minimum monthly inventory for Store-in-Store Outlets~~, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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. The following is hereby added to Item 3:

   Except as provided above, with regard to the franchisor, it predecessor, a person identified in Item 2, or any 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 ten-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.

2. The following is hereby added to Item 4: Neither we nor anyone listed in Item 2 during the 10-year period immediately before the date of the disclosure document a) filed as a 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 the officer of general partner of the franchisor held this position in the company or partnership.

3. The following is hereby added to Item 5: The initial franchise fee is to be paid to us in one lump sum payment and the purpose for the initial franchise fee is to support training, support brand identification, and improve methods of doing

business.

4. The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer"**: However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**: You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the "Summary" section of Item 17(j), titled **"Assignment of contract by franchisor"**: However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

7. 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.

NORTH DAKOTA APPENDUM~~IX~~ TO THE FDD

The securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees pursuant to § 51-19-09 N.D.C.C.:

1. Use of a general release that is to be signed upon renewal of this franchise described in Item 17(c) of the Disclosure Document and within Paragraph 4(B)(5) of the Franchise Agreement may be considered unenforceable in the State of North Dakota.

2. Consent of paying liquidated damages and termination penalties described in Item 17(i) of the Disclosure Document and within Paragraphs 11 and 13 of the Franchise Agreement may be considered unenforceable in the State of North Dakota.

3. Covenants not to compete such as those mentioned in Item 17(r) of the Disclosure Document and Paragraph 8(D) of the Franchise Agreement are generally considered unenforceable in the State of North Dakota pursuant to § 9-08-06 of the North Dakota Century Code.

4. Requirements for the franchisee to sue the Franchisor in the state and federal Court of general jurisdiction in Fulton County, Georgia as mentioned in Item 17(v) of the Disclosure Document and in Paragraphs 13(C) and D of the Franchise Agreement may not be enforceable in the State of North Dakota.

5. Application of law other than North Dakota Law as mentioned in Item 17(w) of the Disclosure Document and Paragraph 13(C) of the Franchise Agreement may be considered unenforceable in the State of North Dakota.

6. Each of the above provisions shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each individual provision, are met independent of this Appendix.

RHODE ISLAND APPENDUM~~IX~~ TO THE FDD

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."

VIRGINIA ADDENDUM TO THE FDD

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

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

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

WASHINGTON STATE APPENDUM~~IX~~ TO THE FDD

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

The Special Risks to Consider About This Franchise is amended as follows:

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~The State of Washington has a statute, RCW 19.100,180, which may supersede the Franchise Agreement in your relationship with us in the areas including termination and renewal of your Franchise. There may be court decisions which may supersede the Franchise Agreement in your relationship with us in the areas including termination and renewal of your Franchise.~~

~~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.~~

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

~~A release or waiver of rights executed by a Franchisee 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 rights to a jury trial may not be enforceable.~~

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

EXHIBIT "B"

List of State Administrators

California

Department of Financial Protection and Innovation~~Commissioner of Business Oversight~~
~~Department of Business Oversight~~
320 West 4th Street
Suite 750
Los Angeles, CA 90013-2344
(213) 876-7500
Toll Free: (866) 275-2677

Connecticut

Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8299

Hawaii

Commissioner of Securities
Hawaii Department of Commerce and Consumer Affairs
335 Merchant Street
Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Chief Franchise Division
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Secretary of State
Franchise Section
302 West Washington
Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland

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

Michigan

Consumer Protection Div. Franchise Section
Attn: Kathryn A. Barron
670 G. Mennen Williams Building
Lansing, MI 48913
(517) 373-7117

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East
Suite 280~~500~~
St. Paul, MN 55101-2198
(651) 539-1600~~(651) 296-4026~~

New York

~~Bureau of Investor Protection & Securities~~
New York State Department of Law
Investor Protection Bureau
28 Liberty Street
21st Floor
New York, NY 10005
(212) 416-8222~~11~~

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor
Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island

Dept. of Business Regulation
1511 Pontiac Avenue
Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

Division of Insurance
Securities Regulation
124 S. Euclid
Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

~~Chief Examiner~~
State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 East Main Street
Richmond, VA 23219-3630
(804) 371-9276~~051~~

Washington

Department of Financial Institutions
Securities Division~~ – 3rd Floor~~
P.O. Box 9033~~150 Israel Road, SW~~

Olympia~~Tumwater~~, Washington 98507~~1~~
(360) 902-8760

Wisconsin

Office of the Commissioner of Securities
345 West Washington Avenue, Fourth Floor
Madison, Wisconsin 53703
(608) 261-9555

EXHIBIT "C"

Agent for Service of Process

This list includes the name and address of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the name and address of our agent for service of process for other states.

California

Department of Financial Protection and Innovation~~Commissioner of Business Oversight~~
320 West Fourth Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500
Toll Free: (866) 275-2677

Connecticut

Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8299

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street
Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Secretary of State
201 State House
Indianapolis, IN 46204
(317) 232-6681

Maryland

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

Michigan

Dept. of Commerce, Corp. & Securities Bureau
6546 Mercantile Way
P.O. Box 30222
Lansing, MI 48910
(517) 373-7117

Minnesota

Commissioner of Commerce
85 7th Place East, Ste. 280~~500~~
St. Paul, MN 55101
(651~~612~~) 539~~296~~-1600~~4026~~

New York

New York State Department of State
99 Washington Avenue
Albany, New York 12231
(518) 473-2492

North Dakota

The Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor
Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island

Director of Department of Business Regulation
1511 Pontiac Avenue
Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

Division of Insurance
Securities Regulation
124 S. Euclid
Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

Clerk of the State Corporation Commission
1300 East Main Street
Richmond, VA 23219
(804) 371-9733~~051~~

Washington

Director of Department of Financial Institutions
Securities Division – 3rd Floor
150 Israel Road, SW
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Commissioner of Securities
345 West Washington Avenue, Fourth Floor
Madison, WI 53703
(608) 261-9555

Other States

Kilpatrick Townsend & Stockton, LLP
Attn: Chris Bussert, Esq.
1100 Peachtree Street NE, Suite 2800
Atlanta, GA 30309
(404) 815-6545

EXHIBIT "D"

<u>Franchise Agreement</u>

CELLAIRIS
FRANCHISE AGREEMENT

TABLE OF CONTENTS

EXHIBITS

CELLAIRIS
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (**"Agreement"**) is made and entered into effective as of the _____ day of _________, 20__, (the "**Effective Date**") by and between **CELLAIRIS FRANCHISE, INC.**, a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ______________________, with a principal address at ______________________ (**"FRANCHISEE"**).

A. Company is the owner of a system (the **"System"**) for the operation of Cellairis® branded retail merchandise units.

B. Cellairis Business Units have multiple business formats which Company may add to, delete and modify in its discretion from time to time. The current Cellairis Business Units include (i) ~~movable display centers which hold and display Products (defined below) on all four sides, where an employee who operates the cart is free to move around all four sides of the unit and is not confined behind a counter (each an **"RMU"**), (ii)~~ Cellairis® branded retail interactive kiosks with four sides of Products in display cases operated with an employee behind a counter with storage space behind the counter (each an **"Interactive Kiosk"**), (~~i~~ii) Cellairis® branded traditional full retail stores which may be in-line with other stores and is likely to be operated in a shopping mall, freestanding building, or in an in-line retail plaza such as a lifestyle center or strip center (each a **"Full Store Unit"**), and (iii~~v~~) Cellairis® branded retail units, which are operated within the building of, and/or on the premises of, another retailer (**"Host"**) which will often be a "big box" or mass market retail store, selected by Company (each a **"Store-in-Store Outlet"**). Interactive Kiosks~~ and RMUs are collectively referred to as "**Mall Units**" and Mall Units~~, Full Store Units, and Store-in-Store Outlets are collectively referred to in this Agreement as "**Cellairis Business Units**."

C. Company identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark Cellairis®, and such other trade names, service marks, and trademarks (collectively the **"Marks"**), as are now designated (and may hereinafter be designated by Company in writing) for use in connection with the System. The Marks are owned by Company's affiliate, JJT Holdings, LLC which has licensed the Marks to another Company affiliate, Global Cellular, Inc. (**"Global Cellular"**), which has licensed the Marks to Company with the right to sub-license to FRANCHISEE.

D. Cellairis Business Units specialize in (i) selling wireless device accessories including cellular telephone accessories, Parts (defined below), and other related products (collectively the **"Products"**) and (ii) providing specified services including cellular telephone and wireless device repair, warranty, product guaranty, and replacement services (collectively the **"Services"**) using parts and equipment necessary to perform the Services (the "**Parts**").

E. FRANCHISEE desires to utilize the System to operate the type of Cellairis Business Unit set forth in Paragraph 1.A. at the Location specified below (the **"Business Unit"**) and the Business Unit will sell the Products and perform the Services to end users under the Marks. FRANCHISEE acknowledges that FRANCHISEE has received a copy of the Franchise Disclosure Document of Company (the "**FDD**") and has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by financial and legal counsel of FRANCHISEE's own choosing at least 14 calendar days, prior to its execution, and is entering into this Agreement or any other agreement relating to the Franchise (as hereinafter defined) and prior to the payment of any consideration by FRANCHISEE to Company. FRANCHISEE is entering into this Agreement after having made an independent investigation of Company's System, Products, Services, Marks, and Company's operations and not upon any representation, warranty, or promise as to profits and/or sales volume which FRANCHISEE might be expected to realize, nor upon any representations or promises by Company which are not contained in this Agreement or the FDD.

In consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration the delivery, sufficiency, and receipt of which is hereby acknowledged by the parties, the parties, intending to be legally bound, agree as follows:

1. FRANCHISE GRANT: TERM, LOCATION, AND RIGHTS

A. Grant and Conditions

Company grants to FRANCHISEE the right and obligation (the "**Franchise**"), and FRANCHISEE accepts and undertakes the obligation, to operate one (and only one) Business Unit at the Location (defined below) during the Term (defined below), and to use the System and the Marks only in the operation of such Business Unit, which shall be a _______________________ (designate ~~RMU,~~ Interactive Kiosk, Full Store, or Store-in-Store Outlet) at ____________________________________ (the **"Location"**). If the Location is not known and approved by Company as of the date of execution of this Agreement, FRANCHISEE shall locate a site for the Business Unit in accordance with the provisions of Paragraph 5.D. below, and Company's Manuals and procedures. The term of this Agreement (the "**Term**") begins on the Effective Date and shall continue for a period of 5 years from the Commencement Date (as defined below) unless sooner terminated in accordance with the provisions of this Agreement, which may include the termination or expiration of the Occupancy Agreement (defined below) for the Location. FRANCHISEE agrees to operate the Business Unit at the specified Location for the entire Term. FRANCHISEE understands and agrees that its lease, license, sublease or sub-license for the Location (the **"Occupancy Agreement"**) may provide for a shorter term than this Agreement. FRANCHISEE further understands that the landlord as defined within the Occupancy Agreement may take actions which are either consistent or inconsistent with the underlying Occupancy Agreement but which are, in any case, beyond the control of Company, its affiliates, or FRANCHISEE, and that these actions by the landlord may consist, among other things, of terminating the right to occupy the Location and operate the Business Unit. Company shall have the right to terminate this Agreement if the underlying Occupancy Agreement for the Location expires or is terminated, prior to the expiration of this Agreement, irrespective of the cause of any such termination, and in such event, Company and its affiliates shall have no liability whatsoever to FRANCHISEE except that FRANCHISEE may obtain any unearned License Payments (as defined in Paragraph 3.D.) paid in advance to Company or its affiliates, as well as any unused portion of any security deposit paid in advance to Company or its affiliates under any sublease or sub-license agreement, which shall be refunded to FRANCHISEE only if such termination is not the result of a breach by FRANCHISEE of any sublease or sub-license agreement between FRANCHISEE (or any of its affiliates) and Company or its affiliates, or as a result of breach of the Occupancy Agreement. Company and its affiliates have no obligation to provide FRANCHISEE with an alternate location in the event FRANCHISEE's Occupancy Agreement is terminated. FRANCHISEE accepts this franchise with the full and complete understanding that the Franchise grant contains no representation, warranty, promise, or assurance of renewal or extension or option of renewal or extension. The sole and entire conditions under which FRANCHISEE will have the opportunity of obtaining a Successor Franchise Agreement (as defined in Paragraph 4) at expiration of this Agreement are those set forth in Paragraph 4. Further, FRANCHISEE understands and acknowledges that by entering into this Agreement it has not received, and it is not relying on, any warranties, guarantees, or representations regarding the Occupancy Agreement, including any right, option, or possibility that the Occupancy Agreement may or will be extended or renewed upon the expiration or termination of the Occupancy Agreement. This Franchise is for the operation of a single Business Unit at the specified Location only and does not in any way grant or imply any area, market, or territorial rights proprietary to FRANCHISEE. Except as expressly set forth herein, FRANCHISEE acknowledges that the Franchise granted under this Agreement is non-exclusive and FRANCHISEE has no territorial protection, exclusive territorial rights, or protected territory and FRANCHISEE has no right to exclude, control, or impose conditions on the location or development of other or future Cellairis Business Units under the Marks, or on any sales or distribution of products or services under the Marks or other business activities of Company or its affiliates or any other party licensed to use the Marks. FRANCHISEE further acknowledges and agrees that it is entirely within Company's discretion whether to offer or grant additional Cellairis Business Units or locations to FRANCHISEE.

Attached hereto as **Exhibit "4"** is a description of the legal organization of FRANCHISEE (whether a corporation, limited liability company, partnership, sole proprietorship, or otherwise), the names and addresses of each person or entity owning any interest in FRANCHISEE, and, to the extent that any owner is an entity, each person who ultimately has an ownership interest in any and all such entity or entities (the **"Principal Owners"**) and the percentage of such interest owned by such person or entity. FRANCHISEE agrees to notify Company in writing whenever there is any change in the organizational structure or ownership interest of FRANCHISEE as set forth on **Exhibit "4"**. At Company's request, FRANCHISEE shall provide to Company a copy of all FRANCHISEE's governing and/or organizational documents and any amendments thereto. FRANCHISEE understands and acknowledges that full and accurate completion, as well as compliance with Paragraph 9 and timely updates to **Exhibit "4"**, to show at all times the true ownership structure of FRANCHISEE is a material part of this Agreement as well as Company's decision to enter into and maintain this Agreement. Company reserves the right to require that all owners and Principal Owners of FRANCHISEE execute the Personal Guaranty attached hereto as **"Exhibit "1"**. All such persons and entities shall be referred to as "guarantors." Additionally, if this Agreement is to be signed by an individual(s) in his/her/their individual capacity or by an entity, whereby the individual(s) or entity's principal owner(s) only satisfies Company's financial, creditworthiness and/or management qualifications based on, or with the joint qualifications of, his/her/their spouse(s), Company may, as a condition to the execution of or continuation of this Agreement, require each such spouse to execute the Personal Guaranty set forth as **Exhibit "1"**.

The term "**Commencement Date**" means the earlier of (i) the date that the FRANCHISEE opens the Business Unit for business, or (ii) the date that the FRANCHISEE is able to open the Business Unit for business, as determined by Company, acting reasonably. Once the Commencement Date is determined by either (i) or (ii) above, **Exhibit "6"** shall be amended by Company to reflect such date. If no Commencement Date is specified in **Exhibit "6"**, the Commencement Date shall be deemed to be 30 days after the Effective Date.

B. Location

FRANCHISEE has agreed to operate the Business Unit only at the Location described above, which Location is or will be either leased or licensed to FRANCHISEE by the Host, or a third party, or sub-licensed to FRANCHISEE by Company, an affiliate of Company, or an unrelated third party. FRANCHISEE agrees to abide by all terms contained in any Occupancy Agreement, as well as any sub-license agreement entered into between FRANCHISEE (or its affiliate) and Company or its affiliate. The rights granted to FRANCHISEE hereunder shall be non-exclusive and shall be restricted to the operation of the single Business Unit to be located at the Location during the Term of this Agreement. In connection with the execution of any Occupancy Agreement for the Location from a third party that is not related to Company, FRANCHISEE must execute, and cause the lessor and/or sublessor of the Location to execute, the Conditional Lease Assignment Agreement as set forth on **Exhibit "2"**, in addition to complying with any other obligations and conditions relating to the Occupancy Agreement for the Location and the development and construction of the Business Unit. The rights granted to FRANCHISEE are for the specific Location and cannot be transferred to any other location, except with Company's prior written approval.

C. Reservation of Rights in Company

Company and its affiliates, expressly reserve and retain the right, in their discretion, to:

(1) own and/or operate Cellairis Business Units utilizing the System or other systems as well as the right to grant franchises, licenses, or distributorships for other Cellairis Business Units utilizing the System as well as to operate and grant franchises, licenses, and distributorships to and/or for any type of business including those which are the same as or similar to the operations of the Business Unit under any marks or the Marks, or any variation of the Marks, or the System, in any location, on any terms and conditions that Company deems appropriate, without granting FRANCHISEE any rights therein, without any compensation to FRANCHISEE, and regardless of their actual or threatened impact on sales at the Business Unit, provided that for a Store-in-Store Outlet, such Business Unit will not be located at or within the Location;

(2) sell wireless/cellular accessories and other products or services, including the Products and Services, at wholesale or retail, and solicit customers and prospective customers (including solicitation through other franchisees), under any marks or the Marks, or any variation of the Marks, through other channels or methods of distribution, including, but not limited to, sales over the internet (or any other existing or future form of electronic commerce), sales to the Host, other retailers (including but not limited to big box retailers such as Best Buy, Office Max, *etc*., mass market stores such as Walmart, Target, *etc*., mid-tier stores, specialty stores, department stores, kiosks, carts, toy stores, military post exchanges, drug stores, and convenience stores such as CVS, Walgreens), wholesalers, carrier channels (including but not limited to cell phone service providers such as AT&T, Verizon, *etc*.), mail order and catalogue sales, and sales via radio and television, all of which may include carrier channels, methods of distribution, wholesalers, retailers, vendors, resellers, and any other distributors, in any location, on any terms and conditions that Company deems appropriate, without any compensation to FRANCHISEE, and

regardless of their actual or threatened impact on sales at the Business Unit;

(3) establish, and license others to establish, Cellairis Business Units at or within any institutional or captive audience facilities, including, without limitation, military bases, airports and other public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or highway rest stops, parks, stadiums, malls, museums, art centers, contract or institutional food service operators, theaters, warehouse clubs, theme parks, amusement centers, truck stops, universities, colleges, schools, hotels, motels, gyms, big box retailers (such as Best Buy, Office Max, *etc.*), mass market stores (such as Walmart, Target, *etc.*), specialty stores, convenience stores, or casinos, in any location and on any terms and conditions that Company deems appropriate, without granting FRANCHISEE any rights therein, without any compensation to FRANCHISEE, and regardless of their actual or threatened impact on sales at the Business Unit, provided that for a Store-in-Store Outlet, such Business Unit will not be located at or within the Location;

(4) in the event Company or its affiliates acquire another chain or system, regardless of the number of outlets or units, or Company or its affiliates are acquired by another chain or system, that operates and/or licenses/franchises business units or stores that are the same or similar to Cellairis Business Units in that they have a substantially similar catalog, line, or inventory of products and services or similar theme or concept, Company or its affiliates may, in addition to any other rights in this Agreement, establish, acquire or operate, or license/franchise others to establish and operate, business units or stores under other systems or other marks, which business units or stores may offer or sell products or services that are the same as, or similar to, the products and services offered from the Business Unit, regardless of these business units' or stores' proximity to the Business Unit, or their actual or threatened impact on sales at the Business Unit subject to this Agreement;

(5) purchase, merge, acquire, or affiliate with an existing competitive or noncompetitive license/franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise, or license those businesses and/or facilities as Cellairis Business Units operating under the Marks or any other marks following Company or its affiliate's purchase, merger, acquisition, or affiliation, regardless of the location of these facilities, which FRANCHISEE acknowledges may be proximate to the Business Unit, and regardless of these

businesses and/or facilities proximity to the Business Unit, or their actual or threatened impact on sales at the Business Unit subject to this Agreement; and

(6) engage in any other activity, action, or undertaking that Company is not expressly prohibited from taking under this Agreement.

D. Variation of Terms

(1) FRANCHISEE understands and acknowledges that other franchisees of Company may be granted franchise agreements at different times and in different situations. FRANCHISEE acknowledges that the provisions of such agreements may vary substantially from those contained in this Agreement and that FRANCHISEE's obligations hereunder may differ substantially from those of other franchisees.

(2) Company reserves the right in its discretion to vary its specifications, standards and operating practices, and requirements among franchisees, including, without limitation, those relating to equipment, signage, operations, Parts, Products, and Services. Company may impose such variations to address differing or unique circumstances or for other reasons Company, in its discretion, deems good and sufficient. FRANCHISEE understands and acknowledges that such variations may lead to different costs or obligations among franchisees. FRANCHISEE understands and acknowledges that Company and its affiliates have the right and discretion to treat franchisees differently even if they are similarly situated.

E. Host Sale of Products

FRANCHISEE understands and acknowledges that the Host may offer products and services for sale at the Host's retail stores (including the Host's store from which the Store-in-Store Outlet is intended to operate), or elsewhere, that are the same as or similar to the Products and Services offered for sale by FRANCHISEE at the Location.

2. FRANCHISE FEE

A. Franchise Fee

Upon execution of this Agreement, FRANCHISEE shall pay to Company an initial franchise fee (**"Franchise Fee"**) of $25,000~~$7,500 if this Agreement is for an RMU, or $20,000 if this Agreement is for an Interactive Kiosk, $30,000 if this Agreement is for a Full Store, or $35,000 if this Agreement is for a Store-in-Store~~

~~Outlet (see Paragraph 1.A.)~~. In the event FRANCHISEE is entering into this Agreement, as well as other franchise agreements, at the same time as entering into this Agreement, then the Franchise Fee will be based on the number of Business Unit(s) the FRANCHISEE is agreeing to open and operate as follows~~-~~:

Number of Business Units	Franchise Fee
2	$20,000
3	$16,667
4	$16,250
5 and more	$15,000

For purposes of an example only, in the event FRANCHISEE was going to enter into two Agreements at the same time, then the FRANCHISEE would pay a Franchise Fee of $20,000 for each Business Unit, for a total of $40,000. Further, if FRANCHISEE signs additional franchise agreements in the future, the Business Units already under a franchise agreement will not count towards the additional new franchise agreements entered into at the later date. For purposes of a continued example, in the event FRANCHISEE signs two franchise agreements as provided above, but then nine months later signs two additional franchise agreements, FRANCHISEE would pay $20,000 for each Business Unit for a total of $40,000 for units three and four.

Company will reduce the initial Franchise Fee by $1,500 if, in conjunction with FRANCHISEE's evaluation of this Cellairis Franchise opportunity, FRANCHISEE retained and was represented by an attorney knowledgeable and experienced in franchising and business transactions. Attached as **Exhibit "8"** to this Agreement is an "Acknowledgement of Legal Representation," which FRANCHISEE must sign and deliver to Company concurrently with this Agreement in order to receive a reduced Initial Franchise Fee.

Company will also refund $1,000 of the paid Franchise Fee if FRANCHISEE, following execution of this Agreement travels to Company's headquarters for training, and successfully completes the initial training program. Company may, at its option, credit this $1,000 against FRANCHISEE's future payments for royalties or other amounts owed, and such credit will be applied with the first 4 months of operation of the Business Unit.

B. Acknowledgment

FRANCHISEE acknowledges that the grant of this Franchise constitutes the consideration for the payment by FRANCHISEE to Company of the Franchise Fee, and that this Franchise Fee shall be and is fully earned and non-refundable, in whole or in part, for any reason, by Company upon the execution and delivery of this Agreement.

3. ROYALTY AND OTHER FEES

A. Royalty

For all Cellairis Business Units ~~designated as an RMU, Kiosk, or Full Store (see Paragraph 1.A.)~~ the following shall apply:

Beginning on the Commencement Date and continuing for the remainder of the Term, FRANCHISEE agrees to pay to Company a monthly royalty of the greater of (a) the Flat Minimum Monthly Fee (as defined below) or (b) 5% of Gross Sales (as defined in Paragraph 3.B.) (**"Royalty"**) for the use of the System and the Marks. Royalties shall be paid as follows:

(1) Company shall on each of the first 4 Tuesdays of each month, withdraw from FRANCHISEE's bank account or charge FRANCHISEE's credit card, pursuant to the Royalty Payment process described in Paragraphs 3.D and 3.E. below, an amount equal to 25% of the Flat Minimum Monthly Fee (defined below) due for such month; and

(2) in the event FRANCHISEE's Gross Sales for such month require Royalty payments greater than the Flat Minimum Monthly Fee, Franchisee shall pay the amount owed for such month (over the Flat Minimum Monthly Fee) by the 10th day of the immediately following month, in accordance with the procedures described in this Paragraph 3 or in the Manuals.

The "**Flat Minimum Monthly Fee**" is $1,000 per month~~during the first 12 months from the Commencement Date, and is applicable to any and all Cellairis Business Units, including an RMU, an Interactive Kiosk, or a Full Store. The Flat Minimum Monthly Fee shall increase by $50 per month each subsequent anniversary of the Commencement Date during the Term, beginning with the first anniversary of the Commencement Date~~. THE MINIMUM MONTHLY ROYALTY REQUIREMENT IS IN NO WAY INTENDED TO IMPLY THAT YOU WILL EXPERIENCE GROSS SALES OF ANY PARTICULAR LEVEL.

~~For a Business Unit designated as a Store-in-Store Outlet (see Paragraph 1.A.) the following shall apply:~~

~~Beginning on the Commencement Date and continuing for the remainder of the Term, FRANCHISEE agrees to pay to Company a monthly royalty of 5.0% of Gross Sales (as defined in Paragraph 3.B.) (**"Royalty"**) for the use of the System and the Marks. Royalties shall be paid monthly by the 10th day of each month for the previous month.~~

B. Gross Sales

The term "**Gross Sales**" as used in this Agreement includes all sums charged or collected by FRANCHISEE for Products, Parts, goods, merchandise, or Services sold at, from, or in connection with the Business Unit whether for cash, for credit, debit, barter, or otherwise, and whether the payment is received from a customer, insurance company, credit card company, or a warranty or service provider. The sale by FRANCHISEE of Products, Parts, or Services away from the Location or the Business Unit is not authorized; however, should any such sales be made notwithstanding a lack of approval, or should they be approved in the future, they will be included within the definition of Gross Sales. All monies, payments, compensation, or reimbursements received from third parties for warranty service, guaranty service, and other services and support shall be deemed part of Gross Sales and subject to the Royalty and other percentage and minimum payments due under this Agreement. Gross Sales excludes any federal, state, city, or county tax, excise tax, or other similar taxes collected by FRANCHISEE from customers based upon sales, and cash received as payment in credit transactions where the extension of credit itself has already been included in the figure. FRANCHISEE shall provide to Company, at such times and in such manner as may be specified by Company, information regarding Gross Sales of the Business Unit including by means of allowing Company to poll FRANCHISEE'S Business Unit, and FRANCHISEE shall provide monthly sales information for the Business Unit to Company by e-mail, fax, or other means. Acceptance by Company of payments or reports shall be without prejudice, and shall in no event constitute a waiver of Company's right to claim a deficiency in such required payment or required information or report, nor a waiver of Company's right to audit FRANCHISEE's books and records as provided for in Paragraph 7.A. and 7.B. below. FRANCHISEE agrees to allow Company to use estimated Gross Sales figures for the purpose of calculating any payments due to Company or its affiliates if FRANCHISEE fails or delays in providing timely Gross Sales figures. Such estimates shall be made on a reasonable basis as Company considers appropriate. Reconciliations shall be timely made following receipt by Company of actual Gross Sales figures.

C. **Interest, Late Charges, and Insufficient Funds**

Any payment due to Company not paid when due shall bear interest at the maximum rate allowed by Georgia law or, if no maximum rate relating to this transaction is in effect in the State of Georgia, 18% per annum. Nothing in this Agreement shall be construed to mean that FRANCHISEE is to pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws and it is agreed that if excess is inadvertently collected it shall be applied to reduce the Royalty by the amount owed under Paragraph 3.A. above. All payments required to be made to Company under this Agreement shall be made in Alpharetta, Georgia, or at such addresses and to such parties as Company may designate in writing from time to time. FRANCHISEE agrees to make prompt payment, without deduction or set-off, of all charges which are due to Company and its affiliates. Such payments cannot be withheld on grounds of a claimed non-performance by Company or its affiliates of any of their obligations hereunder. In addition to Company's right to charge interest as provided herein, if permitted by applicable law, Company may charge FRANCHISEE, without further notice or demand, a $500.00 late payment fee for all overdue payments and a $100.00 insufficient funds fee for any check, electronic funds transfer, credit/charge card, or other payment method that is not honored by FRANCHISEE'S financial institution plus the amount to reimburse Company for all costs, charges, fees, and expenses assessed by the financial institution or other third party, and otherwise incurred by Company (including reasonable attorney's fees) in obtaining the full payment of amounts owed by FRANCHISEE. Such amount may be reduced to a lesser amount in Company's discretion if applicable law does not permit charges in the indicated amounts.

D. Automatic Credit/Charge Card Payment

Company may, in its discretion, require that all Royalty fees, all license or sub-license payments which are owed to Company or any affiliate of Company ("**License Payments**"), payments for any Products, Parts, or Services purchased by FRANCHISEE from Company and any affiliate, and any other amounts owing to Company and any affiliate of Company under this Agreement or otherwise be paid by credit/charge card payment which shall be automatically processed each month by Company. FRANCHISEE agrees that, upon request from Company, FRANCHISEE shall perform the acts and sign those documents, including the authorization form attached as Appendix 1 to this Agreement that Company and/or FRANCHISEE'S credit/charge card issuer may require to accomplish payment. FRANCHISEE expressly warrants and represents that the credit/charge card information provided to Company in Appendix 1 is accurate and that FRANCHISEE has the authority to authorize Company and any affiliate of Company to charge the credit/charge card provided in Appendix 1. FRANCHISEE further acknowledges that it is under the express obligation and duty to ensure that the information provided in Appendix 1 is accurate at all times during the Term hereof and that the credit/charge card provided in Appendix 1 is valid. If at any time, the credit/charge card provided in Appendix 1 changes or becomes invalid, FRANCHISEE shall immediately provide Company with credit/charge card information for an alternative credit/charge card and authorize Company to charge the alternative credit/charge card for all fees due to Company and any affiliate of Company. By signing this Agreement, FRANCHISEE authorizes Company and any affiliate of Company to charge FRANCHISEE'S credit/charge card for the Royalty due each month as well as License Payments payable to Company or any affiliate of Company, any other amounts owing to Company or any affiliate of Company and the costs of any Products, Parts, or Services purchased from Company and any affiliate of Company. Company reserves the right and may require, in its discretion that FRANCHISEE remit all Royalty fees, the License Payments, the costs of any Products, Parts, or Services purchased by

FRANCHISEE from Company and any affiliate and any other amounts owing to Company and any affiliate of Company under this Agreement or otherwise through alternative methods of payment including but not limited to electronic funds transfers as set forth in Paragraph 3.E. of this Agreement. If FRANCHISEE (i) fails or is unable to provide a credit/charge card or (ii) withdraws approval to charge a credit/charge card without designating a replacement credit/charge card, such failure, inability, or withdrawal shall constitute a material breach of this Agreement justifying termination upon notice of default and a 5-day cure period by Company to FRANCHISEE. After any first time default under this provision during the Term of this Agreement, there shall be no right to cure. Nothing contained herein shall constitute a waiver of the right of Company and its affiliates to demand immediate cash payment of any and all sums currently due and owing.

E. Electronic Funds Transfer

Company may, in its discretion, elect to utilize an electronic funds transfer payment program, under which Company and any affiliate of Company may electronically debit from FRANCHISEE's bank account the Royalty, the License Payments, any other amounts owing to Company and any affiliate of Company, and the costs of any Products, Parts, or Services purchased from Company and any affiliate of Company. FRANCHISEE agrees that upon request from Company FRANCHISEE will perform the acts and sign those documents, including the authorization form attached as Appendix 2 to this Agreement, that Company, FRANCHISEE'S bank, and Company's bank may require to accomplish payment by electronic funds transfer, including authorizations for Company to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of the Royalty, the License Payments, the cost of Products, Parts, or Services purchased from Company and any affiliate of Company and other amounts, including interest and late fees payable to Company and any affiliate of Company. In addition, FRANCHISEE shall pay all costs associated with utilizing an electronic funds transfer payment program. FRANCHISEE expressly warrants and represents that the banking information provided to Company in Appendix 2 is accurate and that FRANCHISEE has the authority to authorize Company and any affiliate of Company to electronically debit the account provided in Appendix 2. FRANCHISEE further acknowledges that FRANCHISEE is under the express obligation and duty to ensure that the information provided in Appendix 2 is accurate at all times during the Term hereof and that banking information provided in Appendix 2 is valid. If at any time, the banking information provided in Appendix 2 becomes invalid, FRANCHISEE shall immediately provide Company with banking information for an alternative bank account and authorize Company to charge the alternative bank account for all fees due to Company and any affiliate of Company. Company reserves the right and may require, in its discretion that FRANCHISEE remit all Royalty fees, the License Payments, the costs of any Products, Parts, or Services purchased by FRANCHISEE from Company and any affiliate and any other amounts owing to Company and any affiliate of Company under this Agreement or otherwise through alternative methods of payment including but not limited to automatic credit/charge card payment as set forth in Paragraph 3.D. of this Agreement. If FRANCHISEE (i) fails or is unable to provide a bank account or (ii) withdraws approval to charge a bank account without designating a replacement bank account, such failure, inability or withdrawal shall constitute a material breach of this Agreement justifying termination upon notice of default and a 5-day cure period by Company to FRANCHISEE. After any first time default under this provision during the Term of this Agreement, there shall be no right to cure. Nothing contained herein shall constitute a waiver of the right of the Company and its affiliates to demand immediate cash payment of any and all sums currently due and owing.

F. Application of Payments; Billing Disputes

Company and its affiliates shall have the right and discretion to apply and/or allocate payments made by or on behalf of FRANCHISEE, in any manner, to any amounts due and owing Company and/or its affiliates, regardless of any instruction, direction, requirement, or proposed allocation set forth by FRANCHISEE. FRANCHISEE shall pay Company and its affiliates promptly for all Products, Services, assistance, and fees when due under this Agreement. If Company or an affiliate issues to FRANCHISEE an invoice or demand for payment, FRANCHISEE shall make such payment within the time frame indicated, or promptly if no such deadline is indicated (under this Agreement or the invoice). If FRANCHISEE disputes any aspect of any invoice, FRANCHISEE shall advise Company and affiliate (if applicable) within 60 days of the date of the invoice. If no such dispute is provided within such time frame, such invoice shall be deemed accepted, and FRANCHISEE waives any rights or claims.

G. Additional Payments

FRANCHISEE must pay Company or its affiliates within 10 days after demand: (i) all sales taxes, corporate taxes, and any like taxes imposed on, required to be collected by, or paid by Company or its affiliates on account of products or services Company or its affiliates furnish to FRANCHISEE, through sale, lease, or otherwise, or on account of Company's or its affiliates collection of any fee related to this Agreement; (ii) all franchise or like taxes, whether based on gross receipts, gross revenues, Royalty fees, License Payments, Advertising Fees, or otherwise, imposed on, required to be collected by, or paid by Company or its affiliates; and (iii) all other amounts Company or its affiliates pay or must pay for FRANCHISEE for any reason.

4. OPTION TO OBTAIN SUCCESSOR FRANCHISE AGREEMENT

FRANCHISEE shall have, exercisable on the expiration date of the Term of this Agreement, an option to obtain a successor franchise agreement (**"Successor Franchise Agreement"**) for a term of 5 years, provided that:

A. FRANCHISEE has given Company written notice (**"Notice"**) of its intention to exercise its option to obtain a Successor Franchise Agreement not more than one year and not less than 6 months prior to the expiration of the Term of this Agreement. Failure to give such Notice shall be deemed to be an irrevocable election not to exercise the option to obtain a Successor Franchise Agreement.

B. FRANCHISEE, and its Principal Owners (as defined in Paragraph 1.A.), at the time of the Notice and at the time of the expiration of the Term of this Agreement, are not in default of and have substantially complied with the terms and conditions of this Agreement and all other agreements with Company or its affiliates, whether relating to this Franchise or any other franchise or license with Company or its affiliates, consistently and throughout its Term, including but not limited to the following:

(1) FRANCHISEE has operated the Business Unit in accordance with the terms and conditions of this Agreement throughout the Term of this Agreement;

(2) FRANCHISEE has satisfied, in a timely fashion, all financial obligations in accordance with the terms and conditions of this Agreement and has, consistently throughout the Term, made all Royalty and License Payments in a timely fashion, and paid suppliers of Products, Parts, or Services (including affiliates of Company) in a timely fashion in accordance with the terms of lease, license, or sale;

(3) FRANCHISEE has maintained, improved, altered, replaced, and remodeled the Business Unit, including, without limitation the Location, signs, and equipment, throughout the Term of this Agreement in accordance with the terms and conditions of this Agreement;

(4) FRANCHISEE shall have completed the improvements, alterations, or remodeling of the Business Unit so as to reflect the then current image and requirements, of Company;

(5) Execution by FRANCHISEE and all Principal Owners of FRANCHISEE, if applicable, of a general release of Company, its affiliates, and their respective officers and employees in a form satisfactory to Company; and

(6) FRANCHISEE and/or FRANCHISEE's Manager(s) (as defined below) shall at FRANCHISEE's expense, attend and successfully complete to Company's reasonable satisfaction any additional training or retraining program which Company may require.

C. Within 120 days after receipt of the Notice, Company shall advise FRANCHISEE in writing if FRANCHISEE is not eligible to obtain a Successor Franchise Agreement, specifying the reasons for such ineligibility and identifying whether such deficiencies are capable of cure. Between the date of the Notice and the expiration date of the Term of this Agreement, if any act, circumstance, or omission causes FRANCHISEE to become ineligible to obtain a Successor Franchise Agreement then Company shall advise FRANCHISEE in writing thereof, specifying the deficiency and identifying a cure period if applicable.

D. If FRANCHISEE qualifies, then FRANCHISEE has the right to remain in possession of the Business Unit at the Location for the term of the Successor Franchise Agreement. FRANCHISEE recognizes that a new occupancy agreement may not be available and there can be no assurance whatsoever that the Occupancy Agreement for the Location will be renewed/extended by the lessor, licensor, or any sublessor or sub-licensor (including Company or its affiliates). Therefore, notwithstanding anything contained herein to the contrary, Company shall have the right to terminate this Agreement or not to grant a Successor Franchise Agreement if FRANCHISEE, Company, or Company's affiliates either loses possession of the Location or the right to remain in possession of the Business Unit at the Location.

E. FRANCHISEE shall execute the then current form of Successor Franchise Agreement, and such other forms, documents, and agreements as Company might require at that time (including owners and others required to execute such other forms, documents and agreements). The Successor Franchise Agreement may contain terms and conditions that may substantially differ from those set forth herein, including but not limited to an increase in the Royalty and/or Advertising Fees (defined herein), as well as other terms and conditions, and such Successor Franchise Agreement shall supersede in all respects the terms and conditions of this Agreement. FRANCHISEE shall, upon execution of the Successor Franchise Agreement, pay to Company the then current Successor Franchise Fee, which shall be ~~fifty percent (~~50%~~)~~ of the then current Franchise Fee.

F. FRANCHISEE hereby acknowledges that FRANCHISEE shall have no further right to renew or extend this Agreement, and no representations, warranties, promises, assurances, commitments, or agreements, whether expressed, implied, or collateral, have been made by Company to FRANCHISEE to that effect, other than the right provided for in this Paragraph 4, and this Agreement shall expire as at the end of the Term or, if a Successor Franchise Agreement is obtained, at the end of the term of such Successor Franchise Agreement.

5. SERVICES AVAILABLE TO FRANCHISEE

Company agrees to provide the following services to FRANCHISEE. Except as described below and in this Agreement, Company is not required to provide FRANCHISEE with any other assistance or services. The content of and manner by which the following services are to be delivered by Company shall be within Company's discretion~~:~~. Without limiting the foregoing, Company has the right to assign or delegate its obligation to a third party, or an affiliate in its sole discretion. Further the Company has delegated some of its training, site selection, and store opening assistance for Store-in-Store Outlets located inside a Walmart, to an area representative.

A. Training

The Business Unit must have one person that (i) is designated by FRANCHISEE to assume primary responsibility for managing the Business Unit and (ii) will devote full time and best efforts to the management and operation of the Business Unit ("**Manager**"). FRANCHISEE shall inform Company in writing as to the identity of the Manager, including any successors or additional managers. The Business Unit may not open unless and until the Manager of FRANCHISEE has successfully completed Company's training program (**"Initial Training"**). Company will provide the Initial Training (which will include the methods and procedures involved in the retail sale of wireless device repair services, other ancillary services, and accessories under the System) for up to two (2) of FRANCHISEE'S employees including the Manager. Company has the option and discretion to decide where Initial Training will occur and FRANCHISEE may, at Company's discretion, receive Initial Training at one or more of several locations including but not limited to Company's headquarters, other franchisees' business units, or the Business Unit. FRANCHISEE must pay to Company, or its affiliate, not later than 20 days before the Commencement Date, a fee for the training personnel's time and expenses in providing and conducting the on-site training (**"Training Personnel Fee"**). The Training Personnel Fee is currently $2,000 per trainer. For Initial Training, regardless of the location, FRANCHISEE is required to pay any proper expense, such as all travel, hotel, meal, and other costs of FRANCHISEE and FRANCHISEE'S employees. In the event FRANCHISEE'S employees attend Initial Training, then such employees must be covered by FRANCHISEE'S workers compensation insurance, and FRANCHISEE must certify in writing to Company that FRANCHISEE'S employees are covered.

In the event that a Manager ceases active employment at the Business Unit, FRANCHISEE must notify Company within 5 days of cessation of the Manager's employment at the Business Unit and enroll a qualified replacement in the Initial Training program within 30 days of cessation of such Manager's employment. Such training will be provided at the same cost rates and expenses as additional training described herein. FRANCHISEE will be obligated to complete the training of its employees in the methods and procedures involved in the retail sale of wireless accessories under the System prior to the opening of the Business Unit that is the subject of this Agreement. In no event shall Company, its affiliates, or any of the franchisees who conduct the Initial Training be liable to FRANCHISEE in connection with providing or failing to provide the Initial Training and FRANCHISEE'S sole remedy with respect to any failure to provide the Initial Training shall be the right to receive the Initial Training. Company, in its discretion, reserves the right to waive all or a portion of the training program required under this Paragraph. Company has the right to terminate training for any individual that, in Company's judgment, is not able to satisfy the requirements of this Paragraph and/or the requirements established to complete Initial Training and FRANCHISEE must promptly designate a replacement at FRANCHISEE'S sole cost and expense.

Additional training may be provided to FRANCHISEE, at Company's option and discretion

(1) if Company mandates such training on a system-wide basis for all or substantially all franchisees, including FRANCHISEE;

(2) if FRANCHISEE reasonably requests additional training and Company agrees to provide such training; and/or

(3) in the event of FRANCHISEE'S refusal or inability to maintain the standards required by Company for the Business Unit which are established by Company in Company's discretion, which training may include the implementation of a specialized training program approved by Company for employees of the Business Unit, and FRANCHISEE shall thereafter be responsible for the proper training of its employees with respect to such program. FRANCHISEE agrees not to employ any person who fails or refuses to complete FRANCHISEE'S training program or is unqualified to perform his or her duties at the Business Unit in accordance with the requirements established for the operation of the Cellairis Business Units or in accordance with any requirement imposed by the lessor, licensor, sublessor or sub-licensor at the Location of the Business Unit.

All additional training shall be provided at Company's then-current daily rate (currently $250 per day or part day, if the training occurs at Company's headquarters or $250 per day or part day if the training occurs at FRANCHISEE'S Location plus the reasonable and actual costs associated with the living expenses of the trainers, including travel, hotel, and meals).

For Store-in-Store Outlets that operate within a Walmart, the Initial Training and additional training may be delegated to an area representative.

Additionally, Company may require FRANCHISEE to attend conferences which may be offered by Company from time to time. FRANCHISEE will be responsible for the travel and living expenses of its attendees, and Company may charge a reasonable fee sufficient to cover the costs and expenses of such conferences.

B. Technical Support

During the Term of this Agreement, Company shall, at its own expense, provide reasonable over-the-phone technical support to FRANCHISEE during Company business hours.

C. Parts, Products and Services

Company, affiliates of Company, or authorized and approved third party suppliers will use their reasonable commercial efforts to supply, at FRANCHISEE'S expense, the Parts and the Products to be sold at retail from the Business Unit to end users, within a reasonable time after the receipt of orders from FRANCHISEE. Neither Company nor its affiliates, or any authorized and approved third party supplier, shall be liable for any delay or failure in any delivery of any Parts or Products and all order fulfillments and sales are contingent upon Parts and Products availability and other conditions as described herein. Company, affiliates of Company, and authorized and approved third party suppliers shall not be liable to FRANCHISEE, or be in default of this Agreement, for any delay of delivery of the Parts and Products supplied by Company, affiliates of Company, and authorized and approved third party suppliers to FRANCHISEE resulting from any cause beyond the control of Company, affiliates of Company, and authorized and approved third party suppliers, including production and manufacturing problems and delays, delivery problems and delays, labor issues, weather conditions, and the occurrence of events constituting F~~f~~orce M~~m~~ajeure (defined in Paragraph 13.S.~~below~~). ~~As used in this Agreement, "**force majeure**" means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Company, affiliates of Company, and authorized and approved third party suppliers.~~ Company and its affiliates shall establish and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing their sale of Parts and Products to FRANCHISEE. FRANCHISEE recognizes and agrees that Company or its affiliates, may, in their discretion, from time to time during shortages or during special promotions or events, allocate the sales of Parts and Products among franchisees and others within and outside the System.

FRANCHISEE recognizes and agrees that depending on availability as well as the terms of the underlying Occupancy Agreement for the Location, FRANCHISEE may not be permitted to carry all Parts, Products, and Services which Company makes available to the System. FRANCHISEE acknowledges and agrees that the Host may require that certain Products or Services be sold at the Store-in-Sotre

Outlet, and may prohibit the sale of certain Products or Services, and/or that the Host may, as a condition of granting Company and/or FRANCHISEE the right to operate at the Location, require that certain Products that will be sold at or from the Store-in-Store Outlet must be purchased from the Host or an affiliate of the Host. Further, FRANCHISEE recognizes and agrees that Company may, in its discretion, condition the availability to FRANCHISEE of special promotional Parts, Products, and Services, special branded Parts, Products, and Services, or designated premium Parts, Products, or Services upon FRANCHISEE'S agreement to comply with established promotional conditions or requirements, upon FRANCHISEE'S compliance with this Agreement, or upon such other conditions as Company may elect, in its discretion to impose with respect to access to such special or premium Parts, Products, or Services.

Company reserves the right to negotiate and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing the sale of Parts, Products, and Services by authorized and approved third party suppliers to the System, including sales made by such third parties to FRANCHISEE. Pricing of Parts, Products, Services, and equipment to be sold by Company or its affiliates to FRANCHISEE is subject to change at any time or from time to time by Company, its affiliates, or any authorized and approved third party supplier effective upon written notice to FRANCHISEE. All of the individuals who guarantee this Agreement must also guarantee to Company and its affiliates all of FRANCHISEE'S purchases of Products and Services. Company or its affiliates, in their discretion, can from time to time in addition to other rights granted herein, establish and require that FRANCHISEE pay for Products and Services on a C.O.D. basis. **FRANCHISEE UNDERSTANDS AND AGREES THAT THE ONLY PARTS, PRODUCTS, SERVICES, EQUIPMENT, OR ITEMS THAT MAY BE SOLD BY FRANCHISEE AT OR FROM THE BUSINESS UNIT ARE THOSE PARTS, PRODUCTS, SERVICES, EQUIPMENT, OR ITEMS THAT FRANCHISEE HAS PURCHASED FROM COMPANY, AFFILIATES OF COMPANY, OR FROM THIRD PARTY SUPPLIERS WHO HAVE BEEN PREVIOUSLY AUTHORIZED AND APPROVED BY COMPANY, WHICH MAY ALSO INCLUDE THE HOST, WHICH AUTHORIZATION AND APPROVAL MAY BE WITHHELD IN COMPANY'S DISCRETION. FRANCHISEE UNDERSTANDS AND AGREES THAT COMPANY AND ITS AFFILIATES ARE AND WILL LIKELY REMAIN THE SOLE SOURCE FOR MOST, IF NOT ALL, OF THE PARTS, PRODUCTS, SERVICES, EQUIPMENT, AND ITEMS THAT MAY BE SOLD BY FRANCHISEE AT OR FROM THE BUSINESS UNIT, THAT COMPANY AND ITS AFFILIATES WILL SET THE PRICE AT WHICH SUCH PARTS, PRODUCTS, SERVICES, EQUIPMENT, AND ITEMS ARE SOLD TO FRANCHISEE AND THAT COMPANY AND ITS AFFILIATES EXPECT TO GENERATE PROFITS FROM SUCH SALES.** FRANCHISEE is required to purchase and maintain a Parts and Products inventory level sufficient to meet the current needs of its customers. Company or its affiliates may, from time to time, introduce new Parts, Products, and Services as well as identify best-selling Parts, Products, and Services and FRANCHISEE must offer and sell all Parts, Products, and Services, and programs designated by Company as part of the core, critical, or essential elements of a Cellairis Business Unit, and FRANCHISEE must participate fully in all such programs. The satisfaction of consumer demand for new or popular Parts, Products, and Services is important to the COMPANY, to FRANCHISEE and to the System as a whole and FRANCHISEE shall comply with Company's Customer Satisfaction Policy (defined in Paragraph 6.J below). FRANCHISEE agrees to use its best efforts to carry in its inventory a substantial percentage of new Parts, Products, and Services and best-selling Parts, Products, and Services. FRANCHISEE is not authorized to create any obligation or liability in connection with the sale of Parts, Products, or Services to end users and consumers and the Parts, Products, and Services are to be sold strictly in accordance with those warranties and conditions which the manufacturer may from time to time issue and FRANCHISEE shall honor such warranties in accordance with their terms. FRANCHISEE shall extend to its customers warranties on products and services that Company requires and/or extends to FRANCHISEE. FRANCHISEE shall not grant more extensive warranties with respect to the products and services unless approved by Company in writing. FRANCHISEE shall warrant original repairs performed at the Business Unit against defects in material and workmanship for a time period set forth by Company in the Manual or otherwise in writing, which time period may change from time to time. FRANCHISEE shall also offer and/or sell warranties as prescribed by Company in the Manual or otherwise in writing. Company reserves the right, in its discretion, to increase or decrease the number of approved distributors or suppliers to the System and to designate itself or its affiliates as an approved distributor or supplier of Parts, Products, and Services and to make a profit or otherwise receive value in kind or rebates, allowances, advantages, concessions, or other benefits from the designated approved distributors or suppliers and/or from the sales by such persons or entities to FRANCHISEE. Parts, Products, and Services must be displayed at the Business Unit in accordance with the requirements and specifications established from time to time by Company in the Manual or otherwise.

As of the date of this Agreement, Company has designated at least one of its affiliates as a primary vendor for many of the Parts and Products that FRANCHISEE will be required to stock and sell. Company may also designate or identify one or more "Alliance Vendors" and/or "Product Vendors" as further described below.

(1) **Alliance Vendors**. Notwithstanding any provision to the contrary within Paragraph 5.C. of this Agreement, in the event FRANCHISEE is compliant with the terms of this Agreement, FRANCHISEE may purchase Products or Parts directly from the list of vendors as provided, added to, removed, and updated from time to time by Company ("**Alliance Vendors**"). The list of approved Alliance Vendors will appear after FRANCHISEE logs

into the ordering page of www.cellairis.com. Subject to the paragraph below regarding "Product Vendors," the list of Alliance Vendors found on the Cellairis.com website are the only approved Alliance Vendors that FRANCHISEE can order Products or Parts from. Company may modify the list, its franchisees' access to the list and other procedures from time to time in its sole discretion.

(2) **Product Vendors**. Notwithstanding any provisions to the contrary within Paragraph 5.C. of this Agreement, in the event FRANCHISEE is compliant with the terms of this Agreement, FRANCHISEE may purchase or source Products or Parts other than from Company, its affiliates, or an Alliance Vendor, provided that FRANCHISEE has received Company's prior written consent, and that all such Products or Parts comply with legal requirements.

(a) In the event FRANCHISEE wishes to acquire and sell Products or Parts from other suppliers, then FRANCHISEE shall provide a written request (where e-mail is acceptable) to Company, to the attention of **BOTH** Joseph Brown at josephbrown@cellairis.com and Andy Keith at akeith@cellairis.com (or another person upon the written notification by Company to FRANCHISEE) detailing the exact type of Product or Part that FRANCHISEE desires to purchase, the name of the supplier, contact information for such supplier, and other information that Company desires in order to be able to properly evaluate the possible suppliers, Company will have five business days in which to object to such Products or Parts or source of supply and if Company does not object within the five business day period, FRANCHISEE will be authorized to purchase these Products or Parts for the period of time the other vendor is authorized. FRANCHISEE shall only be deemed approved to sell such Products or Parts upon receiving written approval (where e-mail is acceptable) from Company, or after the expiration of five business days and Company does not respond to FRANCHISEE'S request, which approval shall be in Company's sole discretion, and which approval shall only last for so long as Company deems fit, in its sole discretion.

(b) In the event FRANCHISEE is authorized by Company to procure Products or Parts from such other supplier(s) ("**Other Supplier**") by the 10th day following the end of each month, FRANCHISEE shall provide Company a copy of all invoices or purchase orders made from such approved Other Suppliers, as it is the intent of the parties that

Company shall be able to be in a position to know exactly what Products or Parts are on the shelves (or back stock) of any individual Business Unit (and for back stock purposes, such information shall include any Products or Parts that are physically at the Business Unit as well as any storage facility located in the same location as the Business Unit or any storage facility located anywhere where Products or Parts are being stored, including personal spaces, garages, warehouses, *etc*.

D. **Location Assistance and Approval**

(1) Interactive Kiosks ~~Mall Units~~ and Full Store Units: FRANCHISEE assumes all cost, liability, expense, and responsibility for locating (including any costs and expenses associated with engaging Company's designated real estate broker if necessary), obtaining, and developing the Location for the Business Unit. As with all supplier, vendor, and service provider payments, Company and its affiliates have the right to receive payments, discounts or other consideration from approved service providers including a designated real estate broker based upon their dealings with FRANCHISEE and/or the System, and Company and its affiliates may use the monies they receive without restriction. (See Paragraph 6.P.).

The Location of the Business Unit is subject to the prior written approval of Company in Company's discretion. Upon FRANCHISEE'S selection of a proposed site for the Business Unit, FRANCHISEE shall promptly submit to Company, such site, demographic, and other data and information about the proposed site as is ordinarily required by or reasonably requested by Company, utilizing such forms as may be required by Company. Such information may include, but is not limited to, a copy of the site plan, financial information, population information, median household income, traffic flow, and presence of businesses such as cell phone carriers. In addition, FRANCHISEE acknowledges and agrees that Company's acceptance of a proposed site may be conditioned upon FRANCHISEE meeting certain other requirements (including, without limitation, the negotiation of additional terms and conditions satisfactory to Company to any Occupancy Agreement or purchase agreement for the proposed site), and if FRANCHISEE does not, or is unable to meet such requirements within a reasonable time, the site will be deemed rejected. Company has the right to reject any proposed site should FRANCHISEE or any of its Principal Owners be in default of this Agreement, any other franchise agreement with Company, or any other agreement between FRANCHISEE or any of its Principal Owners and Company or any of its affiliates. FRANCHISEE acknowledges and agrees that Company may reject any proposed site for any reason in its discretion, in which event, FRANCHISEE may not develop the Business Unit at the rejected site, but must locate another proposed site for the Business Unit and submit it to Company for acceptance in accordance with this Paragraph. To be effective, any approval of a proposed site by Company must be in writing.

(2) Store-in-Store Outlets: Company or its affiliate will assist FRANCHISEE in securing a Location with the Host.

(3) Business Units: Company or its affiliate may assist FRANCHISEE in securing a Location for the Business Unit; however, Company's or its affiliate's assistance in selecting the Location does not represent or warrant its success or suitability and FRANCHISEE agrees that Company and its affiliates shall have no liability whatsoever with respect to any role which they may undertake in assisting the FRANCHISEE in the selection of the Location. FRANCHISEE hereby acknowledges and agrees that approval by Company of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Business Unit or for any other purpose. Approval by Company of the site indicates only that Company believes the site complies with acceptable minimum criteria established by Company solely for its purposes as of the time of the evaluation. Both FRANCHISEE and Company acknowledge that the consideration of potential sites often involves a consideration of very dynamic and ever-changing factors such as the demographics of the local population and the economic stability or instability of the surrounding area. Such factors are unpredictable and are beyond the control of Company. Company shall not be responsible for the failure of a site selected or approved by Company to meet FRANCHISEE'S expectations as to revenue or operational criteria. FRANCHISEE represents and warrants that it has performed its own independent investigation as to the suitability of the Location. In order to obtain the approval of the Company for any Location, a copy of the Occupancy Agreement must be provided. The terms of the Occupancy Agreement for the Location must include the following provisions:

(a) The premises from which the Business Unit is intended to operate (the "**Premises**") must be used only for the operation of a Cellairis Business Unit;

(b) The landlord must consent to FRANCHISEE'S use of the Premises as a Cellairis Business Unit;

(c) The landlord must agree to furnish the Company with copies of any and all letters and notices sent to FRANCHISEE, including notices of default, if any, pertaining to the Occupancy Agreement and the Premises, at the same time that these letters and notices are sent to FRANCHISEE;

(d) FRANCHISEE may not sublease, sub-license or assign all or any part of its occupancy rights in the Premises, or extend the term or renew the Occupancy Agreement, without Company's prior written consent;

(e) Landlord must grant to Company the right to enter the Premises to make any modifications necessary to protect the Marks and related proprietary rights and marks, to cure any default under the Occupancy Agreement, or under the Franchise Agreement, and to examine the inventory being sold from the Premises;

(f) Company will have the right, at its sole option and without any obligation whatsoever to do so, to assume FRANCHISEE'S occupancy rights under the Occupancy Agreement for the remainder of its term upon FRANCHISEE'S default or termination under the Occupancy Agreement or under the Franchise Agreement; and

(g) Landlord and the FRANCHISEE execute the then current form of Company's Conditional Lease Assignment Agreement. See the Conditional Lease Assignment Agreement attached hereto as **Exhibit "2"**.

Company reserves the right to designate third parties to provide FRANCHISEE with some or all of the site selection and site evaluation assistance described above. Company, for itself and its affiliates, reserves the right, in its discretion, to increase or decrease the number of approved distributors, suppliers, and service providers, including for site selection and site evaluation, to the System and to designate itself or its affiliates as an approved distributor, supplier, or other service provider, and to make a profit or otherwise receive value in kind or rebates, allowances, advantages, concessions or other benefits from the designated approved distributors, suppliers or service providers and/or from the sales by such persons or entities to FRANCHISEE.

E. <u>Pricing</u>

Subject to the requirements of applicable law, Company reserves the right to specify in writing a retail price and/or to establish in writing minimum and/or maximum prices for Parts, Products, and Services. In addition, Host may specify or suggest the prices at which certain Parts, Products, or Services must be sold at or from the Store-in-Store Outlet. In any such event of Company or Host pricing directives, FRANCHISEE shall sell or offer for sale Parts, Products, and Services at the specified retail price or, if applicable, in accordance with the minimum and/or maximum retail prices established by Company from time to time. Where no retail price or maximum or minimum price has been specified or established by Company with respect to a particular Part, Product, or Service, FRANCHISEE may sell such Part, Product, or Service at any reasonable price FRANCHISEE chooses. FRANCHISEE shall offer and participate in any retail program advertised by Company to the public as available at Cellairis Business Units, including without limitation, those retail programs which specify one or more Parts, Products, or Services at a particular price. FRANCHISEE acknowledges and agrees that advertised retail prices and specified maximum and minimum prices for Parts, Products, or Services may vary from region to region to the extent deemed necessary by Company in order to reflect differences in costs and other factors applicable to such regions.

6. THE BUSINESS UNIT AND FRANCHISEE'S OBLIGATIONS

A. <u>Limitation</u>

During the Term of this Agreement, the Location and Premises for the Business Unit shall be used by FRANCHISEE exclusively for the purpose of operating a Business Unit selling Products, Parts, and Services to end-users under the System and the Marks. As a material condition to the grant of the Franchise rights set forth in this Agreement, FRANCHISEE must devote FRANCHISEE'S full time and best efforts to the day-to-day operation of the Business Unit with no other operational or management commitments in other businesses (except other Cellairis Business Units operated under franchises granted to such FRANCHISEE by Company or its affiliates). If FRANCHISEE is an entity, FRANCHISEE must designate and retain, and Company must approve, at least one individual to serve as the **"Managing Owner"** of FRANCHISEE and such Managing Owner and all Principal Owners of FRANCHISEE that hold an equity interest in FRANCHISEE of greater than 30% shall be required to execute the Personal Guaranty set forth as **Exhibit "1"**. The Managing Owner (i) must have at least a 30% share of unencumbered equity ownership in FRANCHISEE, (ii) must be authorized by FRANCHISEE to bind FRANCHISEE in any dealings with Company, its affiliates, and authorized distributors, suppliers, and contractors of FRANCHISEE, (iii) must be authorized by FRANCHISEE to direct any actions necessary to ensure compliance with this Agreement, and (iv) must devote full time and best efforts toward the satisfaction of FRANCHISEE'S obligations under this Agreement. Managing Owner's interest in FRANCHISEE shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right, or options. FRANCHISEE agrees that it has not and will not hereafter take, whether directly or indirectly, any action to avoid the authority requirements of the Managing Owner through the entry of limiting board resolutions, management agreements, amendment of governing documents, or any other similar device or arrangement. FRANCHISEE agrees to furnish Company with such evidence as Company may request from time to time for the purpose of assuring Company that FRANCHISEE'S efforts remain as required under this Agreement.

If the Managing Owner does not intend to devote his/her full time and best efforts toward the satisfaction of FRANCHISEE'S obligations under this Agreement, then FRANCHISEE must also designate an individual **"Operating Partner"** who must be approved by Company, and the Operating Partner (i) must be authorized by FRANCHISEE to bind FRANCHISEE in any dealings with Company, its affiliates, and authorized distributors, suppliers, and contractors of FRANCHISEE, (ii) must be authorized by FRANCHISEE to direct any actions necessary to ensure compliance with this Agreement, (iii) must devote his/her full time and best efforts towards the satisfaction of FRANCHISEE'S obligations under this Agreement with no operation or management commitments to other businesses, and (iv) must execute the Personal Guaranty set forth as **Exhibit "1"** for the Operating Partner.

B. <u>Destruction</u>

In the event the Business Unit shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any authority, FRANCHISEE shall, at its sole expense, cooperate in the repair or reconstruction of the Business Unit within a reasonable time under the circumstances. The minimum acceptable appearance for the restored Business Unit will be the then current design and specifications of Business Units within the System.

C. <u>Use of Marks</u>

The Marks will only be used and displayed in the manner and at such locations as are approved and authorized by Company, in writing. FRANCHISEE agrees to maintain and display signs reflecting the current requirements for Marks of Cellairis Business Units in the System and shall not place additional signs or posters at the Business Unit without the prior written consent of Company. Only signs from sources approved by Company may be utilized at the Business Unit. FRANCHISEE shall discontinue the use of and destroy such signs and Marks as are declared obsolete by Company within the reasonable time specified by Company. FRANCHISEE hereby grants to Company the right to enter the Business Unit to remove and destroy unapproved or obsolete signs in the event that FRANCHISEE has failed to do so within 30 days after the written request of Company. FRANCHISEE shall permit Company or its designated representatives at any time, and from time to time, to review and monitor the activities and operation of the Business Units, and FRANCHISEE shall furnish to Company such information, including samples or specimens of use of the Marks, as to the character and quality of FRANCHISEE'S activities and use of the Marks as Company may reasonably request, and FRANCHISEE shall otherwise provide evidence to Company that FRANCHISEE'S use of the Marks is in accordance with this Agreement.

At the request of Company, from time to time, FRANCHISEE shall refurbish the premises of the Business Unit at its expense, to conform to the trade dress, color schemes and presentation of the Marks as used in the Business Unit to a manner which is consistent with the then-current image for new Cellairis Business Units as directed by Company in its discretion (**"Required Refurbishments"**). Required Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements. Additionally, FRANCHISEE shall maintain all fixtures, furnishings, and equipment including but not limited to lighting, cabinetry, kiosks, and displays in excellent working order (**"Maintenance"**). FRANCHISEE shall timely perform all Maintenance as necessary. FRANCHISEE must perform Maintenance within 10 days of Company's written notice, or if the Maintenance is of a nature which cannot reasonably be completed with such 10 day period, such additional time as is necessary so long as FRANCHISEE is working in good faith to promptly complete the Maintenance (which additional time shall not exceed 20 days). In addition to all of Company's remedies at law or in equity, if FRANCHISEE fails to timely perform Maintenance, Company shall be entitled to perform or retain a third party to perform the Maintenance and charge all costs and expenses including an administrative fee to FRANCHISEE. FRANCHISEE shall indemnify and hold Company and its affiliates harmless from any damage or Claims (as defined in Paragraph 6.M.) resulting from any Maintenance performed by or on behalf of Company. For Required Refurbishments and Maintenance, FRANCHISEE agrees to use vendors and suppliers approved by Company, and which may be an affiliate of Company.

D. Equipment

Only equipment approved by Company that meets the criteria and performance standards of the System may be used in the operation of the Business Unit, including, but not limited to, such point of sale devices and associated software, telephone systems, in-store video and audio monitoring systems and services, as may be approved or required for purchase by the Company. The equipment shall be maintained in a condition that meets any operational standards specified by Company and, as equipment becomes obsolete or inoperable, FRANCHISEE will replace the equipment with the types and kinds of equipment as are then approved for use in Cellairis Business Units. If Company determines that additional or replacement equipment is needed because of a change in business considerations, FRANCHISEE will, at its sole cost and expense install the additional equipment or replacement equipment within the reasonable time specified by Company. FRANCHISEE shall, at FRANCHISEE'S sole cost, install and maintain all equipment designated and required by Company that Company deems in its discretion to be necessary to carry out, offer, and perform all of the services that Company requires to be offered at the Business Unit. FRANCHISEE shall, at FRANCHISEE'S sole cost, install and maintain the point of sale system (the "**POS system**") designated and required by Company at the Business Unit. The POS system will likely include the associated software required by Company as well as the credit and debit card processing system and services. FRANCHISEE shall pay such amounts to Company and/or third parties as may be reasonably required to maintain the POS system and associated software and associated administrative costs.

FRANCHISEE shall at its expense upgrade and update the POS system to remain in compliance with Company's standards and specifications. There are no limitations on the frequency and cost of this requirement. Further, FRANCHISEE shall, at FRANCHISEE'S sole cost, establish and maintain such telephone, internet, or other connections, with a reputable internet service provider that offers a static IP address as may be required to allow Company to monitor sales and other activities at the Business Unit and Company shall have the right to engage in such monitoring and related activities. Company has the right to electronically and manually access any and all information that is generated or collected from the POS system or any other service or system that collects and generates information at or from the Business Unit. FRANCHISEE must cooperate with Company in helping Company access this information. Company will have the right at any time to access FRANCHISEE'S POS system or any other service or system that collects and generates information at or from the Business Unit, to retrieve and compile information concerning the Business Unit. There are no contractual limitations on Company's right to access this information and data. FRANCHISEE must purchase, install, maintain, and keep in continuous operation those appropriate communications devices which are reasonably necessary in order to permit the POS system or any other service or system that collects and generates information at or from the Business Unit, to operate and to provide Company with access to any of these systems in conformance with Company's requirements as established from time to time and the requirements of this Agreement.

As part of the POS system, the Business Unit must have a separate e-mail address that identifies the Business Unit as a separate business. Company will provide this e-mail address to FRANCHISEE in connection with the activation of the POS system. Currently, Company is charged a monthly fee per e-mail address from the POS system vendor or technology company. Company shall charge FRANCHISEE this fee, and FRANCHISEE shall pay this monthly fee to Company on a yearly basis. In addition, Company may require FRANCHISEE to have, or FRANCHISEE may voluntarily select to have, an additional e-mail address with the "Cellairis" name as part of the domain. If FRANCHISEE chooses this, or if

Company requires this, there will be an additional monthly charge that Company will assess from FRANCHISEE for remittance to the POS system vendor or technology company.

E. Hours of Operation

The Business Unit shall, subject to applicable laws, be open for business during those hours specified by the landlord or Host under the Occupancy Agreement, and strictly in accordance with the requirements of the Occupancy Agreement or other requirements dictated by the landlord, Host, or associated with the Location. In addition, FRANCHISEE shall, subject to applicable laws and subject to compliance with the Occupancy Agreement, keep the Business Unit open during business hours associated with the Location, as recommended from time to time by Company to adequately serve the needs and expectations of customers and to present a consistent brand and customer experience.

F. Parts, Products, and Services

All Parts, Products, and Services that Company may deem appropriate to take full advantage of the potential market and achieve standardization in the System shall be displayed and offered for sale at the Business Unit and provided from the Business Unit. No parts, products, services, or equipment that are not authorized and approved by Company in writing will be carried, sold, or provided by the FRANCHISEE or others from the Location or the Business Unit. Without limiting the foregoing, FRANCHISEE will not sell any parts, products, or services in violation of the trademark, copyright, patent, or other intellectual property laws of the United States. Additionally, unless such statement is expressly approved in advance in writing by Company, FRANCHISEE shall not, directly or indirectly, represent itself, its employees, its repair services, or repair products as being an "authorized repair facility", an "authorized repair service", or an "authorized repair product" (or any similar phrase that implies a relationship with a branded product, company, manufacturer, carrier channel, *etc*.) for any branded products, manufacturers, carrier channels, or other companies (such as "An authorized BRAND X repair location" or similar words). FRANCHISEE shall only sell the Parts, Products, and/or Services at retail to consumers from and through the Business Unit and shall not sell such items for redistribution or resale unless otherwise approved in writing by Company in Company's discretion. Without limiting the foregoing, FRANCHISEE shall not transship or redirect any Products purchased for resale at the Business Unit to any other location for redistribution or resale including but not limited to other Cellairis Business Units and non-Cellairis businesses. FRANCHISEE shall not reproduce or copy any Products sold or offered for sale at the Business Unit or any other Cellairis Business Unit, in any manner, fashion, or media, including making derivatives, alternatives, updates, revisions, modifications, amendments, expansions, condensations, transformations, transpositions, additions to or deletions from, for any personal, private, public, or commercial reason or gain, without the prior written consent by Company. With respect to any and all Products and Services, notwithstanding any provision to the contrary, FRANCHISEE shall not sell or offer for sale any Product or Service on any website, electronic, or on-line service that offers products for sale, barter, or trade, including, by way of example only, Amazon.com, EBAY, Etsy, or Craigslist. All Products and Services must be sold, offered for sale, or provided only at the Business Unit to customers who are present or at the Business Unit at the time of the transaction.

G. Business Opening

FRANCHISEE agrees that it will either begin operation of (i) the Interactive Kiosks ~~Mall Unit~~ or Full Store Unit no later than 5 months after the execution of this Agreement or (ii) the Store-in-Store Outlet no later than 60 days after the execution of this Agreement, unless a later date is expressly approved in writing by Company, if Company in its discretion, determines that FRANCHISEE in good faith is using its best efforts to commence operations within such period. Prior to opening, FRANCHISEE must obtain all required state, local, and other required government certifications, permits, and licenses, and furnish to Company copies of all such required permits and licenses including IRS Form W-9, Reseller's Tax Certificate, and Sales and Use Tax Certificate. Notwithstanding the foregoing, if Company grants FRANCHISEE an extension to commence operations and subsequently determines in its discretion that FRANCHISEE is not using its best efforts to open and operate the Business Unit within a reasonable period of time following the date of the grant of extension, Company may terminate the extension grant. Any termination of the extension grant shall be deemed an Event of Default for purposes of this Agreement.

H. Best Efforts and Management

Consistent with the requirements of Paragraph 6.A. of this Agreement, FRANCHISEE agrees that FRANCHISEE is required to devote his, her, or its full time and best efforts and is personally responsible for the management of the Business Unit on a day-to-day basis. If FRANCHISEE (or if FRANCHISEE is an entity, FRANCHISEE'S Managing Owner or Operating Partner) will not serve as Manager, FRANCHISEE shall hire a qualified Manager, selected and controlled by FRANCHISEE, to operate the day-to-day affairs of the Business Unit; however, FRANCHISEE (or if FRANCHISEE is an entity, FRANCHISEE'S Managing Owner or Operating Partner) must remain actively involved in the operations and management of the Business Unit. The Manager need not have an ownership interest in a corporate or partnership franchisee. FRANCHISEE must carefully monitor, supervise, and be responsible for the performance of anyone designated to manage the operation of the Business Unit. Any designated Manager who will operate the Business Unit must satisfactorily complete Initial Training. Any Manager must not have an interest in or business relationship with any Competitive Business as defined herein at Paragraph 8.D.(3). FRANCHISEE'S Manager must devote all of his or her productive time and effort to the management and operation of the Business Unit. FRANCHISEE shall cause the Manager to properly perform his or her duties, and if FRANCHISEE knows, discovers, or is advised that the Manager is not properly performing his or her duties, and not operating and managing the Business Unit in accordance with Cellairis' brand standards, FRANCHISEE must immediately take steps to correct the situation to ensure that the Business Unit is operating and serving customers properly. Upon request of Company, FRANCHISEE shall advise Company, in writing, of all personnel involved in the operation of the Business Unit and their position including job duties and relationship to FRANCHISEE. Failure to comply with this provision is grounds for termination of this Agreement with no right to cure.

Company has the right to request that FRANCHISEE require and obtain covenants not to disclose confidential information, and not to compete, in a form satisfactory to Company, from any and all of FRANCHISEE'S Managers who have received or will receive Initial Training, other training or confidential information from Company. Company has the right to request that FRANCHISEE obtain similar covenants from any of the above persons upon the termination of their employment with FRANCHISEE. Company has the right to obtain covenants not to compete from any holder (except for limited partners) of a beneficial interest of FRANCHISEE'S securities and any corporation, partnership, or limited liability company directly or indirectly controlling FRANCHISEE if FRANCHISEE is operating as a corporation, partnership, or limited liability company, or of any general partner that is a corporation, partnership, or limited liability company, or any corporation, partnership, or limited liability company directly or indirectly controlling a general partner of FRANCHISEE'S (if FRANCHISEE is operating as a partnership), who have received or will receive Initial Training, other training or confidential information. FRANCHISEE acknowledges and agrees that execution of covenants with managers and other individuals described herein is necessary for the protection of confidential information, goodwill, the System, and the FRANCHISEE'S operating under the System.

I. <u>Right of Entry and Inspection</u>

Company, its agents, and designated representatives shall have the unrestricted right to enter the Business Unit to conduct such activities, as it deems necessary, to ascertain FRANCHISEE'S compliance with this Agreement, compliance with Company's brand standards (and not to evaluate any of FRANCHISEE'S employment related activities or controls), and to conduct any security audits and reviews. The inspections may be conducted without prior notice at any time when FRANCHISEE or one of FRANCHISEE'S employees is at the Business Unit. Company has the right to take photographs and videos, in any medium, of the Business Unit and the operations of the Business Unit. The inspections will be performed in a manner that minimizes interference with the operation of the Business Unit. **IN THE EVENT THAT ANY SUCH INSPECTION DETERMINES THAT THE PARTS BEING USED, PRODUCTS BEING SOLD, AND/OR SERVICES BEING PROVIDED FROM THE BUSINESS**

UNIT ARE BEING USED, SOLD, AND/OR PROVIDED IN VIOLATION OF PARAGRAPH 5.C. OR 6.F. OF THIS AGREEMENT, THEN, UPON DIRECTION FROM THE PERSONS CONDUCTING SUCH INSPECTION, FRANCHISEE AGREES THAT COMPANY MAY REQUIRE FRANCHISEE TO IMMEDIATELY CLOSE THE BUSINESS UNIT AND/OR DISCONTINUE ALL SALES FROM THE BUSINESS UNIT AND/OR DISCONTINUE PROVIDING SOME OR ALL OF THE PRODUCTS AND SERVICES UNLESS AND UNTIL ANY AND ALL SUCH VIOLATIVE PRODUCTS, PARTS, SERVICES, AND REPRESENTATIONS ARE REMOVED FROM THE BUSINESS UNIT AND THE LOCATION. FRANCHISEE'S agreement in this Paragraph 6.I. to close the Business Unit and discontinue sales shall not in any manner prejudice the right of the Company, at its option, to terminate this Agreement for such material breach. In addition to and not in limitation of the foregoing, FRANCHISEE understands and agrees that the sale of products or services from the Business Unit in violation of the trademark, copyright, patent, and intellectual property laws of the United States is a material violation of this Agreement and may expose FRANCHISEE to substantial civil and criminal penalties and subject the entire System to bad publicity and disrepute and, therefore, FRANCHISEE agrees that if such inspection reveals the likelihood that products or services are being sold from the Business Unit in violation of such laws of the United States then, in addition to the requirement and agreement that FRANCHISEE must immediately close the Business Unit and discontinue all sales from the Business Unit, Company shall have the right, in its discretion and without liability of any kind or nature to FRANCHISEE, to report its findings to FRANCHISEE'S lessor or licensor and to appropriate governmental authorities for further investigation by them as they may deem necessary and appropriate.

Without limiting any other remedies provided in this Agreement or at law or in equity, if during an inspection any unauthorized parts or product is found, Company shall have the right to take the unauthorized parts and product and send it to Company's office or any other address that Company may determine, in the understanding that FRANCHISEE must provide sufficient proof with an invoice that such product was purchased from Company or its affiliate. Additionally, Company and its authorized representatives, in Company's discretion, have the right, at any time, to obtain a reasonable number of Parts and Products from the Business Unit, without obtaining the prior consent of FRANCHISEE, as a representative sample for inspection and auditing purposes. In such event, FRANCHISEE will be credited for the amount it paid to purchase said Part(s) and Product(s) from Company's affiliate. FRANCHISEE will not be credited for any Part(s) or Product(s) that Company determines were purchased from an unauthorized supplier, and Company reserves all remedies under this Agreement as well as at law or in equity.

FRANCHISEE acknowledges and agrees that Company may engage or retain a third-party investigatory and assessment service to conduct reviews of the operations of FRANCHISEE and the Business Unit, and such reviews and evaluations may be conducted without prior notice to FRANCHISEE, including the use of "secret shopper" services (collectively **"Secret Shoppers"**). Company shall bear the cost of the Secret Shopper services, except if the results or reports by the Secret Shopper service of the Business Unit or the operations of the Business Unit is below the then-current Company standards for satisfactory operations in accordance with the Manual and and/or other brand standards, whether for one element or facet of Business Unit operation. If there is such a violation then Company may assess FRANCHISEE a "Secret Shopper Fee" of $100 for each example or occurrence of sub-standard operations, plus the costs associated with the Secret Shopper service.

FRANCHISEE waives any claims against, or liability of, Company for any wrongful or improper closure of the Business Unit if Company was acting upon information that Company reasonably believes was cause for closure under this Paragraph.

J. <u>Operations</u>

FRANCHISEE agrees to operate the Business Unit in compliance with all applicable statutes, laws, and regulations including, without limitation, zoning, disability access, signage, fire and safety, security, fictitious name registrations, sales tax registration, and health and sanitation. FRANCHISEE will be solely responsible for obtaining any and all licenses and permits required to operate the Business Unit. FRANCHISEE shall maintain and establish the Business Unit at the Location in a safe, orderly, and clean state. FRANCHISEE must keep copies of all health, fire, building occupancy, and similar inspection reports on file and available for Company to review. FRANCHISEE must immediately forward to Company any inspection reports or correspondence stating that FRANCHISEE is not in compliance with any such laws, rules, ordinances, and regulations. FRANCHISEE shall also immediately notify Company if it receives notice of an investigation, inquiry, or complaint by a government agency or the lessor and/or threatened proceedings against FRANCHISEE. FRANCHISEE also agrees to operate the Business Unit in accordance with those mandatory operations standards established by Company from time to time, including, but not limited to, the trademark, copyright, patent, and intellectual property laws of the United States. FRANCHISEE shall not knowingly make any false or fraudulent statements to third parties regarding Company, its affiliates, the Business Unit, or the System where such false or fraudulent statements would tend to be injurious to the reputation or goodwill of Company, its Marks, its affiliates, the System, or which in any manner may improperly interfere with the business affairs or business relations of Company or its franchisees.

The Business Unit shall be properly staffed, furnished, and equipped. All employees of the Business Unit are required to wear uniforms and abide by the dress guidelines conforming to the specifications and standards Company may, from time to time, designate in the Manual (as defined in Paragraph 6.L.) or otherwise, to present a consistent brand image for Cellairis Business Units operating under the System.

FRANCHISEE shall in all dealings with its customers, vendors, and the general public, adhere to the highest standards of honesty, fair dealing, and ethical conduct. FRANCHISEE will do nothing that would tend to discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of Company, its affiliates, or any other Cellairis Business Unit within the System. FRANCHISEE agrees that appropriately responding to customer complaints is a vital element in maintaining and enhancing the goodwill of the System. As set forth in the Manual, or otherwise required by Company, FRANCHISEE shall properly address customer complaints including providing refunds when appropriate and in accordance with Company's customer satisfaction, warranty, repairs, and product return policies (collectively **"Customer Satisfaction Policy"**). If Company deems that FRANCHISEE did not fairly handle a customer complaint, Company has the right to intervene and satisfy the customer. FRANCHISEE may be charged a fee for each violation of Company's Customer Satisfaction Policy. Currently, such fees are $100 for the first violation in any calendar year, followed by $250 for the second violation in such year, $500 for the third violation in such year, and $1,000 for the fourth and each additional violation in such calendar year. This fee schedule may be revised by Company from time to time, with said changes effective as of the next calendar year. Such charges and fees shall be in addition to any other remedies Company may have at law or in equity. FRANCHISEE acknowledges and agrees that maintaining good and positive customer relations is a critical tenet of the System and brand standards, and therefore, FRANCHISEE'S failure to address customer complaints in a fair, prompt, and reasonable manner is a violation of this Paragraph for which Company has the right to terminate this Agreement. In addition to any other rights and remedies that Company may have, FRANCHISEE shall reimburse Company for all costs and expenses (including the cost of any replacement or new Product or Service) incurred by Company in servicing a customer of FRANCHISEE'S Business Unit pursuant to this Paragraph.

K. Insurance

FRANCHISEE must purchase and continuously maintain during the Term of this Agreement, at a minimum, the insurance coverage that meets the levels required by its lessor, licensor, sublessor, or sublicensor by local law and regulation, and at such amounts as may from time to time be required by Company including:

(1) Comprehensive general and product liability insurance at a minimum of the insurance coverage that meets the levels required by the landlord, by local law, and regulations that covers the operation of the Business Unit;

(2) General casualty insurance, including fire and extended coverage, vandalism malicious mischief insurance, for the replacement value of the Location and its contents;

(3) Employer's liability and worker's compensation as required by law;

(4) Cyber/Privacy/Network Liability Insurance/Professional Liability Coverage to provide coverage: (i) in the event of an information security incident or breach of confidential client information including personal information; (ii) for liability arising from the loss or disclosure of personal information; (iii) for lawsuits or investigations by federal, state, or foreign regulators relating to applicable privacy or data protection laws; (iv) for first party expenses to conduct a forensic investigation of any system intrusion; (v) for first party expenses to hire a public relations firm; (vi) first party expenses to recover data damaged on FRANCHISEE'S systems or in FRANCHISEE'S custody as a result of an information security incident; and (vii) for first party coverage for notification and credit monitoring and third party coverage for network security errors and omissions with no exclusions for unencrypted portable devices or media or cyber events; and

(5) Any other type of insurance policies, such as business interruption insurance to the extent required by applicable law, with coverage as Company presently or hereinafter requires.

Prior to opening the Business Unit, and at any time upon Company's request, FRANCHISEE must furnish to Company evidence of such insurance as Company shall reasonably request (which may include certificates of insurance, endorsements, binders, or copies of policies), together with information concerning claims and losses under such insurance. Such evidence may include (i) an original certificate of insurance, (ii) a copy of the actual additional insured endorsement to the policy issued to FRANCHISEE by the insurer, (iii) a copy of the corresponding "notice of cancellation" endorsement, and (iv) a copy of the declarations page for the policy. However, FRANCHISEE agrees that the failure of Company to request and obtain the required certificates of insurance or to identify a deficiency in obtaining the required insurance will not be construed as a waiver of FRANCHISEE'S obligation to maintain the insurance required under this Agreement. All policies of insurance required to be provided and maintained by FRANCHISEE under this Agreement must name Company and its affiliates as additional named insureds (without obligation to pay the premium or any deductible amounts, all of which will be paid by FRANCHISEE), and must be carried with such responsible insurance companies and be in such form as is reasonably satisfactory to Company. All policies of insurance required to be provided and maintained by FRANCHISEE under this Agreement must require that each insurance carrier provide Company with advance notice of expiration, cancellation, termination, or modification of the applicable policy. The "notice of cancellation" endorsement must afford Company 30 days prior written notice in the event of cancelation, non-renewal, or adverse material modification or reduction in coverage. Additionally, FRANCHISEE must notify Company at least 30 days prior to the expiration, cancellation, termination, or modification of the applicable policy. Company has the right to require FRANCHISEE to increase the types and amounts of insurance coverage as Company may reasonably require. If FRANCHISEE fails to obtain or maintain adequate insurance, Company may, in its discretion, obtain insurance for FRANCHISEE in FRANCHISEE'S name and FRANCHISEE shall reimburse Company for the costs of obtaining said insurance, plus an administrative fee of $300 for each policy or type of insurance that Company obtains on FRANCHISEE'S behalf. Failure of FRANCHISEE to maintain coverage shall not relieve it of any contractual responsibility or indemnification or obligation or liability under this Agreement.

In the event that Company or its affiliate directly leases or licenses the Location, then Company or its affiliate has the option of obtaining general liability insurance in the amount that the landlord specifies, and FRANCHISEE shall pay Company or its affiliate a fee for Company or its affiliate obtaining such general liability insurance. In the event Company or its affiliate obtains the general liability insurance, it is for Company or its affiliate's protection as a lessee and as a sublicensor of the Location. This insurance is in addition to and will serve as excess coverage above FRANCHISEE'S primary general liability policy that FRANCHISEE is required to obtain under this Paragraph. Company or its affiliate may charge FRANCHISEE a mark-up on these services. In the event FRANCHISEE obtains any and all of its required insurance coverage, FRANCHISEE shall submit proof of the coverages, policies and endorsements that are required by Company or by applicable law. Company will charge FRANCHISEE an insurance review fee of $300 per year, or per review, if there are multiple submissions in one year, to cover Company's administrative costs and expenses to review compliance with the insurance requirements.

FRANCHISEE and Company further agree that:

(1) The insurance required by Company does not represent that coverage and limits will necessarily be adequate to protect FRANCHISEE for all events, nor will it be deemed as a limitation on FRANCHISEE'S liability to Company under this Agreement;

(2) FRANCHISEE may meet the required insurance coverages and limits with any combination of primary and umbrella/excess liability insurance;

(3) FRANCHISEE is responsible for any deductible or self-insured retention;

(4) Company is not responsible to pay any deductible or retention under FRANCHISEE’S policies; and

(5) In the event Company receives any proceeds from any claim under FRANCHISEE’S policy, Company may retain any such amount to offset any monies owed by FRANCHISEE to Company or any of its affiliates.

L. Confidential Operations Manual

Company shall loan FRANCHISEE for the duration of this Agreement one copy of the Cellairis confidential operations manual and provide access to an intranet of materials (collectively the **“Manual”**). The Manual will constitute a confidential trade secret of Company and shall remain the property of Company. The Manual cannot be photocopied, reproduced, or disseminated without Company’s prior written consent. Nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. FRANCHISEE cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information as long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal. FRANCHISEE agrees to strictly comply with all of the mandatory procedures and specifications set forth in any such Manual. The Manual may be provided to FRANCHISEE in text and/or electronic format, and may be in the form of various instructional manuals, such as manuals that provide procedures on repairing various devices, an intranet of materials, and instructional videos. The Manual is confidential and proprietary and remains Company property. Company has the right to modify the Manual as Company deems appropriate, and Company will notify FRANCHISEE of changes in a reasonable and appropriate manner. FRANCHISEE must comply with all modifications within the time frames specified by Company. The modifications will not alter FRANCHISEE’S status and rights under the Franchise Agreement.

M. Indemnification

FRANCHISEE agrees to and does hereby indemnify, defend, and hold harmless Company and its affiliates and all of their respective shareholders, directors, officers, employees, agents, successors, and assignees (collectively the **“Indemnified Parties”**) against and to reimburse any one or more of the Indemnified Parties for all Claims, obligations and damages described in this Paragraph, any taxes described in Paragraph 6.N., any claims and liabilities directly or indirectly arising out of the Business Unit’s operation, the operation of the Business Unit, joint employment, FRANCHISEE’S actions or inactions, or the actions or inactions of any of FRANCHISEE'S employees, or FRANCHISEE'S breach of this Agreement, except to the extent they arise as a result of Company's own gross negligence or willful misconduct. For purposes of this indemnification, **"Claims"** includes all obligations, damages (actual, consequential, special, exemplary, punitive, or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses. Company has the exclusive right, in its discretion to defend any such claim at FRANCHISEE'S expense. This indemnity will continue in effect after the expiration or termination of this Agreement. Under no circumstances will Company or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or their losses and expenses, in order to maintain and recover fully a claim against FRANCHISEE.

N. Taxes

FRANCHISEE shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement including, but not limited to, if applicable, state employment tax, state sales tax (including any sales or use tax on equipment purchased or leased), and all other taxes and expenses of operating the Business Unit at the Location. FRANCHISEE shall comply with all local, state, and federal laws, rules, and regulations with respect to the calculation, assessment, collection, and remittance of all applicable taxes. In no event shall FRANCHISEE permit a tax sale or seizure by levy or execution or similar writ or warrant to occur against the Business Unit, the Location or any tangible personal property used in connection with the operation of the Business Unit. Upon the request of Company, FRANCHISEE must furnish to Company evidence of the filing of the appropriate tax forms.

O. Fixtures and Site Development

(1) General Obligations and Prototypical Plans. FRANCHISEE is fully responsible for locating, leasing, and constructing the Business Unit in strict compliance with Company's requirements, as set forth in this Agreement, in the Manual, and as Company may direct from time to time. Company shall provide to FRANCHISEE prototypical plans and specifications for the construction, build-out, and furnishing of the Business Unit, including, if applicable, the exterior and interior design and layout, fixtures, furnishings, equipment, and signage (both inside and outside the Business Unit). FRANCHISEE acknowledges that such specifications shall not contain the

requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act of 1990, as amended ("**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Business Unit, compliance with all of which shall be FRANCHISEE's responsibility and at FRANCHISEE's expense. FRANCHISEE shall adapt, at FRANCHISEE's expense, the standard specifications to the Business Unit location, subject to Company's approval, as provided in this Paragraph 6.O, which will not be unreasonably withheld, provided that such plans and specifications conform to Company's general criteria. FRANCHISEE understands and acknowledges that Company has the right to modify any plans and specifications as Company deems appropriate from time to time (however Company will not modify the architectural schematics and specifications for the Business Unit developed pursuant to this Agreement once those architectural schematics and specifications have been provided to FRANCHISEE or approved by Company).

~~(1)~~ Site Approval. Upon Company's written acceptance of a proposed site, FRANCHISEE shall proceed promptly to enter into the approved Occupancy Agreement for the accepted site and obtain all necessary zoning, building and other governmental or regulatory approvals and permits required for the establishment of the Business Unit. ~~-~~Company, in its discretion, and without any liability to FRANCHISEE, may assist FRANCHISEE in obtaining these approvals and permits.

(2)

~~(2)~~ General Contractor. FRANCHISEE shall~~Global Cellular~~, at FRANCHISEE'S sole expense, ~~shall~~ engage the services of a qualified general contractor, who is reputable and experienced in building units of similar retail concepts, to supervise, delegate and/or perform (i) the construction and development of the Business Unit, (ii) the completion of all improvements, (iii) the outfitting of the Business Unit with furnishings, fixtures and equipment, and (iv) all other services that are designated by Company to be performed by such general contractor in connection with constructing the Business Unit (the **"General Contractor"**). Company shall have the right, but not the obligation, to designate, at any time and for any reason, a single approved General Contractor or furnish FRANCHISEE with a list of authorized General Contractors and require FRANCHISEE to engage the services exclusively from such designated General Contractor(s) in the construction of the Business Unit, which designated General Contractor(s) may be an affiliate of Company. FRANCHISEE shall be solely responsible for payment for all services provided by the General Contractor. Company has the option, but not the obligation, to request or require that Global Cellular engage the General Contractor on FRANCHISEE's behalf, or provide other services described herein to assist FRANCHISEE with respect to hiring a General Contractor or providing assistance to FRANCHISEE or the General Contractor. In that event, FRANCHISEE shall reimburse Global Cellular for its costs and expenses, or shall pay such charges and costs directly to General Contractor, as directed by Company or Global Cellular, and, in addition, Global Cellular may charge FRANCHISEE a mark-up on these services.

(3)

(4) ~~(3)~~ Architectural Firm. FRANCHISEE shall, at Company's direction and FRANCHISEE's sole expense, engage the services of a qualified supplier ~~Company shall have the right to designate one or more suppliers~~ of design services and/or architecture services (an **"Architectural Firm"**) to design the Business Unit and work with the General Contractor to construct the Business Unit. Company shall have the right to designate one or more Architectural Firms as suppliers of such services~~supply such services to the System~~, which Architectural Firm may be an affiliate of Company. At Company's option, Company may authorize the General Contractor to select an Architectural Firm to assist in developing the Business Unit. Upon request by Company, the Architectural Firm shall provide to Company, for Company's written acceptance, a proposed preliminary site and construction plans and specifications for the Business Unit, based on Company's prototypical plans and specifications, which, if accepted, shall not thereafter be modified, altered, or changed without Company's prior written consent. If an Architectural Firm is needed, ~~then~~ it shall ~~would~~ be hired by FRANCHISEE and FRANCHISEE shall be solely responsible for payment for all services provided by the Architectural Firm. However, Global Cellular has the option, but not the obligation, to hire the Architectural Firm, and in that event, ~~and~~ FRANCHISEE will be responsible for making any such payments to Global Cellular for the use of such services. Global Cellular may charge FRANCHISEE a mark-up on these services.

~~(4)~~ Construction of Business Unit. FRANCHISEE ~~Global~~

~~Cellular~~ will commence construction or shall cause the construction of the Business Unit per the accepted site and construction plans and specifications as soon as possible and shall complete construction thereof, including the acquisition and installation of all equipment specified by Company, as specified in this Agreement, in the Manuals, and as directed by Company in writing, and shall have the Interactive Kiosks ~~Mall Unit~~ or Full Store Unit ready to open for business within 5 months after Company's execution of this Agreement and the Store-in-Store Outlet ready to open for business within 60 days after Company's execution of this Agreement. Company and its agents shall have the right to inspect the construction site at any reasonable time without prior notice. FRANCHISEE shall obtain, or shall cause t~~T~~he General Contractor to ~~shall~~ obtain all required licenses, permits, and approvals associated with construction and operation of the Business Unit. Unless otherwise directed by Company, ~~of the Business Unit. FRANCHISEE understands and agrees that Company, its affiliates, the Architectural Firm, the General Contractor, and approved distributors and suppliers are not responsible and shall have no liability with regard to obtaining and/or maintaining such licenses, permits, and approvals and compliance. In the event~~ FRANCHISEE is responsible for the construction of the Business Unit, which responsibility will be determined by Company, in its sole discretion, then FRANCHISEE shall furnish Company with such information relating to the construction of the Business Unit and development of the site as Company may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address and telephone number for any lenders and contractors, and a copy of any construction or financing agreements. ~~FRANCHISEE shall commence construction of the Business Unit in accordance with the accepted site and construction plans and specifications as soon as possible and shall complete construction thereof, including the acquisition and installation of all equipment specified by Company, and have the Mall Unit or Full Store Unit ready to open for business within 5 months after Company's execution of this Agreement and the Store-in-Store Outlet ready to open for business within 60 days after Company's execution of this Agreement. Company and its agents shall have the right to inspect the construction site at any reasonable time without prior notice.~~ FRANCHISEE shall correct, upon Company's request and at FRANCHISEE'S sole expense, any deviation from any accepted site or construction plans or specifications. FRANCHISEE must also, at its sole expense, engage the services of a qualified and reputable electrician and other trade persons to perform all services necessary to properly wire the Business Unit for electricity and provide other building and operational services~~. It is FRANCHISEE'S responsibility to obtain all required licenses, permits, and approvals associated with construction and operation of the Business Unit~~. Without limiting the foregoing, it is FRANCHISEE'S responsibility to ensure that the Business Unit and Location are in full compliance with the ~~Americans with Disabilities Act of 1990, as amended ("**ADA**")~~ ADA or similar rules governing public accommodations or commercial facilities for persons with disabilities). Without limiting the foregoing, upon completion of the construction of the Business Unit, FRANCHISEE shall promptly execute the ADA Certification attached hereto as **Exhibit "7"** and deliver the executed ADA Certification to Company before the Business Unit opens for business. Global Cellular has the option, but not the obligation, to cause the construction of the Business Unit, in lieu of FRANCHISEE, as provided for in this Paragraph 6.O. In the event Global Cellular or Company hires the General Contractor or Architectural Firm, or undertakes any of the supervisory functions to cause the construction of the Business Unit, FRANCHISEE understands and agrees that Company, Global Cellular, its affiliates, the Architectural Firm, the General Contractor, and approved distributors and suppliers are not responsible and shall have no liability with regard to obtaining and/or maintaining such licenses, permits, and approvals and compliance. FRANCHISEE understands and agrees that Company, Global Cellular, its affiliates, the Architectural Firm, the General Contractor, and approved distributors and suppliers are not responsible and shall have no liability with regard to obtaining and/or maintaining such licenses, permits, and approvals and compliance.

(5)

~~(1)~~ No Liability of Company. FRANCHISEE acknowledges and agrees that (i) Company assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections, (ii) Company is not liable for any unsatisfactory performance of any contractor, architect, or suppler (including the General Contractor and Architectural Firm), even if such contractor, architect, or supplier was designated by or hired by Company or Global Cellular, or is an affiliate of Company, and (iii) Company is not liable for the Business Unit or Location's non-compliance with any law, statute, regulation, ordinance or other requirements including but not limited to the ADA. Company shall have the option of approving or denying a request from FRANCHISEE to use a General Contractor and/or Architectural Firm submitted by FRANCHISEE to develop and construct the Business Unit. In connection with such request, FRANCHISEE and the proposed General Contractor and/or Architectural Firm shall submit all information and data as Company may require to consider the request. Company reserves the right to charge FRANCHISEE a fee in connection with evaluating a request to use a proposed General Contractor and/or Architectural Firm. Company may deny such request for any reason, including its determination to limit the number of approved General Contractors and/or Architectural Firms.

(6)

~~(2)~~(7) Fixtures, Furnishings, and Equipment. FRANCHISEE shall maintain at the Business Unit, at FRANCHISEE'S expense, all fixtures, furnishings, and equipment as Company may direct from time to time in the Manual or otherwise, and shall refrain from installing or permitting to be installed any fixtures, furnishings, or equipment that do not meet Company's specifications. FRANCHISEE shall maintain the Business Unit in a clean, attractive condition, and in good repair. Company, in its discretion, may designate Company or its affiliates as the sole supplier of all fixtures, furnishings, and equipment to be installed and utilized at the Business Unit. In that event, Company, or its affiliates will use their reasonable commercial efforts to timely supply and ship to FRANCHISEE'S Location, at FRANCHISEE'S expense, all fixtures, furnishings, and equipment for the Business Unit from which the Products and Parts will be sold and Services rendered. The price for the fixtures, furnishings, and equipment, and other associated charges and fees, including shipping costs, shall be paid by FRANCHISEE to Company, or its affiliates, prior to any shipment of these items, and the price for these items and other charges and fees are in addition to any Franchise Fee paid hereunder. Neither Company nor its affiliates, or any designated third party supplier shall be liable for any delay or failure in the delivery of the fixtures, furnishings, or equipment to the Location. **FRANCHISEE UNDERSTANDS AND AGREES TO THE FOLLOWING: (i) THAT COMPANY AND ITS AFFILIATES ARE AND WILL LIKELY REMAIN THE SOLE SOURCE FOR THE FIXTURES, FURNISHINGS, AND EQUIPMENT, INCLUDING THE PHYSICAL INTERACTIVE KIOSK STRUCTURE; (ii) THAT COMPANY AND ITS AFFILIATES WILL SET THE PRICE FOR THE FIXTURES, FURNISHINGS, AND EQUIPMENT (INCLUDING THE COST FOR THE SHIPPING); AND (iii) THAT COMPANY AND ITS AFFILIATES EXPECT TO GENERATE PROFITS FROM SUCH SALES DESCRIBED HEREIN.** Company, for itself and its affiliates, reserves the right, in its discretion, to increase or decrease the number of approved distributors, suppliers, and service providers to the System and to designate itself or its affiliates as an approved distributor, supplier, or service provider, including designating itself or its affiliates as the General Contractor and/or Architectural Firm, and to make a profit or otherwise receive value in kind or rebates, allowances, advantages, concessions, or other benefits from the designated approved distributors, suppliers, or service providers, and/or from the sales by such persons or entities to FRANCHISEE. The fixtures, furnishings, and equipment must be maintained in accordance with the requirements and specifications established from time to time by Company in the Manual or otherwise. **EXCEPT AS EXPRESSLY SET FORTH IN WRITING IN A WARRANTY PROVIDED BY COMPANY OR ITS AFFILIATES WITH ANY PRODUCT(S), COMPANY AND ITS AFFILIATES EXPRESSLY DISCLAIM AND MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES BASED UPON COURSE OF DEALING OR TRADE USAGE WITH RESPECT TO THE FIXTURES, FURNISHINGS, OR EQUIPMENT. IN CONNECTION WITH ANY SALE OF THE FIXTURES, FURNISHINGS, OR EQUIPMENT, IN NO EVENT WILL COMPANY OR ITS AFFILIATES BE RESPONSIBLE TO FRANCHISEE OR ANY OTHER PERSON OR ENTITY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR SIMILAR DAMAGES OR LOST SALES OR PROFITS REGARDLESS OF THE LEGAL THEORY OR FORM OF ACTION, EVEN IF COMPANY OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. COMPANY AND ITS AFFILIATES TOTAL AND COLLECTIVE LIABILITY FOR DIRECT DAMAGES HEREUNDER WILL IN ANY EVENT NOT EXCEED THE AGGREGATE PRICE PAID BY FRANCHISEE TO COMPANY OR ITS AFFILIATES PURSUANT TO THE SALE OF THE FIXTURES, FURNISHINGS AND EQUIPMENT.**

P. Supplier Payments

Company and its affiliates have the right to receive payments, discounts, or other consideration from approved suppliers, vendors, and service providers based upon their dealings with FRANCHISEE and other franchisees, and Company and its affiliates may use the monies they receive without restriction for any purpose

Company deems appropriate or necessary. Suppliers may pay Company or its affiliates based upon the quantities of products or services the System purchases from them. Company and its affiliates are not required to give FRANCHISEE an accounting of supplier payments or to share the benefit of supplier payments with FRANCHISEE or other Cellairis franchisees.

Q. Credit Cards and Other Methods of Payment; Privacy and Data Laws

At all times, FRANCHISEE must maintain credit-card relationships with the credit and debit-card issuers or sponsors, check or credit verification services, financial-center services, and electronic-funds-transfer systems that Company designates as mandatory, and FRANCHISEE must not use any such services or providers that Company has not approved in writing or for which Company has revoked its approval. Company has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. FRANCHISEE must comply with all credit-card policies, including minimum purchase requirements for a customer's use of a credit card as may be established by Company from time to time.

FRANCHISEE agrees to implement and maintain appropriate security measures, consistent with the Payment Card Industry (PCI) Data Security Standards (**"PCI DSS"**) and the Payment Application Data Security Standards (**"PA DSS"**) as necessary, to protect Cardholder Data and Sensitive Authentication Data. Upon request, FRANCHISEE shall provide Company a copy of its most recent validation of PCI DSS and PA DSS compliance and all supporting documentation, including without limitation, an attestation of validation, a report of validation, a report on compliance, and any exceptions noted therein (**"Compliance Documentation"**), promptly following the Commencement Date, and on an annual basis thereafter (or at such other time to coincide with Company's own PCI DSS certification. FRANCHISEE covenants and agrees to be and remain in compliance with all applicable PCI DSS and PA DSS and shall perform the necessary steps to validate its compliance with the PCI DSS and the PA DSS and will notify Company immediately should FRANCHISEE: (i) learn or have reason to believe that it is no longer in compliance with the PCI DSS or PA DSS; (ii) reasonably anticipate that it is or will be noncompliant; or (iii) undergoes an adverse change in its certification or compliance status with respect to PCI DSS or PA DSS. Upon the occurrence of either, (i), (ii), or (iii), as set forth above, FRANCHISEE will immediately provide Company with a detailed plan to remediate non-compliance.

In the event FRANCHISEE cannot provide validation of PCI DSS or PA DSS compliance and the necessary Compliance Documentation as set forth above, upon reasonable advance notice, Company shall have the right to engage a Qualified Security Assessor (**"QSA"**) to conduct an audit, to determine compliance with the PCI DSS and PA DSS. All costs of such an audit shall be paid by FRANCHISEE. Such audit shall be conducted by a QSA on behalf of Company and shall be conducted so as to reasonably minimize any disruption to the FRANCHISEE'S operations. FRANCHISEE shall provide reasonable cooperation with such QSA and will provide reasonable access to facilities and applicable personnel necessary to audit and test compliance. FRANCHISEE shall as soon as reasonably possible implement any remediation measures recommended by the QSA in order to either remain certified as PCI DSS or PA DSS compliant or re-obtain PCI DSS or PA DSS certification and provide a detailed plan with respect to any recommended remediation measures. FRANCHISEE acknowledges that it is solely responsible at all times for the security of any payment account information or cardholder data in transit, at rest or in its possession. A failure of FRANCHISEE to maintain certification of PCI DSS compliance or PA DSS compliance shall be considered a material breach and an event of default under this Agreement and Company shall have the right to terminate this Agreement.

The term **"Cardholder Data"** means the full magnetic stripe or the primary account number, plus any of the following: (a) cardholder name), (b) expiration date), or (c) service code. The term **"Sensitive Authentication Data"** means security related information used to authenticate cardholders, appearing in plain text or otherwise unprotected form.

The capitalized terms used in this Paragraph and not otherwise defined in this Agreement shall have the definitions set forth in the California Consumer Privacy Act of 2018 (codified at Cal. Civ. Code Section 1798.100, *et seq.*) and its implementing regulations, as amended from time-to-time (**"CCPA"**). Notwithstanding anything to the contrary in this Agreement, and as applicable, the parties agree that in the event FRANCHISEE obtains any Personal Information (as defined in Paragraph 6.R. and under the CCPA) from any customer, FRANCHISEE shall provide services solely in its capacity as a "Service Provider," as defined in the CCPA. FRANCHISEE does not, and during the Term of this Agreement shall not, sell any Personal Information obtained, processed, or derived by FRANCHISEE in the course of performing any services to customers. FRANCHISEE does not, and during the Term of this Agreement shall not, retain, use, or disclose the Personal Information for any purpose other than for the specific purpose of performing the services, including retaining, using, or disclosing the Personal Information for a Commercial Purpose (as defined in the CCPA) other than providing the services to the customer. FRANCHISEE shall not retain, use, or disclose the Personal Information outside of the direct business relationship between FRANCHISEE and customer.

FRANCHISEE warrants and represents and covenants that it shall comply with applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, (i) PCI-DSS, (ii) CCPA, (iii) all applicable federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of personal information, including but not limited to, the Fair and Accurate Credit Transactions Act (**"FACTA"**), and all regulations implementing FACTA; the Controlling the Assault of Non-Solicited Pornography and Marketing Act (**"CAN-SPAM"**); security breach notification laws (such as Cal. Civ. Code §§ 1798.29, 1798.82 - 1798.84); laws imposing minimum security requirements (such as 201 Mass. Code Reg. 17.00); laws requiring the secure disposal of records containing certain Personal Information (such as N.Y. Gen. Bus. Law § 399-H); (iv~~ii~~) such industry standards as are specified or communicated to FRANCHISEE by Company; and (~~i~~v) the privacy policy which can be found at www.cellairis.com/privacy-policy, (parts (i), (ii), (iii), (iv), and (~~i~~v) shall collectively be referred to as **"Privacy Laws"**).

FRANCHISEE shall also upgrade elements of the Technology Package, including its POS system and related software, at FRANCHISEE'S expense, to maintain compliance with all Privacy Laws.

R. Security Breach

FRANCHISEE is required to notify Company immediately if FRANCHISEE suspects or becomes aware of a Security Breach (defined below). With the exception of any required notification to the Payment Card Brands under PCIDSS (or other applicable standards), FRANCHISEE agrees that Company will have the option to notify affected persons and regulatory authorities on FRANCHISEE'S behalf in accordance with applicable law. If, after consultation with FRANCHISEE, Company determines that notification is required or appropriate, FRANCHISEE agrees that FRANCHISEE will bear all costs associated with such notification, which may include, without limitation, any costs for providing credit monitoring to affected persons. Upon discovery of a Security Breach, FRANCHISEE further agrees that FRANCHISEE will promptly investigate and remediate, at FRANCHISEE'S expense, the source of such Security Breach. FRANCHISEE shall pay all costs Company incurs (including legal expenses) in connection with responding to any Security Breach at the Business Unit or involving FRANCHISEE'S operations under this Agreement.

If FRANCHISEE becomes aware of any actual or suspected unauthorized processing, loss, use, disclosure, alteration, destruction, or other compromise or acquisition of or access to any information (i) that can be used to identify, locate or contact an individual (collectively, **"Personal Information"**), (ii) that is subject to any of the Privacy Laws and/or PCI-DSS, (iii) that might reasonably expose Company to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into FRANCHISEE'S computers, networks, servers, video camera and audio recording devices, or IT resources (whereby (i), (ii), or (iii) shall collectively be referred to as a **"Security Breach"**), FRANCHISEE shall immediately notify Company's General Counsel via telephone of such matter and shall thereafter cooperate with Company to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by FRANCHISEE unless Company has authorized the provision of notice and the form of such notice in writing. FRANCHISEE shall reimburse Company for all reasonable Notification Related Costs (hereinafter defined) incurred by Company arising out of or in connection with any such Security Breach that is directly or indirectly caused by FRANCHISEE or its personnel. **"Notification Related Costs"** shall include Company's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as Company deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (*e.g.*, customer service FAQs, talking points and training); (iv) public relations and other similar crisis management services; (v) legal and accounting fees and expenses associated with Company's investigation of and response to such event; and (vi) costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances.

S. Minimum Purchase Requirement

Before FRANCHISEE opens for business, FRANCHISEE shall purchase from Company's affiliates a minimum amount of Cellairis® branded or Cellairis® packaged Parts and Products that will comprise part of the initial inventory. The minimum required initial inventory purchase shall be ~~$3,000 for an RMU Business Unit,~~ $5~~6~~,000 for all Cellairis Business Units~~an Interactive Kiosk Business Unit, $7,500 for a Full Store Unit, and $10,000 for a Store-in-Store Outlet~~.

In addition to the above purchase requirement, FRANCHISEE shall purchase from Company's affiliates Cellairis® branded or Cellairis® packaged inventory each month of not less than $1,0~~5~~00 for Cellairis Business Units~~Mall Units and Full Store Units and not less than $1,000 for Store-in-Store Outlets~~ (**"Minimum Monthly Inventory"**), which amount is the wholesale price charged to FRANCHISEE for display and sale at the Business Unit. FRANCHISEE acknowledges and agrees that the Minimum Monthly Inventory requirement is reasonable and is not burdensome, and FRANCHISEE expects to sell all of the inventory purchased on a regular basis. Failure to purchase the Minimum Monthly Inventory is a breach of this Agreement. If FRANCHISEE fails to purchase the Minimum Monthly Inventory in any month, Company has the right to invoice and charge FRANCHISEE for the difference between the required Minimum Monthly Inventory purchase and the actual amount purchased (**"Shortfall"**), and Company will obtain a payment from FRANCHISEE of the Shortfall via ACH or similar method on the second business day of the month immediately following the month of the Shortfall. FRANCHISEE may cure such breach and may avoid the Shortfall payment if FRANCHISEE, prior to Company's obtaining payment through ACH or similar method, purchases an amount of inventory to make up the Shortfall. Any purchases made to cure the Shortfall shall be made solely to cure the default and shall not be counted toward the then-current month's or any other month's Minimum Monthly Inventory requirement. In the event there is a Shortfall, and such Shortfall is not cured, then the remaining balance of the Shortfall will be billed to FRANCHISEE'S account. The Minimum Monthly Inventory requirement is not intended to imply that FRANCHISEE will experience gross sales of any particular level.

T. Digital SEO and Communications Set-Up Fee

At the execution of this Agreement, FRANCHISEE shall pay a non-refundable flat fee in the amount of $4,000 to Company or its affiliate a **"Digital SEO and Communications Set-Up Fee"**. Company or its affiliate will contact and contract with certain third party marketing, search engine optimization, communications, and customer development entities as part of The Digital SEO and Communications Set-Up Fee which covers various elements of digital marketing and other communications for the Business Unit. Additionally, the Digital SEO and Communications Set-Up Fee includes customer service and training elements, whereby Company or its affiliate will establish a call forwarding number, which does not require the purchase of a second phone line, but which allows both FRANCHISEE and Company listen to any phone call received at the Business Unit.

7. ACCOUNTING PROCEDURES: RIGHT TO AUDIT

A. Accounting

FRANCHISEE agrees to keep true, accurate, and complete records of the Business Unit in such form as Company now or hereafter may require and, upon request and within 10 days after such request, to furnish Company with a monthly sales report and a monthly and fiscal year to date profit and loss statement in the format prescribed by Company. FRANCHISEE shall also, upon request and within 20 days after such request, submit to Company quarterly balance sheets, the first of which shall be for the period ending 3 months after the Business Unit opens. All profit and loss statements and balance sheets must be prepared in accordance with generally accepted accounting principles. FRANCHISEE shall also provide Company with a statement of local advertising expenditures made pursuant to Paragraph 8.A.(9) below for each calendar quarter and fiscal year to date, in a form satisfactory to Company, along with invoices documenting such expenditures, to be delivered to Company within 20 days after the end of each calendar quarter. In addition and irrespective of whether the Company has requested copies of such documents, FRANCHISEE shall retain for a period of at least 36 months and upon request submit to Company copies of all state sales tax returns and all supporting data and records relating to sales made at or from the Business Unit and such additional records as Company may reasonably request from time to time. If any of the reports or other information required to be given to Company or its affiliates in accordance with this Paragraph or any other agreement between FRANCHISEE and Company or its affiliates, including any sub-license agreement, are not received by Company or its affiliates by the required deadline, Company may charge FRANCHISEE a late submission fee equal to $250.00 per late submission. The remedies contained in this Paragraph shall be in addition to any other remedies Company or its affiliates may have at law or in equity.

B. Audits of Franchisee

FRANCHISEE agrees that Company or its representatives, at Company's expense, shall, at all reasonable times, have the right to examine or audit the books, records (including all records relating to the purchase of products to be sold from the Business Unit as well as advertising expenditures), state sales tax returns, or accounts of FRANCHISEE. Company shall similarly have the right to examine or audit the books, records, state sales tax returns, or accounts of any and all persons or entities who are guarantors, who have personal liability, or who have joint and severable liability under this Agreement in those instances in which it appears that FRANCHISEE has failed to comply with the requirements of this Agreement. In the event the audit discloses that there has been a violation of Paragraph 5.C. of this Agreement, then FRANCHISEE shall, within 15 days after the date notice was sent to FRANCHISEE, pay Company the greater of (1) $250.00 or (2) all Company and affiliate costs of the audit including travel, lodging, and wages, reasonably incurred. In the event the audit discloses that there has been a repeated violation of Paragraph 5.C. of this Agreement, then FRANCHISEE shall, within 15 days after the date notice was sent to FRANCHISEE, pay Company the greater of (1) $500.00 or (2) all Company and affiliate costs of the audit including travel, lodging, and wages, reasonably incurred. These remedies for violations of Paragraph 5.C. shall be in addition to and not in lieu of any other remedies Company may have at law or in equity, and shall not in any way serve to waive Company's right to default and/or terminate this Agreement for said violations pursuant to Paragraph 10. In the event the audit discloses that there has been an understatement of any payment or expenditure that is due and owing under this Agreement or any other agreement executed by the parties, then FRANCHISEE shall, within 15 days after the receipt of notice of the audit report, pay Company the amount of each understatement, and if the understatement exceeds 2% for any period or periods, then FRANCHISEE shall, within 15 days after the receipt of notice of the audit report, pay Company both the amount of each understatement plus FRANCHISEE shall reimburse Company for all costs of the audit including travel, lodging, and wages, reasonably incurred. In the event that Company requests information from FRANCHISEE pursuant to this Paragraph and FRANCHISEE does not provide the requested information within 72 hours of FRANCHISEE'S receipt of notice of Company's request, FRANCHISEE shall incur a fee of $250.00 per day for each day that FRANCHISEE fails to timely provide the requested information to Company. The remedies contained in this Paragraph shall be in addition to and not in lieu of any other remedies Company may have at law or in equity, and shall not in any way serve to waive Company's right to default and/or terminate this Agreement for said violations pursuant to Paragraph 10.

In addition to any other audit rights provided for within this Agreement, and in addition to any inspection rights under Paragraph 6.I., FRANCHISEE agrees that Company or its representatives, at Company's expense, shall, during normal business hours, and without prior notice, have the right to inspect FRANCHISEE'S facilities and equipment, and any information or materials in FRANCHISEE'S possession, custody, or control, relating in any way to FRANCHISEE'S obligations under this Agreement, including, but not limited to those obligations under Paragraphs 6.D., 6.Q., and 6.R. Such audit may be conducted by reputable third party auditors hired on behalf of Company and shall be conducted so as to reasonably minimize any disruption to FRANCHISEE'S operations. FRANCHISEE shall provide reasonable cooperation with such auditors and will provide reasonable access to facilities and applicable personnel necessary to audit and test compliance.

C. Data

All data (including purchase and sales information relating to the Business Unit) provided by FRANCHISEE to the Company (irrespective as to the manner by which it is provided) or otherwise obtained by the Company with respect to FRANCHISEE or the Business Unit, is and will be owned exclusively by Company, and Company will have the unfettered right to use such data in any manner that Company deems appropriate and in accordance with its privacy policy which can be found at www.cellairis.com/privacy-policy, without obligation or compensation to FRANCHISEE and Company shall have no liability whatsoever to FRANCHISEE with respect to such use. Irrespective of the ownership of the data contained within this Paragraph 7.C., FRANCHISEE remains solely responsible for the compliance obligations under Paragraph 6.R.

8. LIMITATIONS OF FRANCHISE

A. Trademarks, Trade Names, Service Marks and Trade Secrets

(1) **Acknowledgement**

FRANCHISEE acknowledges that ownership of all right, title, and interest to the System and the Marks are and shall remain vested solely in Company and/or Global Cellular and FRANCHISEE disclaims any right, title, or interest therein or the good will derived therefrom, and all uses of the Marks by FRANCHISEE inure to the benefit of Global Cellular. FRANCHISEE agrees that the following are, and are to be considered as, and treated as trade secrets and confidential information of the Company for purposes of this Agreement: all materials loaned or otherwise made available to FRANCHISEE and all disclosures made to FRANCHISEE but not to the general public by or at the direction of Company, at any time before or during the Term of this Agreement relating to the System, including, without limitation, training methods, any and all Manuals, or portions of Manuals that reflect information related to the System, financial information, customer information, customer lists, leasing strategy, business plans, methods of doing business, software, technology applications, marketing strategy, and marketing programs. All such materials, information, trade secrets, and confidential information shall be kept confidential and used by FRANCHISEE only in connection with the operation of the Business Unit. FRANCHISEE agrees not to divulge any of the trade secrets or confidential information to any person other than FRANCHISEE'S employees and then only to the extent necessary for the operation of the Business Unit. Nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. FRANCHISEE cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information as long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal. Without limiting the generality of the foregoing, FRANCHISEE shall use or display the Marks on all signs, forms, stationery, invoices, paper goods, and other items used in connection with the Business Unit and other materials only in the manner and form prescribed by Company and as provided for in this Agreement and FRANCHISEE shall include on such materials and on a sign at the location a notice in the form prescribed by Company or its affiliates specifying substantially the following: "The CELLAIRIS trademarks are owned by Global Cellular and are used under license by an independently owned and operated franchised business".

FRANCHISEE shall strictly follow and comply with Company's rules, policies, guidelines, and instructions for the use of the Marks, and for all advertising, marketing, and promotion, and FRANCHISEE acknowledges that such strict compliance is necessary to present a consistent brand image and customer experience, and to prevent or minimize adverse impact on the goodwill related to the Marks and the System.

FRANCHISEE shall permit Company, its affiliates, or their designated representatives, at all reasonable times, to have access to any relevant documents, materials and records pertaining to FRANCHISEE'S operation of the Business Unit in order to determine that Franchisee is complying with its obligations under this Paragraph 8.A.

(2) **No Impairment**

FRANCHISEE will not, directly or indirectly, at any time during the Term of this Agreement or thereafter, do or cause to be done any act or thing disputing, attacking, or in any way impairing or tending to impair Company's or Global Cellular's right, title, or interest in the Marks or the System. FRANCHISEE shall immediately notify Company of all infringements or limitations of the Marks which come to FRANCHISEE'S attention or challenges to FRANCHISEE'S use of any of the Marks, and Company and Global Cellular shall exercise discretion in deciding what action, if any, should be taken in connection therewith. FRANCHISEE agrees to cooperate in the prosecution of any action to prevent the infringement, limitation, illegal use, or misuse of the Marks and agrees to be named as a party in any such action if so requested by Company. Company agrees to bear the legal expenses incident to FRANCHISEE'S participation in such action, except for fees, expenses, and other costs of FRANCHISEE'S personal legal counsel if FRANCHISEE elects to be represented by counsel of FRANCHISEE'S own choosing.

(3) **Franchise Name**

In the adoption of a business, trade, corporate or partnership name, FRANCHISEE shall not use any of the Marks, any variations or abbreviations thereof, or any words confusingly similar to the Marks.

(4) **Advertising**

(a) Authorized Material Only. FRANCHISEE will take such action and precautions as necessary to assure that o~~O~~nly those advertising and promotional materials or items which are authorized by Company in writing prior to use shall be used, sold, or distributed, and no display or use of the Marks shall be made without the prior written approval of Company. All materials on which the Marks are used must include the designation ® or such other designation as Company may specify.

(b) Coupons, Loyalty Cards, Discounts and Other Promotions. FRANCHISEE agrees, at its sole cost and expense, to participate in and offer all System coupons, loyalty cards, gift cards, discounts, and other promotions (including but not limited to contests or sweepstakes) in accordance with marketing programs Company establishes, and to honor the coupons, loyalty cards, gift cards, discounts, and other promotions issued by other FRANCHISEES under any such program.

(c) Approval of Advertising. Any and all advertising and marketing materials not prepared or previously approved by Company shall be submitted to Company at least 14 days prior to any publication or run date for approval, which may be withheld in Company's discretion. Company will provide FRANCHISEE with written notification of its approval or disapproval within a reasonable time and FRANCHISEE cannot use the submitted materials without prior written approval from Company. FRANCHISEE must discontinue the use of any approved advertising within 5 days of FRANCHISEE'S receipt of Company's request to do so. Without limiting the generality of the foregoing, FRANCHISEE, without the express prior written approval of Company, shall not operate, or permit to be operated on its behalf, any internet or world wide web site or page which incorporates any of the Marks or otherwise promotes the Business Unit or System. All advertising and promotion by FRANCHISEE must be factually accurate and shall not detrimentally affect the Marks or the System, as determined in Company's discretion.

(d) Social Media. FRANCHISEE must comply with the standards developed by Company for the System, in the manner directed by Company in the Manual or otherwise, with regard to Company's authorization to use, and use of, blogs, common social networks, professional networks, live blogging tools, virtual worlds, files, audio, and video sharing sites and other similar social networking media or tools (including but not limited to Facebook®, Twitter®, Snapchat®, LinkedIn®, Pinterest®, Instagram®, Google Places®, Google+®, Google AdWords®, Vimeo®, Tumblr®, MySpace® or YouTube®) (collectively **"Social Media"**) that in any way reference the Marks or involves the System, Business Unit, Cellairis Business Units or Company regardless of whether it is used for commercial gain or not.

(e) No Guaranty of Revenue or Sales. FRANCHISEE understands and acknowledges that any and all advertising, marketing, promotional, and/or other services, assistance, or programs that Company implements, administers, or operates is not a promise, guaranty, or warranty of any level of sales, revenue, or profitability of the Business Unit, and that all such activities are intended for the benefit of the System, but Company cannot promise guaranty or deliver any specific benefit to FRANCHISEE.

(5) **Change of Marks**

Company shall have the right to change, modify, add to, or delete the Marks to be used by FRANCHISEE at any time and for any reason it deems appropriate. FRANCHISEE shall pay the costs associated with any such change, modification, addition, or deletion and shall make such necessary changes promptly.

(6) **Use of Marks on the Internet**

FRANCHISEE agrees not to register any Internet address name under any Internet domain, class, or category that contains any of the Marks or any abbreviations, acronym, or variation of the Marks. FRANCHISEE agrees not to use, publish, or in any way incorporate the Marks in any form of Social Media whether or not such Social Media platform is used for commercial gain. Company and Global Cellular retain the sole right to advertise on the Internet and create a web site using any of the Marks or any variation of the Marks. Company retains the right to pre-approve FRANCHISEE'S use of linking and framing between FRANCHISEE'S web pages and all other websites. FRANCHISEE shall, within 5 days after a request by Company, dismantle any frames and links between FRANCHISEE'S web pages and any other websites. FRANCHISEE agrees to comply with any and all policies related to the internet (including Social Media) and the use of the Marks in the public domain as established by Company in the Manual or otherwise provided to FRANCHISEE. Company may, in its discretion and at FRANCHISEE'S expense, establish certain online Social Media pages for the Business Unit, and Company may, in its discretion, provide FRANCHISEE access to these Social Media pages to post content that complies at all times with any and all policies related to the internet (including Social Media) and the use of the Marks in the public domain as established by Company in the Manual or otherwise provided to FRANCHISEE. Company shall retain all rights in these Social Media pages and Company may, in its discretion, terminate any or all of these Social Media pages at any time and/or terminate FRANCHISEE'S access to post content to these pages.

(7) **Additional Marks**

All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks, and commercial symbols hereafter authorized for use by and licensed to FRANCHISEE.

(8) **Advertising Program**

In addition to all other amounts required to be paid hereunder, during the term hereof, Company (or its designee, which may be Global Cellular) may, but is not obligated to, establish and administer an advertising fund (**"Advertising Fund"**). If the Advertising Fund is established, FRANCHISEE must, effective immediately upon written notice to FRANCHISEE, pay to Company, or its designee, a monthly amount, which amount will be designated by Company from time to time, in its discretion, provided that such monthly amount shall not exceed 3% of Gross Sales for the preceding month (**"Advertising Fee"**), which amount shall be used by the Advertising Fund. Advertising Fees shall be paid monthly by the 10th day of each month for the previous month.

FRANCHISEE understands and acknowledges that the Advertising Fund is intended to maximize and support general public recognition, brand identity and patronage of Cellairis Business Units for the benefit of all owners and operators of Cellairis Business Units (including all facilities displaying or otherwise utilizing the Cellairis Mark) and the overall System and that Company undertakes no obligation to ensure that the Advertising Fund benefits FRANCHISEE, or any other Cellairis franchisee, in proportion to their respective contributions. Company (or its designated entity) is not obligated to make expenditures for FRANCHISEE which are equivalent or proportionate to FRANCHISEE'S contribution, or to ensure that any particular franchisee benefits directly or *pro rata* from expenditures by the Advertising Fund. FRANCHISEE agrees that all funds contributed to the Advertising Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs, and public relations activities including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Company or its affiliates who offer Cellairis franchises and/or its and their franchisees, implementing any advertising within any Social Media platform for Company or its affiliates who offer Cellairis franchises and/or its and their franchisees, surveys of advertising effectiveness and other media programs and activities, establishing and administering gift-card programs, customer loyalty programs, employing advertising agencies to assist therewith, purchasing naming rights and sponsorships for public venues, events, and other sponsorship uses to promote the "Cellairis" brand name, and providing promotional brochures, decals, and other marketing materials. The expenditure of such funds for advertising is to be under the control of, and in the discretion of, Company at all times, or such other entities designated by Company.

If established, the Advertising Fund shall be established and maintained as a separate banking account and monies received shall be accounted for separately from Company's other funds and shall not be used to defray any of Company's general operating expenses, except for such reasonable salaries, administrative costs, and overhead as Company (or its designated entity) may incur in activities reasonably related to the administration or direction of the Advertising Fund and its advertising programs (including, without limitation, conducting market research, preparing advertising and promotional materials, collecting and accounting for contributions to the Advertising Fund, paying for the preparation and distribution of financial statements, legal and accounting fees and expenses, taxes, and other reasonable direct and indirect expenses incurred by Company or its authorized entity in connection with programs funded by the Advertising Fund). A financial statement of the operations of the Advertising Fund shall be prepared annually (the cost of preparing such statement to be paid out of the Advertising Fund), and shall be made available to FRANCHISEE upon request. Company or its designated entity may spend in any fiscal year more or less than the aggregate contribution of all franchisees to the Advertising Fund in that year, and the Advertising Fund may borrow from Company or others to cover deficits or invest any surplus for future use. Any lender loaning money to the Advertising

Fund shall receive interest at a reasonable rate. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. Company may cause the Advertising Fund to be incorporated or operated through a separate entity at such time as Company may deem appropriate, and such successor entity, if established, will have all rights and duties specified in this Paragraph. Company (and any designated entity) will not be liable for any act or omission with respect to the Advertising Fund that is consistent with this Agreement and done in the exercise of reasonable business judgment. Except as expressly provided in this Paragraph, Company (and any designated entity) assumes no direct or indirect liability or obligation to FRANCHISEE with respect to the maintenance, direction or administration of the Advertising Fund. FRANCHISEE expressly acknowledges and agrees that Company (and any designated entity) is not operating or acting as a trustee or fiduciary with respect to the Advertising Fees collected. FRANCHISEE agrees to participate in any promotion, marketing, or advertising campaigns created by the Advertising Fund. Company (or any designated entity) may reduce contributions of franchises to the Advertising Fund and upon notice to FRANCHISEE, reduce the Advertising Fund's operation or terminate the Advertising Fund. Company shall have sole and unlimited discretion to use, expend, or refund any monies remaining in the Advertising Fund at the termination of the Advertising Fund. FRANCHISEE acknowledges that all copyright or other intellectual property in and to the advertising and promotional activities and materials undertaken and/or created pursuant to this Paragraph shall be the property of Company or its designee, which may be Global Cellular

(9) **Local Advertising**

FRANCHISEE agrees that, in addition to any other required payment, including but not limited to the payment of the Advertising Fee (if an Advertising Fund is established), FRANCHISEE will spend a reasonable amount each calendar quarter for local market advertising but in no event less than 1% of Gross Sales per calendar quarter. The amount of advertising funds expended by FRANCHISEE for individual local market advertising shall be determined by FRANCHISEE, subject to the foregoing minimum requirement. All local advertising shall be subject to the approval procedure in Paragraph 8.A.(4)c. Local advertising expenditures shall not include incentive programs, including without limitation, costs of honoring coupons, costs incurred in honoring sales promotions, salaries, contributions, donations, press parties, in-store fixtures or equipment, displays, and exterior or interior signage. If FRANCHISEE fails in any quarter to make advertising expenditures in accordance with this Paragraph, Company shall thereafter have the right, in addition to all remedies at law and equity, but not the obligation, for the following 4 quarters to spend an amount not to exceed 1% of the Gross Sales of the Business Unit on local advertising on behalf of FRANCHISEE, and FRANCHISEE must reimburse Company for such expenses and a reasonable administrative fee.

(10) **Advertising Cooperatives**

In connection with the Business Unit and any and all other Cellairis Business Units owned or operated by FRANCHISEE, FRANCHISEE shall participate, if required by Company, in any local, regional, or national cooperative advertising group, consisting of other franchisees of franchised Cellairis Business Units, when and if any such groups are created (each, an **"Advertising Cooperative"**). The particular Advertising Cooperative(s) in which FRANCHISEE may be required to participate shall be designated by Company in its discretion. FRANCHISEE'S payments to any Advertising Cooperative shall be determined by FRANCHISEE and those other franchisees of the System and/or Company, as the case may be, who are participants in such Advertising Cooperative, as set forth in the by-laws of that Advertising Cooperative. FRANCHISEE, however, may not be required to spend more than 2% of Gross Sales per annum for the Business Unit that is subject to this Agreement in connection with any Advertising Cooperative. Any by-laws of an Advertising Cooperative and any other written governing documents must be approved in advance by Company in writing and must utilize such voting and advertising processes and procedures as may be directed by Company for all Cellairis Advertising Cooperatives. Amounts paid to an Advertising Cooperative shall be credited against payments FRANCHISEE is otherwise required to make for local advertising as required herein. Any payments to an Advertising Cooperative shall be in addition to the amounts required to be paid or spent under this Agreement. FRANCHISEE shall enter into such formal agreements with such other franchisees of the System and/or Company, as the case may be, as shall be necessary or appropriate to accomplish the foregoing and FRANCHISEE shall abide by such formal agreements and decisions that the Advertising Cooperative is authorized by Company to make related to advertising and marketing in the area covered by the Advertising Cooperative. For clarity, if FRANCHISEE becomes delinquent in its dues or other payments to the Advertising Cooperative or fails to abide by any formal agreements or authorized decisions of the Advertising Cooperative, such delinquency or failure shall be deemed a failure to participate in the Advertising Cooperative and a breach of this Agreement. Company may upon 30 days' written notice to FRANCHISEE suspend or terminate an Advertising Cooperative's program or operations. As a member, officer, or director of an Advertising Cooperative, at the request of Company, FRANCHISEE shall provide to Company all information requested by Company related to such Advertising Cooperative and FRANCHISEE shall have the obligation to provide such information within 10 days after Company's request to FRANCHISEE.

(11) **Booking Service**

Company, at its discretion, may retain a company, which may be an affiliate or third party, to administer a booking and lead generation service (**"Booking Service"**) to assist in providing FRANCHISEE with appointment leads for the Services. If and when offered, FRANCHISEE may utilize the Booking Service upon the terms and conditions set forth by the administrator (which may be an affiliate of Company or third party). FRANCHISEE may also use other booking, reservation, and lead generation systems and services so long as they comply with the marketing and advertising requirements set forth in this Paragraph 8. The Booking Service will not be exclusive to the System. Company and its affiliates have the right to utilize the Booking Service for other businesses such as other retailers, franchise systems, or service providers, in any location, on any terms and conditions that Company or its designated affiliate or third party deem appropriate, without any compensation to FRANCHISEE, and regardless of their actual or threatened impact on sales at the Business Unit. As with all supplier, vendor, and service provider payments, Company and its affiliates have the right to receive payments, discounts, or other consideration from approved service providers based upon their dealings with FRANCHISEE and/or the System, and Company and its affiliates may use the monies they receive without restriction. FRANCHISEE'S use of the Booking Service does not in any way, either express or implied, guarantee, represent, promise, or assure that FRANCHISEE will receive any customers or revenue.

B. Independent Contractor

FRANCHISEE is an independent contractor and is not an agent, partner, joint venturer, joint employer, or employee of Company, and no trust, confidential, or fiduciary relationship between the parties exists. FRANCHISEE is an independent owner and operator of the Business Unit and is responsible for the day-to-day operations of the Business Unit. FRANCHISEE shall be the sole and exclusive employer of its employees with the sole right to hire, discipline, discharge, and establish wages, hours, scheduling of employee hours and shifts, benefits, employment policies, and other terms and conditions of employment for its employees without consultation with or approval by Company. FRANCHISEE acknowledges that Company does not control or dictate the hours of operation of the Business Unit, and that the landlord, Host, or other owner of the Location under the Occupancy Agreement controls the property and may control or dictate operating hours. Company shall have no control over the terms and conditions of employment of FRANCHISEE'S employees. FRANCHISEE shall comply with all applicable federal, state, and local employment, labor, and wage and hour laws and regulations, and FRANCHISEE acknowledges and agrees that all personnel decisions shall be made by FRANCHISEE, without any influence or advice from Company, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Company. Company shall have no control over FRANCHISEE'S employment or employee records, and FRANCHISEE acknowledges and agrees that its compilation of such records is intended to comply with its obligations under applicable laws and is not intended for the benefit of Company. FRANCHISEE shall have no right to bind or obligate Company in any way nor shall FRANCHISEE represent that FRANCHISEE has any right to do so. In all public records and in FRANCHISEE'S relationship with other persons, including but not limited to on stationery, business cards, and business forms and checks, and in e-mails and on social media and other electronic communications, FRANCHISEE shall indicate independent ownership of the Business Unit and that it is operated under a Franchise granted by Company, and if Company designates such language, then FRANCHISEE shall utilize such language. FRANCHISEE shall exhibit at the Business Unit, in such places as may be designated by Company, for viewing by customers, third parties, and employees, a notification that the Business Unit is operated by an independent operator and not by Company. FRANCHISEE shall file, and keep on file at all times in the proper public office for the locality involved, a statement showing the actual name of FRANCHISEE as the proprietor of its business, if such is required or permitted by the law of the state and for the locality where the Location is located. FRANCHISEE shall not utilize any of the Marks or other indicia of the brand owned by Company or its affiliates in connection with any of FRANCHISEE'S employment related documents, including without limitation, employment applications, employment agreements, paychecks, and benefit notices. FRANCHISEE upon request will furnish Company with reasonable proof of its compliance with the terms of this Paragraph.

C. <u>Unfair Competition, Trade Secrets and Confidential Information</u>

(1) FRANCHISEE acknowledges the uniqueness of the System and that Company is making its knowledge, know-how, and expertise available to FRANCHISEE for the purpose of operating the

Business Unit. FRANCHISEE agrees that it would be an unfair method of competition and a misuse of confidential information for FRANCHISEE to use or duplicate or to allow others to use or duplicate any of the knowledge, know-how, and expertise received from Company for any use other than for the operation of franchised Cellairis Business Units utilizing the System under the Marks. FRANCHISEE, therefore, represents and warrants that during the Term of this Agreement, FRANCHISEE will utilize FRANCHISEE'S best and continuing efforts to promote and develop the business at the Business Unit and during the Term hereof and at all times thereafter will not directly or indirectly engage in the operation of any business, other than the Business Unit and other Cellairis Business Units franchised from Company, which utilizes or duplicates the System, any trade secrets or confidential information of Company, or the Marks.

(2) FRANCHISEE acknowledges and agrees that in connection with the operation of Cellairis Business Units and the System, Company has developed at great expense competitively sensitive proprietary and confidential information which are not commonly known by or available to the public. This proprietary and confidential information does not include any information that (a) is commonly known by or available to the public other than as a result of the fault or breach of FRANCHISEE or by any agent, representative, and/or employee of FRANCHISEE, or any third party having a duty of confidentiality to Company or its affiliates, (b) has been voluntarily disclosed to the public by Company, (c) can be shown by overwhelming documentary evidence to have been independently developed by FRANCHISEE without reference to or using the confidential information or trade secrets of Company or its affiliates, or (d) can be shown by overwhelming documentary evidence to have otherwise entered the public domain through lawful means. All information which comprises the System including the information and data in the Manual and any other materials provided to FRANCHISEE by Company or any of its affiliates will be presumed to be confidential information of Company. Confidential information of Company and its affiliates shall include but in no way be limited to all financial, business, technical, and other information, including all copies thereof (including, without limitation, all agreements, files, books, methods, logs, charts, records, studies, reports, surveys, schedules, plans, statistical information, computer code, programs, software source documents, know-how, inventions, sales techniques, merchandising techniques, sales information, training techniques, product information and development, documentation, specifications, layouts, blue-prints, designs, financial information, leasing information, marketing

information, marketing initiatives, advertising campaigns, mall data, developer information, business plans, customer names and information, supplier names and information, policies, procedures, and franchise information). Failure to include a confidentiality notice on any materials disclosed to FRANCHISEE or any Bound Party shall not give rise to an inference that the information disclosed is not confidential.

(3) FRANCHISEE and each Bound Party (defined below) agree that while this Agreement remains in effect such party will not, directly or indirectly, disclose or publish to any party, or copy or use for such party's own benefit, or for the benefit of any other party, any of Company's proprietary or confidential information, except as required to carry out FRANCHISEE'S obligations under this Agreement or as Company has otherwise expressly approved in writing. All proprietary and confidential information of Company or its affiliates is the sole and exclusive property of Company or its affiliates as applicable. FRANCHISEE and each Bound Party agree that the restriction contained in the preceding sentence will remain in effect with respect to the confidential information for 5 years following termination or expiration of this Agreement for any reason; provided, however, if the confidential information rises to the level of a trade secret, then such restriction shall remain in effect until such time as the information does not constitute a trade secret. FRANCHISEE also agrees that it and all of its employees and agents will take appropriate steps to protect Company's or Company's affiliates' confidential information from any unauthorized disclosure, copying, or use. At any time upon Company's request, and in any event upon termination or expiration of this Agreement, FRANCHISEE will immediately return any copies of documents where there are materials containing confidential information and will take appropriate steps to permanently delete and render unusable any confidential information stored electronically. Nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. FRANCHISEE cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information as long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal.

D. Restrictive Covenants

(1) Non-Competition during Term. In addition to and not in limitation of any other restrictions on FRANCHISEE contained herein, FRANCHISEE, FRANCHISEE'S spouse, and FRANCHISEE'S Principal Owners, and, if FRANCHISEE is not an individual, its parents, subsidiaries, shareholders, members, partners, and managers, and to the extent that any owner of FRANCHISEE is an entity, each person who ultimately has an ownership interest in any and all such entity or entities, as applicable, and each of the above-listed persons' spouses (each, a "**Bound Party**"), shall not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself, or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), within the United States or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, within the United States.

(2) Post-Term Non-Competition. In addition to and not in limitation of any other restrictions on FRANCHISEE contained herein, FRANCHISEE and each of the Bound Parties shall not, for a continuous and uninterrupted period of 2 years following the later of the following to occur: (I) the effective date of termination or expiration of this Agreement for any reason, or (II) following the effective date of a transfer permitted under Paragraph 9 by FRANCHISEE or any Bound Party, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, or (III) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Paragraph 8.D.; (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating (i) at the Location, or (ii) within a 10 mile radius of the Location, or (iii) within the state in which the Business Unit is Located, or (iv) within a 10 mile radius of any Cellairis Business Unit in operation and existence as of the termination date, or (v) within the United States of America. During the 2-year period following the effective date of termination or expiration of this Agreement, a complete listing of such Cellairis branded retail facilities operating under the Marks and the System will at all times be made available to FRANCHISEE by Company within 30 days after FRANCHISEE'S written request to Company. The 2-year period of this Post-Term Non-Competition

covenant shall apply to FRANCHISEE and each Bound Party individually according to his, her, or its situation, transfer, ownership, expiration or termination, and not with respect to any time period applicable to any other Bound Party. In addition, the 2-year period of this Post-Term Non-Competition covenant shall be extended for any Bound Party engaged in violating this covenant until 2 years after the violation has ceased.

(3) General. For purposes of this Agreement, the term "**Competitive Business**" means any business that (a) operates or grants franchises or licenses to others to operate retail or wholesale businesses that offer for sale, distribute, or sell, or (b) operates a business that offers for sale, distribute, or sell, or (c) provides services or assistance to others in the field of, or (d) offers services related to the retail or wholesale sale of the following products or services: (i) wireless device accessories and/or related products for wireless devices, and/or (ii) wireless device repair services (other than another Cellairis Business Unit operated by FRANCHISEE under franchise agreement from Company). Neither FRANCHISEE nor the other Bound Parties will be prohibited from owning securities in a Competitive Business if said Competitive Business's securities are listed on a recognized stock exchange or traded on the over-the-counter market and represent 5% or less of the number of shares of that class of securities which are issued and outstanding. The parties acknowledge that the covenants contained in Paragraph 8.D. are based on the reason and understanding that FRANCHISEE and the Bound Parties will possess knowledge of Company's business and operating methods and confidential information, disclosure and use of which would prejudice the interest of Company, the System, and the franchisees. FRANCHISEE acknowledges that it is being provided specialized training and operations' methods by Company that FRANCHISEE would not have otherwise known. FRANCHISEE acknowledges Company's need for the covenants contained in Paragraph 8.D. is reasonable and justified, and that such covenants are fair and reasonable. Furthermore, FRANCHISEE acknowledges and agrees that FRANCHISEE, its Managing Owner, owners, officers, directors, Operating Partners (if applicable) and other Bound Parties have the skills and intellect to operate, or be employed by, other businesses not within the scope of Competitive Businesses, and these restrictive covenants will not prohibit or hinder these individuals from earning income from other activities. FRANCHISEE further understands and acknowledges the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants. If any part of this restriction is found to be unreasonable in scope of business, time, or distance, such scope

of business, time, or distance may be reduced by appropriate order of the court or arbitrator to that deemed reasonable. It is the expectation and intent of FRANCHISEE and Company that the restrictive covenants set forth in Paragraph 8.D. shall be enforceable to the fullest extent permitted by law, specifically including, but not limited to, O.C.G.A. §§ 13-8-50 through 59, to protect the legitimate business interests of Company and that, in any action concerning the enforcement of any such covenant, if a court or arbitrator shall determine that any such covenant is not in compliance with the provisions of O.C.G.A. §§ 13-8-50 through 59, or any other aspect of the law, then it is the expectation and intent of FRANCHISEE and Company that such court shall modify such covenant, as provided in O.C.G.A § 13-8-53(d) and O.C.G.A. § 13-8-54(b), to make such covenant enforceable to the maximum extent permitted by law and shall grant such relief as is reasonably necessary to protect such legitimate business interests and to achieve the original intent of FRANCHISEE and Company in entering into this Agreement. Company shall, as a matter of course, be entitled to apply for and shall receive interim, interlocutory, or permanent injunctive relief to enforce such covenants in addition to any other relief to which it may be entitled at law or in equity. Company shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived. FRANCHISEE acknowledges that the restrictions imposed in this Paragraph are reasonable and their enforcement will not cause an undue burden upon FRANCHISEE'S ability to earn a livelihood.

(4) Post-Term Non-Solicitation of Customers. In addition to and not in lieu of any other restrictions on FRANCHISEE contained herein, FRANCHISEE and the Bound Parties shall not, for 2 years following the effective date of termination or expiration of this Agreement for any reason, or following the date of a transfer by FRANCHISEE or any Bound Party, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, solicit, or attempt to solicit, directly or indirectly, any of the end-retail customers with whom FRANCHISEE or the Bound Party had "**Material Contact**" during the last 2 years of the Term of the Franchise Agreement, for the purpose of providing products or services competitive with those which were provided by FRANCHISEE from the Business Unit. "Material Contact" exists between FRANCHISEE and the Bound Parties and each end-retail customer if FRANCHISEE dealt with the customer in an effort to further the actual or potential business relationship between customer and FRANCHISEE or Company. Material Contact shall be deemed to exist between FRANCHISEE and any customer that purchased a Product or Service from the Business Unit and shall

include but not be limited to all customers that FRANCHISEE has obtained contact information from such as their address, phone number, e-mail address, and/or Social Media connection.

(5) FRANCHISEE understands and acknowledges that Company shall have the right, in its discretion, to reduce the scope of any covenant set forth in Paragraph 8.D. in this Agreement, or any portion thereof, without FRANCHISEE'S consent, effective immediately upon receipt by FRANCHISEE of written notice thereof; and FRANCHISEE agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Paragraphs 13.H. and 13.N. hereof.

E. Modifications To The System

FRANCHISEE understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, changes in information technology, and/or changes related to data security risks, the System may need to undergo changes in order that it best serve the interests of FRANCHISEE, Company, and the System. Accordingly, FRANCHISEE expressly understands and agrees that Company may from time to time change the components of the System, deleting from or modifying those Products, Parts, and Services that the Business Unit is authorized to offer; requiring certain technological and security upgrades to operating and payment processing systems; mandating information security baseline requirements; and changing, improving, or modifying the Marks. Subject to the other provisions of this Agreement, FRANCHISEE expressly agrees to abide by any such modifications, changes, additions, deletions, and alterations and acknowledges that such modifications, requirements, changes, additions, deletions, and alterations may require further expenditures by FRANCHISEE. Further, FRANCHISEE agrees to execute any and all documents necessary to effectuate the changes. Changes in software programs or other changes in the System may require FRANCHISEE to upgrade its point of sale system and incur costs in obtaining other or additional computer hardware, equipment, and software.

F. Use of FRANCHISEE'S Images

FRANCHISEE grants to Company an irrevocable, perpetual, worldwide, royalty-free license to use FRANCHISEE'S (and FRANCHISEE'S owners' and employees') likeness, trade name, trademarks, images, images of the Business Unit, or other proprietary marks and all intellectual property and intellectual property rights now owned or hereafter adopted, acquired, owned, or developed by FRANCHISEE (provided that such proprietary marks, intellectual property and intellectual property rights are related to the Business Unit or any agreement between FRANCHISEE and Company or one of its affiliates), in any manner

Company deems appropriate in Company's sole and absolute discretion, including Company's use through the website representation described in Paragraph 8.A.(6). This provision shall survive the termination or expiration of this Agreement. The rights granted herein with respect to FRANCHISEE'S owners and employees is limited to photographs, videos, and other likenesses obtained during normal business hours in conjunction with the operation of the Business Unit. FRANCHISEE represents and warrants to Company that it will have all requisite permissions, authorizations, and acknowledgements from such individuals, and hereby indemnifies Company from any and all claims from any such individuals.

G. Use and Assignment of FRANCHISEE Developments

FRANCHISEE agrees to disclose to Company all ideas, concepts, methods, techniques, and products conceived or developed by FRANCHISEE, its affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of, and/or products and services offered at, the Business Unit. FRANCHISEE hereby grants to Company and agrees to procure from its affiliates, owners, agents, or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, and products in all retail wireless device accessory and wireless device repair businesses operated by Company or its affiliates, franchisees, licensees, and designees. Company shall have no obligation to make any payments to FRANCHISEE with respect to any such ideas, concepts, methods, techniques, or products. FRANCHISEE agrees that FRANCHISEE will not use or allow any other person or entity to use any such concept, method, technique, or product without obtaining Company's prior written approval.

9. ASSIGNMENT AND TRANSFER: CONDITIONS AND LIMITATIONS

A. Personal Grant

This Agreement and the Franchise grant are personal to FRANCHISEE, and FRANCHISEE and/or its Principal Owners shall not sell, assign, or transfer this Agreement, or all or substantially all of the assets of the Franchise or Business Unit, or any direct or indirect ownership interest in FRANCHISEE, or any right or ownership interest in the Franchise granted, or the Location, or the Business Unit, nor permit any such assignment or transfer to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of Company, as evidenced by a formal consent, in the form specified by Company, and executed by an authorized officer of Company. Any such transfer or assignment is referred to herein as an "**Assignment**" or a "**Transfer**" and is subject to rules and procedures set forth in this Agreement, and by Company in writing, including obtaining Company's consent and approval as described herein. Any purported Transfer undertaken without the prior written consent of an officer of the Company shall be null and void.

B. **No Pledge**

FRANCHISEE shall not pledge, mortgage, hypothecate, give, or create as security for an obligation, or in any manner encumber this Agreement or the Franchise granted herein except with the express prior written consent of Company.

C. **Death/Incapacity**

In the event of the death or incapacity of FRANCHISEE or, if this Agreement has been assigned to an entity, the death of the majority owner of such entity, Company shall consent to a Transfer of decedent's interest to the then heirs, surviving spouse, or partner or shareholder owning at least ~~twenty-five percent (~~25%~~)~~ of such entity (collectively and individually an **"Heir"**), subject to the following conditions:

(1) The Heir must complete and be approved through Company's standard franchisee selection process including satisfactorily demonstrating to Company that the Heir meets the financial, character, ownership, and managerial criteria and such other criteria and conditions as Company shall then be applying in considering applications for new franchises;

(2) The Heir shall have successfully completed Company's Initial Training;

(3) The Heir shall agree, in writing, to assume liability for and to perform all the terms and conditions of this Agreement to the same extent as the original franchisee;

(4) If the Heir is not approved or there is no Heir, the estate of the deceased shall use its best efforts to sell the Business Unit to an acceptable party within 9 months from the date of FRANCHISEE'S death or incapacity, and Company shall have an option, but not the obligation, to operate and/or manage the Business Unit for the account of FRANCHISEE'S estate until the deceased or incapacitated FRANCHISEE'S interest is transferred to another party acceptable to Company. Should Company elect to operate and/or manage the Business Unit, Company shall make a complete accounting and shall forward the net income from the operation to FRANCHISEE'S estate, less expenses and a reasonable management fee. If the conveyance of the Business Unit to a party acceptable to Company has not taken place within the 9-month period, Company shall have the option to terminate this Agreement.

D. **Transfer/Assignment**

If FRANCHISEE and its owners are in substantial compliance with the terms of this Agreement, Company shall not unreasonably withhold its approval of a Transfer or an Assignment of this Agreement, any rights in this Agreement, all or substantially all of the assets of the Franchise or Business Unit, or any direct or indirect ownership interest in FRANCHISEE, provided that the proposed assignee or transferee, in the opinion of Company, has sufficient business experience, aptitude, character, and financial resources to own and operate the Business Unit and otherwise meets Company's then applicable standards for new franchisees, and further provided that the following conditions are met prior to or concurrent with the effective date of the Transfer:

(1) The Assignment is conducted in compliance with applicable laws and regulations. Company reserves the right as a condition to its approval to obtain a copy of the purchase agreement and any other agreements between FRANCHISEE and transferee. Company's approval of the Transfer after receipt and/or review of such documents in no way, directly or indirectly, constitutes an assurance, approval, representation, or warranty of any kind, express or implied, as to the suitability, accuracy, or completeness of the submitted documents for the Transfer or for any other purpose;

(2) FRANCHISEE has performed its obligations and duties under this Agreement and FRANCHISEE is not in default under this Agreement, or any other agreement with Company or its affiliates;

(3) FRANCHISEE and transferee have satisfied all of their obligations, including all financial obligations, to Company, Company's affiliates, and suppliers under this Agreement and all other agreements they have with Company whether relating to this Franchise or any other franchise or license with Company or its affiliates;

(4) FRANCHISEE, including all officers, directors, shareholders, all guarantors under this Agreement, and the assignee/transferee, must execute a general release, in the form which is utilized by Company, of any and all claims against Company, Company's affiliates, and their respective officers, directors, employees, and agents;

(5) FRANCHISEE pays a transfer fee to Company of ~~$20,000 for a Full Store,~~ $10,000 for any Cellairis Business Unit~~ Store-in-Store Outlet, $15,000 for an Interactive Kiosk, or $5,000 for an RMU~~ in lieu of the initial Franchise Fee. FRANCHISEE shall promptly notify Company in writing of its request for transfer. Upon FRANCHISEE'S written request for transfer, 50% of the transfer fee shall be payable to Company, and this sum is non-refundable under any circumstance including in the event that Company does not approve the transfer. The remaining ~~fifty percent (~~50%~~)~~ is due

at the time Company executes the transfer approval document. Notwithstanding the above transfer fees, Company will reduce the paid transfer fee by $1,000 if, in conjunction with transferee's evaluation of the Transfer or Assignment, transferee retained and was represented by an attorney knowledgeable and experienced in franchising and business transactions. Attached as **Exhibit "8"** to this Agreement is an "Acknowledgement of Legal Representation," which the transferee must sign and deliver to Company concurrently with the transfer or assignment agreement in order to receive a reduced transfer fee. In addition to the immediate preceding reduction in the transfer fee, Company will also refund $1,000 of the paid transfer fee if transferee, following execution of the transfer or assignment agreement travels to Company's headquarters for training, and successfully completes the initial training program. Company may, at its option, credit this $1,000 against transferee's future payments for royalties or other amounts owed, and such credit will be applied with the first four (4) months of operation of the Cellairis Business Unit.

(6) The transferee agrees to assume all liabilities and obligations from the prior operation of the Business Unit, including the Occupancy Agreement, and comply with other reasonable requirements Company may impose;

(7) The transferee and/or transferee's management team, including a designated manager, successfully complete the Initial Training program;

(8) The transferee updates and remodels the Business Unit to comply with the then current standards of Company including purchasing all required furniture, fixtures, and equipment to conform to the then-current System standards;

(9) If Company approves an Assignment or Transfer, Company may, in its discretion, require FRANCHISEE and the guarantors to remain liable for the full and faithful performance of all obligations of the transferee for the remainder of the Term; and

(10) Company's Right of First Refusal: Company has a right of first refusal regarding any proposed Transfer or Assignment subject to this Agreement. Within 10 days of having received an offer, FRANCHISEE shall provide Company with a true and complete copy of the offer received by FRANCHISEE (and any ancillary agreements, documents or other relevant information). Company shall elect whether to exercise its first right of refusal within 10 days of having received a copy of the offer. If there are material changes

in the terms of the sale, Company will have additional rights of first refusal and an additional 10 days to consider the revised offer. If Company does not exercise its right of first refusal within the time periods set out herein, provided FRANCHISEE has otherwise satisfied the requirements set out in this Paragraph 9.D., FRANCHISEE shall be permitted to assign this Agreement. Company's rights under this provision are fully transferable.

FRANCHISEE agrees that the foregoing requirements to an Assignment or Transfer are reasonable conditions upon which Company may grant or withhold its consent. FRANCHISEE acknowledges and agrees that any proposed Assignment or Transfer is not final, and cannot be deemed concluded, final, or consummated, unless and until all conditions in Paragraph 9.D.(1)-(8) are completed to Company's satisfaction.

E. By Company

Company shall have the right to sell, assign, transfer, or otherwise dispose of or deal with any or all of its rights and obligations under this Agreement to any individual, firm, association, bank, lending institution, corporation, or other third party (including any affiliates) as it may in its discretion deem appropriate. In the event of any such sale, assignment, transfer, or other disposition, Company and its affiliates shall be released from any liability under this Agreement for the obligations transferred, except to the extent that such obligations relate to periods prior to such sale, assignment, transfer, or other disposition. This Agreement may be unilaterally assigned by Company and shall inure to the benefit of its successors and assigns. FRANCHISEE agrees and affirms that Company or its affiliate may sell itself, its assets, the Marks, and/or the System to a third-party; may go public, may engage in private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Notwithstanding anything to the contrary, FRANCHISEE further agrees and affirms that Company and its affiliates have the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise, or license those businesses and/or facilities as Cellairis Business Units operating under the Marks or any other marks following Company's purchase, merger, acquisition, or affiliation, regardless of the location of these facilities, which FRANCHISEE acknowledges may be proximate to any of FRANCHISEE'S Cellairis Business Units. With regard to any of the above sales, assignments, and dispositions, FRANCHISEE expressly and specifically waives any claims, demands, or damages arising from or related to the loss of Company's name, the Marks (or any variation thereof), and the System and/or the loss of association with or identification of Company under this Agreement. If Company assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Company or its affiliates to remain in the Cellairis business or to offer or sell any products or services to FRANCHISEE.

F. Sales Assistance By Company

Upon the written request of FRANCHISEE, Company will, in its discretion, utilize its reasonable commercial efforts to assist FRANCHISEE in locating a purchaser for the Business Unit and in the sale of the Business Unit and the transfer of Franchise Agreement to a third party purchaser in exchange for payment by FRANCHISEE to Company of 20% of the gross total sales price.

G. Insolvency or Bankruptcy

If FRANCHISEE or any person holding any interest (direct or indirect) in FRANCHISEE becomes a debtor in a proceeding under the Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Transfer of FRANCHISEE, FRANCHISEE'S obligations and/or rights hereunder, any material assets of FRANCHISEE, or any indirect or direct interest in FRANCHISEE shall be subject to all of the terms of this Paragraph 9, including without limitation the terms of Paragraphs 9.A. and 9.D.

10. DEFAULT

A. Default

If an act of default hereunder is committed by FRANCHISEE, and FRANCHISEE fails to cure the default after any required notice and within the applicable cure period, Company may, at its option and without prejudice to any other rights or remedies provided for hereunder or by law, terminate this Agreement by written notice. The applicable cure period shall be as described below but if a cure period is not specifically mentioned in a Subparagraph; it shall be 15 days. In some cases, as identified below, no cure period is allowed and no prior notice may be required. If any applicable law or rule requires a longer notice period or a longer cure period than that provided herein, then the period required under the law or rule shall be substituted for the requirements herein. The following are acts of default and shall be good cause for termination:

(1) FRANCHISEE fails to operate the Business Unit in accordance with the operating standards and specifications established from time to time by Company. FRANCHISEE shall have 5 days after notification to cure the default;

(2) FRANCHISEE sells any Product, Service, or product (including unapproved products) in violation of this Agreement (other than failure to comply with the requirements of Paragraph 5.C., in which case Sub-paragraph (28) below shall govern). FRANCHISEE shall have 5 days after notification to cure the default;

(3) FRANCHISEE purchases and displays for sale any trademarked items that are not authorized or licensed by the trademark owner and those items were not purchased from an approved Company supplier, then Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(4) FRANCHISEE fails to sell all such required Products or provide all such required Services as are or may be designated by Company from time to time, FRANCHISEE shall have 5 days after notification to cure the default;

(5) FRANCHISEE uses equipment not approved by Company or FRANCHISEE does not use the equipment as required in Paragraph 6.D. FRANCHISEE shall have 5 days after notification to cure the default;

(6) FRANCHISEE fails to maintain the Business Unit in good condition and repair, or fails to make all improvements, alterations, or remodeling requirements as may be determined by Company to be reasonably necessary as and when required;

(7) FRANCHISEE fails to pay when due any monies owed to Company including but not limited to any Royalty to Company. FRANCHISEE shall have 5 days after notification to cure the delinquency;

(8) FRANCHISEE fails to pay when due any amount owed to an affiliate of the Company including but not limited to amounts owed for Products or other materials, equipment, or services. FRANCHISEE shall have 5 days after notification to cure the delinquency;

(9) FRANCHISEE (i) fails to submit any financial or other information required by this Agreement, or (ii) knowingly submits a financial statement that understates Gross Sales. If this act of default occurs, Company shall have the right to immediately terminate this Agreement without notice and FRANCHISEE shall have no opportunity to cure;

(10) FRANCHISEE abandons the franchise relationship without the prior consent of Company at any time during the Term of this Agreement. The cessation of operation of the Business Unit at the Location other than with the consent of Company, whether the Location remains vacant or is converted to another use, shall be

considered abandonment of the franchise relationship; provided, however, that the Business Unit shall not be deemed abandoned if the cessation is due to circumstances beyond FRANCHISEE'S reasonable control (such as lack of electrical power, weather conditions, earthquakes, strikes, and the like) and FRANCHISEE diligently undertakes to resume operations after the reason for such cessation has been abated. If this act of default occurs, Company shall have the right to immediately terminate this Agreement without notice and FRANCHISEE shall have no opportunity to cure;

(11) FRANCHISEE (if FRANCHISEE consists of more than one person, the majority owner, and if the FRANCHISEE is a corporation, the corporation) files a petition or application seeking any type of relief under the Bankruptcy Code or any state insolvency or similar law, or someone files a petition or application seeking to have FRANCHISEE adjudicated in bankruptcy court, or seeking other relief against FRANCHISEE under the Bankruptcy Code or any state insolvency or similar law and the petition or application is not dismissed within 90 days after it is filed. Subject to the applicable law, the franchise shall terminate immediately without notice or cure period upon the occurrence of this act of default as if that date were the expiration date and FRANCHISEE expressly and knowingly waives any rights that FRANCHISEE may have under the provisions of the Bankruptcy Code and consents to the termination of this Agreement or any other relief which may be sought in a complaint filed by company to lift the provisions of the automatic stay of the Bankruptcy Code. Additionally, FRANCHISEE agrees not to seek an injunctive order from any court in any jurisdiction relating to insolvency, reorganization, or arrangement proceedings that would have the effect of staying or enjoining this provision;

(12) FRANCHISEE admits in writing FRANCHISEE'S inability to pay FRANCHISEE'S debts as they mature or makes an assignment for the benefit of creditors, or a receiver (permanent or temporary) for any part of FRANCHISEE'S property is appointed by a court of competent authority. If this act of default shall occur, Company will have the right to immediately terminate this Agreement without notice and FRANCHISEE shall have no opportunity to cure;

(13) A final judgment against FRANCHISEE remains unsatisfied of record for 30 days (unless a supersedeas or other appeal bond has been filed) or if a levy of execution is made upon the Franchise granted by this Agreement or upon any property used in the Business Unit, and it is not discharged within 5 days of said levying;

(14) Conviction of FRANCHISEE or, if FRANCHISEE is a corporation or other entity, conviction of the corporation or other entity or an officer, director, manager, or shareholder of the corporation or other entity in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of 1 year. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure. Notwithstanding anything contained in this Sub-paragraph (14) to the contrary, if this Agreement has been entered into by, or assigned to a corporation or other entity, and one of its officers, directors, managers or shareholders are convicted of an indictable offense punishable by a term of imprisonment in excess of 1 year, Company shall have no right to terminate this Agreement if the convicted person relinquishes or otherwise disposes of his or her interest in the FRANCHISEE entity within 45 days following his or her conviction;

(15) FRANCHISEE uses or duplicates the System or engages in unfair competition in violation of this Agreement or discloses any trade secrets or confidential information of Company in violation of this Agreement. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(16) FRANCHISEE denies Company the right to inspect the Business Unit or to audit the sales and accounting records of the Business Unit or to audit any of the equipment, procedures, or information regarding Paragraphs 6.D., 6.Q., or 6.R. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(17) Conduct by FRANCHISEE which is deleterious or reflects unfavorably on FRANCHISEE or the System by exhibiting a reckless disregard for the physical and mental well-being of employees, customers, Company representatives, or the public at large including, but not limited to, battery, assault, sexual harassment, discrimination, other forms of threatening, outrageous, or unacceptable behavior, or a violation of any condition imposed on FRANCHISEE by the lessor or licensor regarding behavior or dress code. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(18) Failure by FRANCHISEE to maintain a responsible credit rating by failing to make prompt payment of undisputed bills, invoices, and statements from suppliers of goods and services to the Business Unit;

(19) The sale, assignment, merger, or transfer of any interest of FRANCHISEE in this Agreement in violation of this Agreement;

(20) Failure to restore the Business Unit after damage or destruction;

(21) The knowing and intentional submission by FRANCHISEE of a franchise application and/or other form which contains any false or misleading material statements or omits any material fact. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity cure;

(22) Failure to timely open the Business Unit for business or failure to satisfactorily complete the Initial Training program. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(23) Failure to timely pay any License Payment or other money due to the lessor, licensor, sublessor or sub-licensor (which may include Company or an affiliate of Company as sublessor or sub-licensor) under the applicable Occupancy Agreement, or default under any other term of the Occupancy Agreement within any applicable cure period. FRANCHISEE shall have 5 days after notification to cure such default; provided, however, in the event, following a filing or petition in bankruptcy under the US Bankruptcy Code, FRANCHISEE fails to assume the Occupancy Agreement within the time period required under applicable law, this Agreement shall terminate without opportunity to cure;

(24) Failure to maintain insurance in strict compliance with this Agreement;

(25) If required by Company, FRANCHISEE fails to provide a valid credit/charge card that FRANCHISEE has the authority to authorize Company and any affiliate of Company to process. FRANCHISEE shall have 5 days after notification to cure the default;

(26) If required by Company, FRANCHISEE fails to provide a valid bank account that FRANCHISEE has the authority to authorize

Company and any affiliate of Company to electronically debit funds. FRANCHISEE shall have 5 days after notification to cure the default;

(27) Failure to cure a default FRANCHISEE has under any other agreement with Company or an affiliate within the applicable cure period. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(28) Failure to strictly comply with the requirements of Paragraphs 5.C. and 6.F. of this Agreement (including the sale from the Business Unit of products which were not purchased by FRANCHISEE in accordance with the requirements of Paragraph 5.C.). If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(29) Failure to strictly comply with the requirements of Paragraphs 6.I. or 7.B. of this Agreement (including the requirement in the event that an inspection determines that there has been a violation of Paragraphs 5.C. or 6.F., Company may require FRANCHISEE to immediately close the Business Unit and/or discontinue all sales from the Business Unit and/or discontinue providing some or all of the products and services unless and until any and all such violative products, services, and representations are removed from the Business Unit and the Location). If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

(30) FRANCHISEE (a) misuses or makes an unauthorized use of or misappropriates any Marks, (b) commits any act which can be reasonably expected to materially impair the goodwill associated with any Mark, (c) challenges Global Cellular's ownership of the Marks, (d) files a lawsuit involving the Marks without Company's consent, or (e) fails to cooperate with Company or Global Cellular in the defense of any Mark. If this act of default shall occur, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE but with no opportunity to cure;

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(31) FRANCHISEE fails to satisfy the Minimum Monthly Inventory requirements under Paragraph 6.S., and fails to cure any Shortfall as provided for, and within the time provided in, Paragraph 6.S.;

(32) Notwithstanding any other provision, if FRANCHISEE commits two breaches or defaults of this Agreement, regardless of whether the second breach or default occurs contemporaneously with the first or any time thereafter, regardless of whether the second breach or default relates to the same or different type of breach or default as the first or falls within the same default subsection as the first event of default, and regardless of whether any of the breaches or defaults are subject to an opportunity to cure or have been cured; upon the second breach or default by FRANCHISEE of this Agreement at any time during the Term, Company shall have the right to terminate this Agreement, such termination to be effective upon notice to FRANCHISEE with no opportunity to cure;

(33) If FRANCHISEE allows any dispute, disagreement, or controversy between or among partners, managers, owners, officers, directors, or stockholders of FRANCHISEE which, in Company's opinion, adversely affects the operation of FRANCHISEE or the Business Unit; or

(34) Failure by FRANCHISEE to comply with any other provisions of this Agreement.

The failure of Company to terminate this Agreement upon the occurrence of one or more events of default will not constitute a waiver or otherwise affect the right of Company to terminate this Agreement because of a continuing or subsequent failure to cure one or more of the aforesaid events of default or any other default.

In addition to, and notwithstanding the Attorneys' Fee provision in Paragraph 13.K. hereof, (i) in the event of FRANCHISEE'S default under Paragraph 10, (ii) in the event of any instance of non-compliance with this Agreement, the Manual, or other policies and System standards by FRANCHISEE, for which Company notifies FRANCHISEE of such default or non-compliance, (iii) if FRANCHISEE cures a default, or (iv) if Company, in its discretion, elects not to terminate this Agreement upon the occurrence of one or more events of default, then for any of these events, Company may require FRANCHISEE to pay an administrative fee to Company, in the amount of $1,000 per occurrence, plus any and all of Company's costs and expenses to enforce compliance by FRANCHISEE or to cure such default, including but not limited to, reasonable accountants', attorneys', investigators', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, travel, and living expenses, whether incurred prior to, in preparation for, in contemplation of, or in connection with the filing of any judicial or arbitration proceeding to enforce this Agreement. Such administrative fee and other charges are intended to reimburse Company for its time, expense, and other expenditure of resources incurred due to FRANCHISEE'S default or non-compliance. Company's decision to require FRANCHISEE to pay such administrative fee shall be without prejudice to Company's right to terminate this

Agreement and/or to terminate any other rights, options, or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement. FRANCHISEE shall be responsible for its own such costs and expenses.

B. FRANCHISEE'S Right to Terminate

If FRANCHISEE is in substantial compliance with all terms of this Agreement and Company materially breaches this Agreement and fails to cure such breach within 60 days after written notice thereof is delivered to Company, FRANCHISEE may terminate this Agreement. Such termination shall be effective 30 days after delivery to Company of written notice that such breach has not been cured (*i.e.* 90 days after the first notice) and that FRANCHISEE elects to terminate this Agreement. A termination (or attempted termination) by FRANCHISEE other than in strict compliance with the foregoing shall be deemed a termination by FRANCHISEE without cause and a material breach of this Agreement.

C. Cross-Defaults

Any default or breach by FRANCHISEE, its affiliates and/or any guarantor of FRANCHISEE of any of the underlying agreements ancillary to this Agreement including but not limited to any Occupancy Agreement relating to the Location will be deemed a default under this Agreement.

Any default or breach by FRANCHISEE, its affiliates and/or any guarantor of FRANCHISEE of any other franchise agreement for a Cellairis Business Unit between Company and FRANCHISEE and/or its affiliates or any guarantor of FRANCHISEE will be deemed a default under this Agreement.

Any default or breach by FRANCHISEE, its affiliates and/or any guarantor of FRANCHISEE of any other agreement between Company or its affiliates and FRANCHISEE and/or such other parties will be deemed a default under this Agreement.

FRANCHISEE'S "affiliates" means any persons or entities controlling, controlled by, or under common control or ownership with FRANCHISEE.

D. Suspension of Rights and Services

FRANCHISEE acknowledges that upon FRANCHISEE'S failure to remedy any default specified in any written notice issued to FRANCHISEE under Paragraph 10.A., Company also has the right to (i) cease providing any operational support or services until FRANCHISEE complies to Company's satisfaction with the written notice, (ii) suspend access and use of any websites or intranets owned or operated by Company, (iii) ceasing providing Parts and Products to FRANCHISEE, and (iv) cease having affiliates of Company and authorized and approved third party suppliers provide products and support to FRANCHISEE. If Company exercises Company's right to suspend FRANCHISEE'S rights, Company will only do so after FRANCHISEE'S cure period under the written notice of default has expired. FRANCHISEE agrees that Company's exercise of these rights will not constitute an actual or constructive termination of this Agreement nor will it constitute Company's sole and exclusive remedy. If Company exercises Company's right not to terminate this Agreement but to implement such suspension and/or removal, Company reserves the right at any time after the appropriate cure period under the written notice has lapsed, to, upon written notice to FRANCHISEE, terminate this Agreement without giving FRANCHISEE any additional corrective or cure period. During any period of suspension, all fees due under this Agreement shall continue to be payable by FRANCHISEE. Additionally, if FRANCHISEE is in default under this Agreement, Company has the right to withhold or condition Company's consent or approval if needed until FRANCHISEE cures all defaults. Company's election of the suspension rights as provided above shall not be a waiver by Company of any breach of this Agreement or any other term, covenant or condition of this Agreement.

11. EFFECT OF TERMINATION

Upon termination, expiration or transfer of this Agreement for any reason whatsoever, all of FRANCHISEE'S rights hereunder shall terminate and FRANCHISEE shall comply with the provisions set forth below. Furthermore, if the termination is the result of FRANCHISEE'S breach or default under this Agreement (including FRANCHISEE'S abandonment of the franchise relationship without the prior written consent of Company), Company shall, in addition to its rights as set forth below, also be entitled to pursue any and all rights and recover all damages available at law or in equity. To that end, FRANCHISEE acknowledges and confirms that by granting FRANCHISEE the Franchise, Company lost the opportunity to grant a franchise to another person or entity or to itself to own and operate a Cellairis Business Unit at the Location. Additionally, FRANCHISEE confirms that Company and its affiliates, including but not limited to Global Cellular, will suffer substantial damages by virtue of the termination of this Agreement, including, without limitation, lost future Royalty payments, lost advertising fees, lost future profits, lost market penetration and goodwill, lost opportunity costs, and the expense Company and its affiliates will incur in developing another franchise for the Location, which damages Company shall have the right to recover from FRANCHISEE.

A. Discontinue Use of Marks and Intellectual Property

FRANCHISEE shall immediately thereafter discontinue use of the System and all Marks, signs, colors, structures, printed goods and forms of advertising indicative of Company's business, patented products, patented equipment, patented fixtures, equipment, fixtures, and all other intellectual property of Company or its affiliates, and return any Manual and any copyrighted materials which have been provided to FRANCHISEE by Company, and if Company requests, shall assign its telephone number(s) to Company and execute any and all documents necessary to do so. FRANCHISEE and each guarantor (if any) hereunder agree, that in the event any such party continues to operate or subsequently begins to operate any business, they will not use any reproduction, counterfeit, copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Global Cellular's or Company's rights in and to the Marks and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Company or Global Cellular constituting unfair competition. FRANCHISEE and each guarantor shall not use any patented products, patented equipment, patented fixtures, equipment, fixtures, or other intellectual property of Company or its affiliates.

FRANCHISEE shall immediately assign to Company or its designee all of FRANCHISEE'S rights, title, and interest in the telephone numbers, telephone directory listings and advertisements, website URLs (whether acquired by FRANCHISEE in accordance with or in violation of this Agreement), e-mail addresses, online social media websites, pages, or accounts, and governmental licenses or permits used for the operation of the Business Unit. Contemporaneous with FRANCHISEE'S execution of this Agreement, FRANCHISEE will execute the Internet Web Sites and Telephone Listings Agreement attached hereto as **Exhibit "3"**.

B. Pay Amounts Due

FRANCHISEE, as the date of termination, shall immediately pay all amounts due to Company, its affiliates, and all other suppliers. Termination of this Agreement shall not terminate any monetary obligation that FRANCHISEE may owe Company, its affiliates, or any other person or entity as may be required by this Agreement, and shall not entitle FRANCHISEE to any refund of any monies previously paid pursuant to the terms of this Agreement.

C. Return Confidential Materials

FRANCHISEE shall immediately return to Company any and all materials that contain confidential information in whatever form, including but not limited to any operations manuals and materials.

D. Surviving Obligations

FRANCHISEESs obligations regarding trade secrets, confidential information, non-competition, non-solicitation, and indemnification shall remain in full force and effect in accordance with their terms, notwithstanding such termination, transfer, or expiration.

E. Lease or License

If FRANCHISEE enters into an Occupancy Agreement for the site for the Business Unit, FRANCHISEE is required to execute the then current Conditional Lease Assignment Agreement (**Exhibit "2"**). Company may exercise the option to assume FRANCHISEE'S Occupancy Agreement within 30 days after either termination or expiration of this Agreement or within 30 days of notice by FRANCHISEE'S landlord of its intent to terminate the Occupancy Agreement. If FRANCHISEE is a lessee, sublessee, licensee, or sub-licensee of Company or its affiliate, Company or its affiliate has the option to terminate FRANCHISEE'S sublease or sub-license in accordance with the provisions of said sublease or sub-license. In any event, Company, in its discretion, without incurring any liability to FRANCHISEE, and without obtaining any legal process or any consent from FRANCHISEE, shall have the right and is hereby empowered to take possession of the Location demised by the Occupancy Agreement, expel FRANCHISEE therefrom, and in such event, FRANCHISEE shall have no further right, title, or interest in the Occupancy Agreement. In the event that Company does not elect to exercise its option to acquire the Occupancy Agreement for the Location, FRANCHISEE shall make such modifications or alterations to the Location immediately upon termination or expiration as may be necessary to distinguish the appearance of such Location from that of other Cellairis Business Units under the System and shall make such specific additional changes thereto as Company may reasonably request for that purpose, and shall cease using, and shall remove, any Marks, patented products, patented equipment, patented fixtures, or any other intellectual property of Company or its affiliates. If FRANCHISEE fails to modify the exterior and interior décor of the Business Unit and the Location as Company requires to eliminate its identification as a Cellairis Business Unit (including the removal of all signs bearing the Marks and all intellectual property elements), Company may take such action to modify the exterior and interior décor of the Business Unit and the location and charge FRANCHISEE for cost of such action. FRANCHISEE shall immediately pay Company for the cost of any action taken by Company to modify the exterior and interior décor of the Business Unit and the location. Without limiting the foregoing, upon the expiration or termination of this Agreement, Company and its agents and representatives have the right, without incurring any liability to FRANCHISEE, to enter the location or any other premises where the books, records, accounts, or other assets used in connection with the Business Unit are kept, to enforce the provisions of this Paragraph 11, without obtaining any legal process or any consent from FRANCHISEE. If Company or its affiliate assumes the Occupancy Agreement for the location, FRANCHISEE shall remain liable for all of its obligations in connection with the prior operation by FRANCHISEE of the Business Unit, and Company assumes no such obligations, contractual or otherwise, including without limitation FRANCHISEE'S obligations to pay rent or license fees, salaries, vendors or applicable taxes.

F. Occupancy of Business Unit

If this Agreement is terminated, or if the Occupancy Agreement is terminated, and FRANCHISEE has no right to occupy or operate the Business Unit, and Company or an affiliate owns or has the right to occupy the Business Unit, FRANCHISEE shall not use, alter, or modify the Business Unit in any manner, and shall strictly comply with Company's or its affiliate's instructions regarding use, inventory, equipment of the Business Unit, and all other matters regarding the Business Unit.

12. COMPANY'S RIGHT TO PURCHASE PERSONAL PROPERTY

Within 45 days after the termination or expiration of this Agreement, but not upon an approved Transfer, Company shall have an option, but not an obligation, to buy and FRANCHISEE hereby agrees to sell to Company or its affiliates all of FRANCHISEE'S right, title, and interest in any or all Products, Parts, fixtures (including the physical Business Unit structure (**"Structure"**)), equipment, inventory, supplies, furniture, improvements, POS system, and other personal property used in connection with the operation of the Business (collectively **"Personal Property"**). The purchase price of the fixtures, equipment, supplies, Structure, furniture, improvements, POS system, and other Personal Property shall be the amortized book value and the purchase price of the inventory shall be the lesser of cost or fair market value. The purchase price shall be paid in cash at the closing of the purchase which shall take place no later than 30 days after FRANCHISEE'S receipt of notice from Company of its intent to exercise its option to purchase. FRANCHISEE will transfer the Personal Property free and clear of all liens and encumbrances, with all sales and transfer taxes paid by FRANCHISEE. Company shall have the right to set off against and reduce the purchase price by any and all amounts FRANCHISEE owes to Company and its affiliates. At the closing, FRANCHISEE and its Principal Owners shall execute general releases, in a form satisfactory to Company, of any and all claims against Company and its owners, officers, employees, directors, agents, affiliates, successors, and assigns. If Company fails to exercise its rights within the time periods set forth above, FRANCHISEE shall be free to otherwise sell or dispose of the property.

13. DISPUTE RESOLUTION; INTERPRETATION; GENERAL CONDITIONS

A. Interpretation

Paragraph captions are used only for convenience and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular paragraphs to which they refer. Words of any gender used in this Agreement shall include any other gender, and words in the singular shall include the plural, where the context requires.

B. Non-Waiver

The failure of Company to exercise any right or option given to it under this Agreement, or to insist upon strict compliance by FRANCHISEE with the terms and conditions of this Agreement shall not constitute a waiver of any terms or conditions of this Agreement with respect to any other or subsequent breach, nor a waiver by Company of its right at any time thereafter to require exact and strict compliance with the terms and conditions of the Agreement. The rights or remedies set forth in this Agreement are in addition to any other rights or remedies that may be granted by law. No custom, usage, concession, or practice with regard to this Agreement, FRANCHISEE, or other franchisees of Cellairis Business Units, shall preclude at any time the strict enforcement of this Agreement, upon due notice, in accordance with this Agreement's specific terms.

C. Governing Law, Forum and Compliance

(1) Validity. This Agreement shall become valid when executed and accepted by Company in the State of Georgia.

(2) Governing Law. The Parties agree that the Agreement is deemed made and entered into in the State of Georgia. Except to the extent provided by the Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) (**"FAA"**) as required hereby, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 *et seq.*), or other applicable federal law, the terms of this Agreement are to be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions. All matters relating to arbitration will be governed by the FAA.

(3) Venue. For resolution of any dispute that is not subject to mandatory arbitration under **Paragraph 13.D.**, including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within **Paragraph 13.D.**, FRANCHISEE and the Bound Parties agree not to raise and hereby irrevocably waive, to the fullest extent permitted by law, any objection based upon *forum non conveniens* or any other objection it may now have or hereafter have to venue in the U.S. District Court for the Northern District of Georgia, Atlanta

Division, or to the Superior Court of the State of Georgia located in Fulton County, Georgia. It is the express intent of the parties, that in the event a resolution of any dispute is not subject to arbitration under **<u>Paragraph 13.D.</u>**, then the parties agree that all claims must be brought only in the above-mentioned courts.

(4) <u>Jurisdiction.</u> For resolution of any dispute that is not subject to mandatory arbitration under **<u>Paragraph 13.D</u>**., including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within **<u>Paragraph 13.D.</u>**, the Parties hereby consent and explicitly and knowingly waive any objection based on the exercise of personal jurisdiction in the District Court for the Northern District of Georgia, Atlanta Division or to the Superior Court of the State of Georgia located in Fulton County, Georgia and agree that the exercise of personal jurisdiction therein is proper.

(5) **<u>WAIVER OF RIGHT TO TRIAL BY JURY.</u> THE PARTIES EXPRESSLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO A TRIAL BY JURY, IF ANY.**

(6) <u>Right to Equitable Relief.</u> Nothing in this Agreement affects Company's right to obtain injunctive relief against threatened conduct that will cause irreparable harm, under the usual equity rules including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

(7) <u>Conduct of Business.</u> Anything in this Agreement to the contrary notwithstanding, FRANCHISEE shall conduct its business in a lawful manner and faithfully comply with applicable laws or regulations of the United States and the state, city or other political subdivision in which the Business Unit is located.

D. **<u>Arbitration</u>**

(1) <u>Claims Subject to Mandatory Arbitration.</u> Subject to **<u>Paragraph 13.D.(2)</u>**, the parties agree that all controversies, claims, causes of action, or disputes between Company and FRANCHISEE arising out of or relating to:

a. This Agreement or any other agreement between Company and FRANCHISEE;

b. The relationship between FRANCHISEE and Company;

c. The scope, validity, interpretation, and/or enforceability of this Agreement or any other agreement between Company and FRANCHISEE;

d. The scope, validity, interpretation, and/or enforceability of this Paragraph 13.D., specifically including whether any specific claim is subject to arbitration at all (arbitrability questions) but not arbitrability questions related to the exceptions found in Paragraph 13.D.(2)a., which the parties intend for the court to address; and/or

e. The offer or sale of the franchise opportunity

will be subject to arbitration to be administered by the American Arbitration Association (**"AAA"**). Any claims by or against any affiliate of the Company or against any individual principal, officer, executive, owner, or employee of Company or its affiliates may be joined, in the Company's sole discretion, in the arbitration. Any claim that would constitute a compulsory counterclaim as defined by the then current version of Federal Rule of Civil Procedure 13 and under federal precedent of the U.S. Supreme Court and the Court of Appeals for the Eleventh Circuit, must be brought in arbitration. Company reserves the right, but has no obligation, to advance FRANCHISEE'S shares of the costs of any arbitration to allow the arbitration hearings to move forward, but by doing so, Company may not be deemed to have waived or relinquished any right to seek recovery of those costs from FRANCHISEE. All claims that are subject to arbitration shall be brought and filed prior to the earlier of (a) the time period set forth in Paragraph 13.M., or (b) before the applicable statute of limitations would bar the institution of legal or equitable proceedings based on the claim, dispute or other matter in question. Notwithstanding any state law or regulation that purports to supersede or pre-empt the application of the FAA to this Agreement, Company and FRANCHISEE agree that the FAA controls, and except that as specifically set forth in Paragraph 13.D.(2), all claims, controversies, and disputes shall be resolved in arbitration as described and required by this Agreement.

(2) Exception to Claims Subject to Mandatory Arbitration.

a. Exception of Company Actions. Company and FRANCHISEE recognize and agree that certain claims of Company may not be best suited to determination through arbitration and agree that the Company, in its sole discretion, may bring the following types of claims, cases, disputes, and causes of action either in court or in arbitration:

i. Claims seeking injunctive or other equitable relief to enforce provisions of this Agreement, provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any injunctive relief may be given without the necessity of Company posting bond or other security, any bond or other security being hereby waived, and FRANCHISEE acknowledges that the termination of any litigation for injunctive or other equitable relief shall not bar Company from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

ii. Claims seeking relief of any kind with respect to FRANCHISEE'S violation of any health or safety law;

iii. Claims seeking relief of any kind with respect to FRANCHISEE'S use of the Marks;

iv. Claims seeking relief related to of any of the provisions of Paragraphs 8.C. and 8.D. above, including without limitation for breach of confidentiality and non-competition provisions;

v. Claims related to use or improper use, or misappropriation of Company's Marks, trade secrets, confidential information, or any of Company's intellectual property;

vi. Claims seeking recovery of attorneys' fees, litigation expenses, and/or sanctions, including, but not limited to, claims seeking recovery pursuant to Paragraph 13.K., relating to or arising from any claim subject to Paragraph 13.D.(2)a or any claim subject to Paragraph 13.D.(1) that FRANCHISEE improperly brings in court;

vii. Claims, including claims by an affiliate of Company, seeking recovery or any other remedy based on FRANCHISEE'S failure to pay any moneys due under this Agreement, any agreement with an affiliate of Company, or any unpaid invoices owed to an affiliate of Company when due; and/or

viii. The issue of whether a claim is subject to Paragraph 13.D.(2)a. It is the intent of the parties that any challenge as to the whether any of the claims that can be brought in court, as opposed to arbitration, as detailed within this Paragraph 13.D.(2)a. shall be determined by a judge and not an arbitrator.

b. Exception of FRANCHISEE Actions. Company and FRANCHISEE recognize and agree that certain claims of FRANCHISEE may not be best suited to determination through arbitration and agree to specifically except the following types of claims, cases, disputes, and causes of action from arbitration: Claims seeking injunctive or other equitable relief to enforce provisions of this Agreement, provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration and that all claims seeking any injunctive or equitable relief must be brought solely in aid of arbitration in a venue governed by **Paragraph 13.C.**, no other venue being permissible.

c. Waiver of Consolidated or Class Actions. No party except Company (including its employees, agents, officers, or directors and its parent, subsidiary, or affiliated companies) and FRANCHISEE (including where applicable the immediate family members, owners, heirs, executors, successors, assigns, shareholders, partners, and guarantors (as applicable)) may join in or become a party to any arbitration proceeding arising under or relating to this Agreement, the franchise relationship created pursuant to this Agreement, or the offer or sale of the franchise opportunity and the arbitrator will not be authorized to permit any person or entity that is not a party to this Agreement or identified in this paragraph to be a party in any arbitration conducted pursuant to this Agreement. Further, in the event that FRANCHISEE or a Principal Owner is a Cellairis franchisee or Principal Owner for another location, any claims related to the other franchisee, other franchise agreement, other sub-licensee, other sub-license agreement, or other location, may not be heard, arbitrated, or litigated in any arbitration or other proceeding under this Agreement for this location. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not on a consolidated basis or as a class action. **FRANCHISEE EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION, MULTI-PLAINTIFF, MULTI-CLAIMANT, OR CONSOLIDATED BASIS, OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.** Any question regarding the interpretation of enforceability of this prohibition on class-wide arbitration shall be resolved by a court of competent jurisdiction, and not the arbitrator.

(3) Selection of the Arbitrator. The arbitration shall be presided over by a single arbitrator if collectively, the demand for arbitration, any counterclaims asserted, and the Costs and fees (as defined in Paragraph 13.D.(7)e.) state claims totaling $250,000 or less. A single arbitrator shall be authorized to issue a maximum award of $250,000, inclusive of all damages and Costs and fees. If either the demand for arbitration, any counterclaims, Costs and fees, or the aggregate of all claims asserted, individually or collectively, total over $250,000, then the arbitration shall be presided over by a panel of three arbitrators. In either event, the arbitrator(s) will be selected through the provisions of the AAA then in effect at the time of filing of the arbitration demand, with the parties agreeing to request that the AAA provide potential arbitrators who have significant experience in franchising matters, with a preference being given to members of the American Bar Association Forum on Franchising.

(4) Rules Governing Arbitration. Subject to any contrary provisions contained in this Agreement, the parties agree that the Commercial Arbitration Rules for the AAA in effect as of the date of this Agreement will govern the conduct and administration of the arbitration, except as to filing fees that may be changes. The parties may, however, choose to employ the AAA's Commercial Arbitration Rules in effect as of the time of filing the demand if both parties agree and convey that agreement to the AAA.

(5) Location of Arbitration Hearing. All arbitration hearings at which evidence will be taken will be held in person at a location within the boundaries of the City of Atlanta, at an office of the AAA, if AAA has such an office, or another suitable office acceptable to the arbitrator, within Atlanta, or within close proximity to Atlanta, within the state of Georgia, provided that the location has adequate facilities to handle the hearing and accommodate the parties, witnesses, and evidence. The arbitrator(s) shall have no authority to select a hearing locale other than as described in this Paragraph 13.D.(5).

(6) Evidence and Hearing.

a. Company and FRANCHISEE agree to pre-hearing discovery in accordance with the Federal Rules of Civil Procedure; notwithstanding the foregoing, in the event either party seeks to obtain electronically stored information (**"ESI"**) as part of discovery, the party requesting such ESI shall pay for the other party's costs of searching, labeling, indexing, and producing the ESI. This includes, but is not limited to, attorneys' fees for both in-house and outside counsel's time spent collecting and reviewing documents for responsiveness, confidentiality, and privilege at a rate of $150 per hour.

b. Company and FRANCHISEE agree that the Federal Rules of Evidence will govern the admissibility and weight of evidence, including rules regarding the inadmissibility of hearsay.

c. The parties confirm that the arbitrator may not consider any settlement discussions or offers that might have been made by either party and may not act as a mediator for the parties if the parties proceed to mediation at any point.

d. The parties to the arbitration agree to keep all matters, including evidence and testimony, confidential unless obligated by law to disclose the information or the information is necessary in an application to confirm or vacate the award in court, following any appeal. If any party to the arbitration receives a subpoena to obtain information or documents from the arbitration, the recipient shall notify the other party, providing a copy of the subpoena in sufficient time to allow all parties to oppose the subpoena.

(7) Decision of the Arbitrator(s). Unless otherwise specifically agreed to by all parties to the arbitration in writing, the award of the arbitrator(s):

a. will be rendered within 30 days of the close of the arbitration hearing record;

b. will be a reasoned award;

c. may not include punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute;

d. may not include consequential damages (except that damages that are, or are based on lost future profits or lost future royalty fees, are not, and shall not be deemed to be, consequential damages);

e. will include an award to the prevailing party as determined by the arbitrator(s), all of the prevailing party's costs and fees. **"Costs and fees"** mean all reasonable pre-award expenses of the arbitration, including the arbitrator(s)' fees, AAA administrative and filing fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, fees for depositions, including all costs of stenography and videography, and copies of testimony however recorded, witness fees, expert witness fees, costs of investigations and proof of facts, and attorneys' fees;

f. may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules (**"Appellate Rules"**); and will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within 30 days of receipt of the arbitrator's award, as provided by the Appellate Rules, by filing a Notice of Appeal with any AAA office;

g. following the appeal process the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof, subject to **Paragraph 13.C**. and/or

h. after any appeal or in the event there is not an appeal, the award and decision of the arbitrator(s) shall be conclusive and binding on the parties and may be confirmed in any court having jurisdiction thereof, subject to **Paragraph 13.C.** Any right to contest the validity or enforceability of the award shall be governed exclusively by the FAA.

(8) Agreement to Arbitrate Negotiated and Freely Given. Company and FRANCHISEE both hereby represent, warrant, and affirm that this arbitration clause has been freely negotiated between the parties, that the obligations set forth herein have been fully considered by Company and FRANCHISEE and their respective representatives, and are not unduly burdensome to either Company or FRANCHISEE and are within the scope of mutually acceptable obligations established by the parties under this Agreement and thus, are, in Company's and FRANCHISEE'S judgment, as evidenced by the parties' respective execution of this Agreement, fair and reasonable. FRANCHISEE further acknowledges that the requirement that FRANCHISEE resolve disputes in arbitration in accordance with the requirements of this Paragraph 13.D. would not deprive FRANCHISEE of due process or of the opportunity to have any disputes fairly and reasonably heard.

E. Severability

Company and FRANCHISEE agree that if any provision of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against Company or FRANCHISEE. It is the desire and intent of Company and FRANCHISEE that the provisions of this Agreement be enforced to the fullest extent. In the event any court shall determine that any provision in this Agreement is not enforceable as written, Company and FRANCHISEE agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws of the jurisdiction in which enforcement is sought. The provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in the Agreement, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. The Company and FRANCHISEE also agree that each covenant and obligation in this Agreement shall be construed as an agreement independent of any other provision of this Agreement, and that the existence of any claim or cause of action by one party to this Agreement against another party to this Agreement, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by any party to this Agreement of any such covenants or obligations.

F. Notices

(1) All notices to Company shall be in writing and shall be delivered or sent by express, registered or certified mail, or by an overnight delivery service (*e.g.*, Federal Express, UPS), postage fully prepaid, addressed to it at its offices at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 attention Jason S. Adler, Esq., with a mandatory copy to Chris Bussert, Kilpatrick Townsend & Stockton, 1100 Peachtree Street NE, Suite 2800, Atlanta, GA 30309, or at such other address as Company shall from time to time designate in writing.

(2) All notices to FRANCHISEE shall be in writing and shall be sent by any of the following means of delivery: (i) hand delivered, (ii) sent by express, registered or certified mail, (iii) sent by an overnight delivery service (*e.g.*, Federal Express, UPS), (iv) facsimile transmission, (v) E-mail, or (vi) FRANCHISEE'S counsel of record, if any. Notices to FRANCHISEE may be sent to any address appearing on any agreements between Company and FRANCHISEE, the Business Unit, or in Company's records for FRANCHISEE. FRANCHISEE may change its address for receipt

of notices by providing written notice of such change pursuant to the notice requirements to Company. Any notice to FRANCHISEE or any of its Principal Owners shall be deemed effective notice to FRANCHISEE and all of its Principal Owners.

(3) Notices shall be deemed delivered as follows: (i) via hand delivery on the date delivered by hand, (ii) via express, registered or certified mail on the earlier of 3 business days after placement in the United States Mail or the date shown on the return receipt, (iii) via overnight delivery service on the date shown in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made, (iv) via facsimile transmission on the date the transmission occurs, or (v) via E-mail on the date the E-mail is sent.

G. Liability of Multiple Franchisees

If FRANCHISEE consists of more than one person, each person's liability and obligation under this Agreement shall be joint and several.

H. Modification

This Agreement may only be modified or amended by a separate negotiated written document executed by Company and FRANCHISEE that is titled "Amendment to Franchise Agreement". No handwritten or similar attempts by FRANCHISEE to vary the terms of this Agreement are valid and any such attempts are rejected, but such attempted changes shall not operate as a rejection by FRANCHISEE of this Agreement, and FRANCHISEE'S execution of this Agreement shall be deemed acceptance of this Agreement in the form provided to FRANCHISEE by Company for signature.

I. Binding Effect

This Agreement shall be binding upon the parties, their heirs, executors, personal representatives, successors, and their permitted assigns.

J. Survival

Any provisions of this Agreement which impose an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement and be binding on the parties. The parties to this Agreement specifically agree that the provisions related to jurisdiction, venue, and arbitration in Paragraphs 13.C. and 13.D., indemnification in Paragraph 6.M., restrictive covenants in Paragraph 8.D., and protection of confidential information shall survive the termination, rescission, or expiration of this Agreement.

K. <u>Attorneys' Fees</u>

In any arbitration or litigation to enforce the terms of this Agreement, all attorney's fees and costs (including, but not limited to, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses) (including those incurred on appeal) incurred as a result of the litigation or arbitration (including any attorneys' fees and costs incurred in enforcing the right to recover fees and costs as set forth in this paragraph) shall be paid to the prevailing party by the other party. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience. The term prevailing party as used in this Paragraph shall include, without limitation, either a party that prevails on the ultimate merits of a dispute or a party that prevails with respect to the primary issue(s) or relief sought in an arbitration or litigation even if the ultimate merits of a dispute are not resolved. By way of example, if FRANCHISEE initiates litigation with respect to claims that are subject to mandatory arbitration pursuant to <u>Paragraph 13.D</u>. of this Agreement and Company files a motion to dismiss or motion to compel arbitration that is granted, Company will be considered the prevailing party with respect to such litigation and shall be entitled to recover the attorneys' fees and costs it incurred in such litigation pursuant to this paragraph.

L. <u>Time is of the Essence</u>

FRANCHISEE acknowledges and agrees that time is of the essence with respect to FRANCHISEE'S obligations under this Agreement.

M. <u>Damages And Timing Of Claims</u>

THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES, OR LOST PROFITS FROM THE OTHER PARTY. WITH REGARD TO ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN FRANCHISEE AND COMPANY (INCLUDING EACH OF COMPANY'S AFFILIATES), OR THE OPERATION OF THE FRANCHISE AND THE BUSINESS UNIT BROUGHT BY ANY PARTY TO THIS AGREEMENT AGAINST ANOTHER PARTY TO THIS AGREEMENT, SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED; PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF FRANCHISEE TO COMPANY AND EACH OF COMPANY'S AFFILIATES; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM

OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. IN ADDITION TO THE FOREGOING, ANY CLAIM OR ACTION BY FRANCHISEE AGAINST COMPANY OR ITS AFFILIATES RELATING TO ANY PAYMENT(S) MADE BY FRANCHISEE TO COMPANY OR ITS AFFILIATES SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DATE PAYMENT WAS RECEIVED BY COMPANY OR ITS AFFILIATES OR SUCH CLAIM OR ACTION SHALL BE BARRED; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. FRANCHISEE AND THE BOUND PARTIES AGREE THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST COMPANY AND ITS SUCCESSORS AND ASSIGNS. FRANCHISEE AND THE BOUND PARTIES AGREE THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS OF COMPANY AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN COMPANY AND FRANCHISEE AND ANY BOUND PARTY.

N. Entire Agreement

This Agreement and all addendum, schedules, and exhibits attached hereto constitutes the entire agreement of the parties and supersedes all prior negotiations, commitments, representations, and undertakings of the parties with respect to the subject matter of this Agreement. No representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Company made in its ~~most recent~~ Franchise Disclosure Document that Company delivered to FRANCHISEE or FRANCHISEE'S representative.

O. Counterparts

This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. ~~This Agreement may be signed with full legal force and effect using electronic signatures and records.~~Company and FRANCHISEE intend to have the option for either party or all parties, to enter into this Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and FRANCHISEE hereby agree that the electronic signature of Company and/or FRANCHISEE to this Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Agreement and shall be effective to bind such party to this Agreement. Company and FRANCHISEE agree that this Agreement, as signed by Company and FRANCHISEE, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be “written” or “in writing,” (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and FRANCHISEE to the same extent as if signed by Company and FRANCHISEE with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or “printouts” of this Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and FRANCHISEE to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor FRANCHISEE shall contest the admissibility of true and accurate copies of this Agreement as signed by Company and FRANCHISEE with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

P. Rights of Company are Cumulative

The rights of Company hereunder are cumulative and no exercise or enforcement by Company of any right or remedy hereunder shall preclude the exercise or enforcement by Company of any other right or remedy hereunder or which Company is otherwise entitled by law to enforce.

Q. No Liability

FRANCHISEE agrees that no past, present, or future director, officer, employee, incorporator, member, partner, shareholder, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney, or representative of Company’s will have any liability for (i) any of Company’s obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Company based on, in respect of, or by reason of, the relationship between FRANCHISEE and Company, or (iii) any claim against Company based on any alleged unlawful act or omission.

R. Business Judgment

FRANCHISEE understands and agrees that Company may operate and change the System and its business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Company has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant FRANCHISEE a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Company may make such decision or exercise its right and/or discretion on the basis of Company's judgment of what is in Company's best interests, including without limitation Company's judgment of what is in the best interests of the franchise network, at the time Company's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Company; (2) Company's decision or the action taken promotes Company's financial or other individual interest; (3) Company's decision or the action it takes applies differently to FRANCHISEE and one or more other franchisees or Company's company-owned or affiliate-owned operations; or (4) Company's decision or the exercise of its right or discretion is adverse to FRANCHISEE'S interests. In the absence of an applicable statute, Company will have no liability to FRANCHISEE for any such decision or action. Company and FRANCHISEE intend that the exercise of Company's 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, Company and FRANCHISEE agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Company the right to make decisions, take actions and/or refrain from taking actions not inconsistent with FRANCHISEE's rights and obligations hereunder.

S. Force Majeure and Delay

As used in this Agreement, "**Force Majeure**" means any delay, hindrance, or prevention of a party from performing any act or thing required hereunder by reason of strikes, lock-outs, labor troubles, casualties, inability to procure labor, materials, or financing, failure or lack of utilities, governmental laws or regulations, riots, insurrection, war, acts of God, inclement weather, or other causes beyond the reasonable control of either party, affiliates of Company, or authorized and approved third party suppliers.

If Company or FRANCHISEE experiences a Force Majeure event, then the delayed party shall not be liable, and the period of performance of any such act shall be extended for a period equivalent to the period of such delay. The foregoing is inapplicable to the payment of any monies due and owing under this Agreement unless due to an act arising after FRANCHISEE's submission of the payment.

Notwithstanding the foregoing, in the event of any epidemic or pandemic related to a virus or disease where federal, state, or municipal governments force the complete closure of the Location via an executive order (**"Pandemic"**), then FRANCHISEE covenants and agrees to promptly assess any insurance claims to be filed for losses related to the Pandemic and to promptly apply for additional disaster loan programs, funding and other relief programs through any disaster relief programs available, and any other local, state, or federal governments loans, grants, relief programs, or subsidies available as well as any available private/non-profit funding programs (**"Relief Funding Sources"**). FRANCHISEE shall keep Company apprised on at least a weekly basis of its actions and efforts related to receiving funding from the Relief Funding Sources. FRANCHISEE and Company acknowledge and agree that in the event that FRANCHISEE is granted any funding or relief under any of the Relief Funding Sources, FRANCHISEE shall use a portion of such funding or relief to immediately pay to Company any missed payments (either because those payments were not paid by FRANCHISEE or such payments were abated for a period of time in accordance with an agreement in writing between FRANCHISEE and Company) that were to be paid under this Agreement or any other agreement between FRANCHISEE and Company or its affiliates.

14. WARRANTIES AND REPRESENTATIONS OF FRANCHISEE

FRANCHISEE makes the following representations with the understanding that Company is relying on them as a material inducement to enter into this Agreement:

A. FRANCHISEE has been advised to make an independent investigation of Company's operations. Company has not and does not represent that FRANCHISEE can expect to attain a specific level of sales, profits, or earnings. FRANCHISEE has been advised to obtain independent professional advice regarding this Agreement. FRANCHISEE understands that it may sustain losses as a result of the operation or the closing of the Business Unit. FRANCHISEE understands that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree on FRANCHISEE'S skills, abilities, initiative, and hard work. FRANCHISEE understands that FRANCHISEE may be required to purchase all of the Products and Services to be sold from the Business Unit from Company or from Company's affiliates, that FRANCHISEE must comply with a monthly minimum purchase requirement, must obtain the services of designated vendors and suppliers which may also be Company or its affiliates, and that these parties will establish the purchase price for such Products, Services, and other services in their discretion and that these parties expect to make a profit from such sales and services rendered. FRANCHISEE also understands that FRANCHISEE is free to obtain an appropriate approvable Location for the Business Unit from any available source but that if FRANCHISEE elects to sublicense or sublease the Location for the Business Unit from Company or from Company's affiliates then these parties will establish the occupancy rate for such Location in their discretion and that these parties expect to make a profit from such sublicense or sublease.

B. **NO STATEMENT, REPRESENTATION, OR OTHER ACT, EVENT, OR COMMUNICATION, EXCEPT AS SET FORTH HEREIN, IS BINDING ON COMPANY IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.** FRANCHISEE represents that FRANCHISEE has not received any information, from Company, its affiliates, or any of their respective officers, employees, or agents, which is inconsistent with, or contrary to, the terms and conditions described in this Agreement or the information in the FDD provided to FRANCHISEE.

C. The execution and delivery by FRANCHISEE of this Agreement and the consummation of the transactions contemplated hereby will not result in a violation of or conflict with or result in any breach of, or default under the terms, conditions, or provisions of, any judgment, law, or regulation, or any agreement (including, but not limited to any non-competition agreements) or instrument to which the FRANCHISEE or any of the guarantors are bound.

D. FRANCHISEE represents that FRANCHISEE and FRANCHISEE's spouse, and, if FRANCHISEE is not an individual, its shareholders, members, partners, and managers, as applicable, and their spouses (each, a "**Bound Party**"), does **not** directly or indirectly, for and on behalf of itself, himself, herself, or any other person or entity (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined above), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location.

E. FRANCHISEE represents that FRANCHISEE has read the underlying Occupancy Agreement for the Location and is aware of the termination provisions contained therein.

F. FRANCHISEE and all other signatories to this Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will constitute, when executed and delivered, the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

G. FRANCHISEE acknowledges that Company's right to approve, specify, or change equipment, services, site characteristics, the "look and feel" of the Business Unit, and System standards is designed to present a consistent brand image and customer experience, and is not designed or intended to control any aspects of FRANCHISEE'S employment practices or employee relations.

15. ANTI-TERRORISM LAWS

Anti-Terrorism Laws. FRANCHISEE and its owners agree to comply with and/or to assist Company to the fullest extent possible in Company's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, FRANCHISEE and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that FRANCHISEE and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

A. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulation (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war.

B. FRANCHISEE and its owners certify that none of them, their respective employees, agents, bankers, affiliates or anyone associated with them is listed in the Annex to Executive Order 13224. FRANCHISEE agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex. (A copy of the Annex can be accessed on the internet at the following address: http://www.state.gov/j/ct/rls/other/des/122570.htm.)

C. FRANCHISEE certifies that it has no knowledge or information that, if generally known, would result in (a) FRANCHISEE, (b) FRANCHISEE'S owners, employees, agents, bankers, or affiliates or (c) anyone associated with FRANCHISEE to be listed in the Annex to Executive Order 13224.

D. FRANCHISEE is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and FRANCHISEE specifically acknowledges and agrees that FRANCHISEE'S indemnification responsibilities set forth in Paragraph 6.M. above of this Agreement pertain to FRANCHISEE'S obligations under this Paragraph 15.D.

E. Any misrepresentation under this Paragraph or any violation of the Anti-Terrorism Laws by FRANCHISEE or FRANCHISEE'S owners, agents, bankers, employees and affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement FRANCHISEE has entered with Company or an affiliate of Company.

16. MULTIPLE UNIT OWNER RELEASE

In the event that FRANCHISEE or one or more owners of FRANCHISEE is a Cellairis franchisee or has an ownership interest in a Cellairis franchisee or another Cellairis Business Unit, excluding the franchise and Business Unit which is the subject of this Agreement, in consideration of Company permitting FRANCHISEE and/or its owners to own, operate, or have an ownership in multiple Cellairis franchises or Business Units (**"Multiple Cellairis Ownership"**), FRANCHISEE and its owners who have Multiple Cellairis Ownership interests for itself and themselves, their personal representatives, past and present parent entities, subsidiaries, divisions, affiliated entities, partners, shareholders, members, directors, officers, successors and assigns (collectively the **"Franchisee Releasing Parties"**) unconditionally and irrevocably release and discharge Company and Global Cellular, Inc., and for Store-in-Store Outlets, Cellairis WM, LLC, and their past and present parent entities, subsidiaries, divisions, affiliated entities, successors and assigns, owners, directors, officers, agents, and attorneys (collectively the **"Company and Affiliate Released Parties"**) from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses of any kind whatsoever (based upon any legal or equitable theory, whether contractual, common law, statutory, federal, state, local or otherwise) (collectively **"Claims"** as specifically defined for purposes of this Paragraph 16 only), whether known or unknown, suspected or unsuspected, which Franchisee Releasing Parties ever had, now have, or may have against Company and Affiliate Released Parties pertaining to any and all of the other Cellairis franchises and Business Units, including but not limited to Claims arising out of or in any way connected to or involved with or under the business relationship between the parties, any franchise agreement executed between a franchisee and Company, any sublease or sub-license agreement executed between a franchisee and Global Cellular, Inc. or Cellairis WM, LLC, and any purchase of product, fixtures, rent payments, license fee or other items purchased or paid for by a franchisee from Company, Global Cellular, Inc. or any of the Company and Affiliate Released Parties. Franchisee Releasing Parties represent and warrant that they have not assigned, sold, or otherwise conveyed any such Claims as described without limitation in this Paragraph. The parties further acknowledge and agree that this release does not apply to this Agreement or the grant of the franchise under this Agreement.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ______________________________

Title: ______________________________

FRANCHISEE: ______________________

By: ______________________________

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APPENDIX 1

TO FRANCHISE AGREEMENT

Credit/Charge Card Authorization Form

This authorizes Cellairis Franchise, Inc. and any of its affiliates to use the Credit/Charge Card listed below in accordance with the terms of the Franchise Agreement and any other agreement with Cellairis Franchise, Inc. or any of its affiliates.

Type of Card (circle one): Visa MasterCard American Express

Name as it appears on Card: ____

Card Number: ________________________________ Expiration Date: __________

Security Code No.: Not required at this time

Billing Address for Card: ____

____

____

I hereby authorize Cellairis Franchise, Inc., and its affiliates to process charges against the credit/charge card identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Franchise Agreement entered into with Cellairis Franchise, Inc. and any other agreement with Cellairis Franchise, Inc. or its affiliates (including Royalty fees, License Payments, the cost of any Products or Services purchased from Cellairis Franchise, Inc. or its affiliates, and any other amounts owing to Cellairis Franchise, Inc. or its affiliates under the Franchise Agreement or any other agreement with Cellairis Franchise, Inc. or its affiliates, including interest and late fees); and, if necessary, to initiate adjustments for any transactions charged in error. These charges are related to the operation of a franchised business and the amount of each charge will vary from month to month. This authorization will remain in full force and effect until Cellairis Franchise, Inc. has received written notification from me of its termination in such time and in such manner as to afford Cellairis Franchise, Inc. a reasonable opportunity to act on it. Termination of this authorization may result in your Franchise Agreement being terminated unless an alternate means of payment acceptable to Cellairis Franchise, Inc. is provided.

Authorized Card User's Signature____

APPENDIX 2

TO FRANCHISE AGREEMENT

Electronic Funds Transfer Authorization Form

This authorizes Cellairis Franchise, Inc. and any of its affiliates to use the banking information provided below in accordance with the terms of the Franchise Agreement.

Name of bank: ____

Address of bank: ______________________________________

Name of account holder: ________________________________

Name as it appears on account: __________________________

Address of account holder: ______________________________

Account Number: ______________________________________

Routing Number: ______________________________________

Type of Account: Checking OR Savings

I hereby authorize Cellairis Franchise, Inc., and its affiliates to debit the checking/savings account identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Franchise Agreement entered into with Cellairis Franchise, Inc. and any other agreement with Cellairis Franchise, Inc. or its affiliates (including Royalty fees, License Payments, the cost of any Products or Services purchased from Cellairis Franchise, Inc. or its affiliates, and any other amounts owing to Cellairis Franchise, Inc. or its affiliates under the Franchise Agreement or any other agreement with Cellairis Franchise, Inc. or its affiliates, including interest and late fees); and, if necessary, to initiate adjustments for any transactions debited in error. These debits are related to the operation of a franchised business and the amount of each debit will vary from month to month. This authorization will remain in full force and effect until Cellairis Franchise, Inc. has received written notification from me of its termination in such time and in such manner as to afford Cellairis Franchise, Inc. a reasonable opportunity to act on it. Termination of this authorization may result in your Franchise Agreement being terminated unless an alternate means of payment acceptable to Cellairis Franchise, Inc. is provided.

Authorized Owner's Signature: __________________________

CELLAIRIS OFFICE USE ONLY

Account Code: ______________________________________

Store Name / Location: ________________________________

Date: _________________ User: ________________________

EXHIBIT "1" to Franchise Agreement
PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

IN CONSIDERATION of and as an inducement to the execution of the Franchise Agreement (**"Franchise Agreement"**) this Personal Guaranty and Subordination Agreement is made and entered into effective as of the ____ day of _______, 20__ by and between CELLAIRIS FRANCHISE, INC., a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ________________________, with a principal address at ________________________ (**"Franchisee"**), each of the undersigned guarantors (**"Guarantors"**) is a Bound Party as defined in the Franchise Agreement and each of the Guarantors by this Personal Guaranty and Subordination Agreement (**"Guaranty Agreement"**) hereby personally and unconditionally guarantees to Company, its affiliates, and their successors and assigns for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement and in this Guaranty Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement including all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), and each of the Guarantors, hereby agrees to be personally bound by and personally liable for the breach of each and every provision in the Franchise Agreement, by Franchisee, including all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), and all financial obligations to Company and any of its affiliates. The Guarantors hereby personally and unconditionally guarantee all debts and obligations which Franchisee may incur to Company or to affiliates of Company or to such companies that may in the future be affiliated with Company with respect to the provision of any products or services to Franchisee, as a result of any obligations under the Franchise Agreement or as a result of purchases of Parts, Products, or Services by Franchisee from Company or its affiliates. Each Guarantor jointly and severally agrees to make all payments and perform all obligations under this Guaranty Agreement.

To the extent permitted by law, each Guarantor hereby expressly waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the Guarantors may have against Franchisee arising as a result of the Guarantors' execution of and performance under this Guaranty Agreement, for the express purpose that none of the Guarantors shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Company, (ii) any right to require Company to: (a) proceed against Franchisee for any payment required under the Franchise Agreement, (b) proceed against or exhaust any security from Franchisee, (c) take any action to assist any of the Guarantors in seeking reimbursement or subrogation in connection with this Guaranty Agreement, or (d) pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee, (iii) any benefit of, any right to participate in, any security now or hereafter held by Company, (iv) acceptance and notice of acceptance by Company of the Guarantors' undertakings under this Guaranty Agreement; (v) all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (vi) protest; (vii) notices of dishonor; (viii) notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (ix) any other notices (including any notice of the purchase or sale of Products, inventory, and goods by Franchisee, the maturing of bills and the failure to pay the same); and (x) any and all legal or equitable defenses to which any of the Guarantors may be entitled. The personal guaranty established by this Guaranty Agreement will not be affected by the modification, extension, or renewal of any agreement between Franchisee and Company or its affiliates, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization of other debt or relief afforded Franchisee under the United States Bankruptcy Code or under any other State or Federal statute or by the decision of any court or any other matter, whether similar or dissimilar to any of the foregoing, and the guaranty established by this Guaranty Agreement will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. Without affecting the obligations of the Guarantors under this Guaranty Agreement, Company may, without notice to the Guarantors, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement, any other agreement between Franchisee and Company or its affiliates, or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any Guarantors, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement or the right to receive any sum payable thereunder, and the Guarantors each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Franchise Agreement. Company shall have no present or future duty or obligation to the Guarantors under this Guaranty Agreement, and each of the Guarantors waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantors any information, financial or otherwise, concerning Franchisee, any other Guarantor, or any collateral securing any obligations of Franchisee to Company. The obligations of the Guarantors will be unconditional in spite of any defect herein or with respect to any other circumstances whether or not referred to in this Guaranty Agreement that might otherwise constitute a legal or equitable discharge of surety or Guarantor.

This is an irrevocable, unconditional, and absolute guarantee of payment and performance by Franchisee and the Guarantors agree that the Guarantor's liability under this Guaranty Agreement will be immediate and will not be contingent upon the exercise and enforcement by Company of whatever remedies it may have against Franchisee or others or the enforcement of any lien or realization upon any security Company may at any time possess. Each Guarantor agrees that any current or future indebtedness by Franchisee to any Guarantor(s) will also be subordinate to any indebtedness owed by Franchisee to Company. The Guarantors will promptly modify any financing statements on file with any state agencies to specify that Company's rights are senior to those of Guarantor.

The Guarantors further agree that as long as Franchisee owes any money to Company (other than royalty payments that are not past due), Franchisee will not pay and the Guarantors will not accept payment of any part of any indebtedness owed by

Franchisee to any of the Guarantors, either directly or indirectly, without the consent of Company.

Each Guarantor, jointly and severally, agrees to defend, indemnify, and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, and all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), along with any amendments thereto, or any other agreement executed by Franchisee referred to therein.

In connection with any litigation or arbitration to determine the Guarantors' liability under this Guaranty Agreement, the Guarantors expressly waive the Guarantors' right to trial by jury, if any, and agree to pay the costs and the reasonable attorneys' fees as fixed by any court. If Company is required to enforce this Guaranty Agreement in a judicial or arbitration proceeding, and prevails in such proceeding, Company shall be entitled to reimbursement of its costs and expenses (including those incurred on appeal), including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Company is required to engage legal counsel in connection with any failure by the Guarantors to comply with this Guaranty Agreement, the Guarantors shall reimburse Company for any of the above-listed costs and expenses Company incurs. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience.

If this Guaranty Agreement is signed by more than one individual, each individual signing this Guaranty Agreement will be jointly and severally liable for the obligations created in it. This Guaranty Agreement will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied as well as all obligations with respect to debts owed by Franchisee to affiliates of Company with respect to Parts, Products, or Services sold or otherwise provided by such affiliates to Franchisee. Capitalized terms which are not defined herein shall have the same meaning as defined in the Franchise Agreement.

Without limiting the foregoing in any manner, the Guarantors each have carefully read the Franchise Agreement and each of the Guarantors hereby jointly and severally expressly agrees to be individually bound by all of the covenants contained in Paragraphs 6.C., 6.I., 8.D., 13.C., 13.D., and 13.M. of the Franchise Agreement, and acknowledge and agree that this Guaranty Agreement does not grant the Guarantors any right to use the "Cellairis"® marks or system licensed to Franchisee under the Franchise Agreement.

Each Guarantor acknowledges and agrees that it has made an independent examination, review, and investigation of the Cellairis franchise opportunity, Company, Franchisee, and Franchise Agreement, as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from Franchisee any information required by Guarantor concerning the Franchise Agreement, Franchisee, the Cellairis franchise opportunity, and Company. Further, Guarantor acknowledges that it is not relying on Company for any such information in connection with its decision to execute this Guaranty Agreement.

Subject to the arbitration obligations and other obligations of Paragraph 13.D. of the Franchise Agreement and the provisions below, each of the Guarantors agrees that all actions arising under this Guaranty Agreement, the Franchise Agreement, or otherwise as a result of the relationship between Company and the Guarantors, must be commenced in the state or federal court of general jurisdiction in Georgia, and each of the Guarantors irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the Guarantors agrees that Company may enforce this Guaranty Agreement and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

As provided in Paragraph 13.C. of the Franchise Agreement, the parties agree that this Guaranty Agreement shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia without regard to its conflicts of law.

The signatories to this Guaranty Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Guaranty Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Guaranty Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

This Guaranty Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. Company and Guarantors intend to have the option for either party or all parties, to enter into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Guarantors hereby agree that the electronic signature of Company and/or Guarantors to this Guaranty Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Guaranty Agreement and shall be effective to bind such party to this Guaranty Agreement. Company and Guarantors agree that this Guaranty Agreement, as signed by Company and Guarantors, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Guarantors to the same extent as if signed by Company and Guarantors with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Guaranty Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Guarantors to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Guarantors shall contest the admissibility of true and accurate copies of this Guaranty Agreement as signed by Company and Guarantors with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

IN WITNESS WHEREOF, each of the Guarantors has hereunto affixed their signatures and seals effective as of the date first above indicated.

By: ______________________________

Name: ____________________________

Address: __________________________

By: ______________________________

Name: ____________________________

Address: __________________________

CELLAIRIS FRANCHISE, INC.

By: ________________________________

Title: ______________________________

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT
FOR OPERATING PARTNER

IN CONSIDERATION of and as an inducement to the execution of the Franchise Agreement (**"Franchise Agreement"**), this Personal Guaranty and Subordination Agreement is made and entered into effective as of the ____ day of _______, 20__, by and between CELLAIRIS FRANCHISE, INC. a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ________________________, with a principal address at ________________________, (**"Franchisee"**), each of the undersigned guarantors (**"Guarantors"**) is a Bound Party as defined in the Franchise Agreement, and each of the Guarantors by this Personal Guaranty and Subordination Agreement (**"Guaranty Agreement"**) hereby personally and unconditionally guarantees to Company, its affiliates, and their successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement and in this Guaranty Agreement, that all of Franchisee's non-monetary and other undertakings, agreements, and covenants set forth in the Franchise Agreement and all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), shall be punctually performed. Each of the Guarantors, hereby agrees to be personally bound by and personally liable for the breach of each and every provision in the Franchise Agreement, by Franchisee, including all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered). The Guarantors hereby personally and unconditionally guarantee all non-monetary obligations which Franchisee may incur to Company or to affiliates of Company or to such companies that may in the future be affiliated with Company with respect to the provision of any products or services to Franchisee, as a result of any obligations under the Franchise Agreement or as a result of purchases of Parts, Products, or Services by Franchisee from Company or its affiliates. Each Guarantor jointly and severally agrees to perform all obligations under this Guaranty Agreement.

To the extent permitted by law, each Guarantor hereby expressly waives: (i) any right to require Company to pursue, enforce, or exhaust any remedy, including any legal or equitable relief, against Franchisee; (ii) acceptance and notice of acceptance by Company of the Guarantors' undertakings under this Guaranty Agreement; (iii) all presentments, demands and notices of demand for non-performance of any obligations hereby guaranteed; (iv) protest; (v) notices of default to any party; and (vi) any and all legal or equitable defenses to which any of the Guarantors may be entitled.

The personal guaranty established by this Guaranty Agreement will not be affected by the modification, extension, or renewal of any agreement between Franchisee and Company or its affiliates, the filing by or against Franchisee of bankruptcy, insolvency, reorganization of other debt or relief afforded Franchisee under the United States Bankruptcy Code or under any other State or Federal statute or by the decision of any court or any other matter, whether similar or dissimilar to any of the foregoing, and the guaranty established by this Guaranty Agreement will cover the terms and obligations of any modifications, notes, security agreements, extensions or renewals. Without affecting the obligations of the Guarantors under this Guaranty Agreement, Company may, without notice to the Guarantors, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement, any other agreement between Franchisee and Company or its affiliates, or settle, adjust, release, or compromise any claims against Franchisee or any Guarantors, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement or the right to receive any sum payable thereunder, and the Guarantors each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Franchise Agreement. Company shall have no present or future duty or obligation to the Guarantors under this Guaranty Agreement, and each of the Guarantors waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantors any information, financial or otherwise, concerning Franchisee, any other Guarantor. The obligations of the Guarantors will be unconditional in spite of any defect herein or with respect to any other circumstances whether or not referred to in this Guaranty Agreement that might otherwise constitute a legal or equitable discharge of surety or Guarantor.

This is an irrevocable, unconditional, and absolute guarantee of performance by Franchisee and the Guarantors agree that the Guarantor's liability under this Guaranty Agreement will be immediate and will not be contingent upon the exercise and enforcement by Company of whatever remedies it may have against Franchisee or others or the enforcement of any lien or realization upon any security Company may at any time possess.

Each Guarantor, jointly and severally, agrees to defend, indemnify, and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, and all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), along with any amendments thereto, or any other agreement executed by Franchisee referred to therein.

In connection with any litigation or arbitration to determine the Guarantors' liability under this Guaranty Agreement, the Guarantors expressly waive the Guarantors' right to trial by jury, if any, and agree to pay the costs and the reasonable attorneys' fees as fixed by any court. If Company is required to enforce this Guaranty Agreement in a judicial or arbitration proceeding, and prevails in such proceeding, Company shall be entitled to reimbursement of its costs and expenses (including those incurred on appeal), including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Company is required to engage legal counsel in connection with any failure by the Guarantors to comply with this Guaranty Agreement, the Guarantors shall reimburse Company for any of the above-listed costs and expenses Company incurs. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience.

If this Guaranty Agreement is signed by more than one individual, each individual signing this Guaranty Agreement will be jointly and severally liable for the obligations created in it. This Guaranty Agreement will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully satisfied. Capitalized terms which are not defined herein shall have the same meaning as defined in the Franchise Agreement.

Without limiting the foregoing in any manner, the Guarantors each have carefully read the Franchise Agreement and each of the Guarantors hereby jointly and severally expressly agrees to be individually bound by all of the covenants contained in Paragraphs 6.C., 6.I., 8.D., 13.C., 13.D., and 13.M. of the Franchise Agreement, and acknowledge and agree that this Guaranty Agreement does not grant the Guarantors any right to use the "Cellairis"® marks or system licensed to Franchisee under the Franchise Agreement.

Each Guarantor acknowledges and agrees that it has made an independent examination, review, and investigation of the Cellairis franchise opportunity, Company, Franchisee, and Franchise Agreement, as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from Franchisee any information required by Guarantor concerning the Franchise Agreement, Franchisee, the Cellairis franchise opportunity, and Company. Further, Guarantor acknowledges that it is not relying on Company for any such information in connection with its decision to execute this Guaranty Agreement.

Subject to the arbitration obligations and other obligations of Paragraph 13.D. of the Franchise Agreement and the provisions below, each of the Guarantors agrees that all actions arising under this Guaranty Agreement, the Franchise Agreement, or otherwise as a result of the relationship between Company and the Guarantors, must be commenced in the state or federal court of general jurisdiction in Georgia, and each of the Guarantors irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the Guarantors agrees that Company may enforce this Guaranty Agreement and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

As provided in Paragraph 13.C. of the Franchise Agreement, the parties agree that this Guaranty Agreement shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia without regard to its conflicts of law.

The signatories to this Guaranty Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Guaranty Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This

Guaranty Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

This Guaranty Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. Company and Guarantors intend to have the option for either party or all parties, to enter into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**“PDF”**) and delivered via email and, if so, each party hereby consents to the other party entering into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Guarantors hereby agree that the electronic signature of Company and/or Guarantors to this Guaranty Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Guaranty Agreement and shall be effective to bind such party to this Guaranty Agreement. Company and Guarantors agree that this Guaranty Agreement, as signed by Company and Guarantors, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be “written” or “in writing,” (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Guarantors to the same extent as if signed by Company and Guarantors with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or “printouts” of this Guaranty Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Guarantors to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Guarantors shall contest the admissibility of true and accurate copies of this Guaranty Agreement as signed by Company and Guarantors with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the Guarantors has hereunto affixed their signatures and seals effective as of the date first above indicated.

By: ________________________________

____

Name: ______________________________

Address: ____________________________

By: ________________________________

Name: ______________________________

Address: ____________________________

CELLAIRIS FRANCHISE, INC.

By: ________________________________

Title: ______________________________

EXHIBIT "2" to Franchise Agreement
CONDITIONAL LEASE ASSIGNMENT AGREEMENT

This CONDITIONAL LEASE ASSIGNMENT AGREEMENT (**"Agreement"**) is made and entered into effective as of the ____ day of ________, 20__, by and between CELLAIRIS FRANCHISE, INC., a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Franchisor"**), and ____, with a principal address at ____ (**"Lessee"**) and ____, with a principal address at ____ (**"Lessor"**).

RECITALS:

WHEREAS, under the terms of the Lease Agreement, attached hereto as **Exhibit "A"**, Lessor has agreed to lease to Lessee certain premises (the **"Premises"**) located at the following street address:

____

____

WHEREAS, Franchisor has accepted the Premises as a suitable location for Lessee's operation, subject to the provisions of its franchise agreement (the **"Franchise Agreement"**) and further subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained other good and valuable consideration, including the acceptance by Franchisor of the Premises as a location for a "Cellairis" retail operation, the parties hereby agree as follows:

1. **Use of the Premises**. Lessee shall use the Premises only for the operation of a "Cellairis" retail operation pursuant to the Franchise Agreement and for no other purposes whatsoever.

2. **Signage**. Lessor hereby consents to Lessee's use and display on the Premises of such exterior and interior signs, posters, promotional materials and equipment, furnishings, and décor as are currently required by Franchisor pursuant to the Franchise Agreement. In the event that such requirements are changed in the future, Lessor agrees that it will not unreasonably withhold its consent to Lessee's compliance with such changes. In the event that local ordinances or zoning requirements prohibit the use of the Franchisor's standard signage, Franchisor will not unreasonably withhold its consent to the modification of its standard signage to comply with such requirements.

3. **Assignment**. Lessor hereby acknowledges that Lessee has agreed under the Franchise Agreement that, in the event of termination or expiration of the Franchise Agreement or Lessee's default under the Lease, Lessee shall, at Franchisor's option, assign to Franchisor any and all interest of Lessee in the Lease, including any rights to renew the Lease or to sublease the Premises; and Lessor hereby consents to such assignment, subject to the following conditions:

(A) Franchisor shall notify Lessor in writing within 30 days after termination or expiration of the Franchise Agreement or Franchisor's receipt of any notice of default by Lessee under the Lease if Franchisor elects to accept assignment of the Lease; Franchisor's failure to accept assignment of the Lease upon any default of Lessee under the Lease shall not be deemed a waiver of Franchisor's future right to accept such assignment in the event of any future default by Lessee;

(B) If Franchisor elects to accept assignment of the Lease, Franchisor shall execute and deliver to Lessor a lease containing the same terms and conditions (including rental rates) as the Lease; provided, however, that Franchisor's leasehold interest shall not be subject to any default claims that may exist between Lessor and Lessee;

(C) If Franchisor elects to accept assignment of the Lease, Franchisor shall take possession of the Premises within 30 days after notice of such election to Lessor, and Franchisor shall commence payment of rent upon taking possession of the Premises;

(D) Nothing herein shall affect Lessor's right to recover from Lessee any and all amounts due under the Lease or to exercise any rights of Lessor against Lessee as provided under the Lease, but will have no rights to terminate the Lease or to disturb the quiet possession of the Premises by Franchisor or any future assignee of Franchisor.

4. **Consent to Assignment**. This Agreement will remain in effect during the entire term of the Lease and any and all renewals or extensions of the Lease. Lessor agrees that the Lease may not be amended, assigned, extended, renewed, or surrendered, nor may the Premises or any part of it be sublet, nor may the Lease, or any interest therein, be assigned or encumbered by Lessee without obtaining the prior written consent of Franchisor.

5. **Exercise of Option by Franchisor**. Franchisor may exercise the option described in Section 3 of this Agreement to accept an assignment of the Lease or enter into a new lease containing the same terms and conditions of the Lease, by giving written notice to Lessee and Lessor of its election to do so. In such event, Lessee must vacate the Premises immediately upon the receipt of such notice.

6. **Assignment to Third Party**. At any time after giving notice of its election to accept assignment of the lease or after or entering into a new lease containing the same terms and conditions of the Lease, Franchisor may request to assign its lease, or sublease the Premises, to a third party. Lessor agrees not to unreasonably withhold its consent to any such assignment or sublease on the same terms as the Lease provided however, that if Lessor refuses to consent to such assignment or sublease by Franchisor, Franchisor shall have no further obligations thereunder. Notwithstanding anything set forth in the Lease to the contrary, the Lessee and/or Franchisor shall have the right to assign the Lease or any interest therein, or sublet the Premises or any portion thereof without the consent of Lessor, to:

(A) a parent or affiliate of Lessee;

(B) Franchisor or any successor or affiliate thereof;

(C) wholly owned by Lessee, Lessee's parent or a subsidiary of Lessee;

(D) a corporation with which Lessee merges;

(E) a result of a reorganization, or the surviving corporation of a business restructuring; or

(F) any *bona fide* franchisee of the Franchisor.

7. **Notices**. Lessor agrees to furnish Franchisor with copies of any and all letters and notices to Lessee pertaining to any default by Lessee under the Lease at the same time and in the same manner as any such notice is sent to Lessee. Lessee agrees to furnish Franchisor with prompt written notice of any and all amendments, waivers, extensions, renewals, or other modifications of the Lease. All notices hereunder shall be mailed or delivered to the addresses set forth above, unless changed from time to time by any party through written notice mailed or delivered to the other parties. Within 15 days after Lessee's right to cure any default expires, Franchisor or any affiliate thereof shall have the right but not the obligation, to cure any such default.

8. **Entry of Franchisor**. Lessor and Lessee hereby acknowledge that Lessee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises operated by Lessee at any time for the purpose of conducting inspections, protecting Franchisor's proprietary marks, and correcting deficiencies of Lessee. Lessor and Lessee hereby agree not to interfere with or prevent such entry by Franchisor, its employees or agents.

9. **De-Identification**. Lessor and Lessee hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Lessee is obligated under the Franchise Agreement to take certain steps to de-identify the location as a "Cellairis." Lessor agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Lessee, including allowing Franchisor, its employees, and agents to enter and remove signs, décor, patented fixtures, and materials bearing or displaying any marks, designs, logos, or intellectual property of Franchisor or its affiliates; provided, however, that Lessor shall not be required to bear any expenses thereof. Lessee agrees that if Lessee fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Lessee's expense.

10. General Provisions.

(A) Lessor agrees not to construct or change any improvements or landscaping in any manner which would impair the visibility of or access to the Premises, or the amount of parking available for use by Lessee.

(B) This Agreement shall be binding upon the parties hereto and their successors, assigns, heirs, executors, and administrators. The rights and obligations herein contained shall continue notwithstanding changes in the persons or entities that may hold any leasehold or ownership in the land of building. Any party hereto may record this Agreement or a memorandum hereof.

(C) Any party hereto may seek equitable relief, including, without limitation, injunctive relief or specific performance, for actual threatened violation or nonperformance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for under this or other agreements between any of the parties. The prevailing party in any action shall be entitled to recover its legal fees together with court costs and expenses of litigation.

(D) Nothing contained in this Agreement shall affect any term or condition in the Franchise Agreement between Lessee and Franchisor. Nothing herein shall be deemed to constitute a guaranty or endorsement by Franchisor of the terms and conditions of the Lease between Lessor and Lessee. In the event that Franchisor, in its discretion, determines not to accept assignment of the Lease as permitted hereunder, neither Lessor nor Lessee shall have any claims against Franchisor. No terms or conditions contained in the Lease shall be binding on Franchisor unless and until it elects to accept assignment of the Lease hereunder.

(E) If Lessee has an obligation to continuously operate its business at the Premises, Lessee may cease operating for up to 90 days, from time to time, to perform repairs, enhancements or renovations, as required by the Franchise Agreement.

(F) The signatories to this Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

~~(F)~~(G) This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. Franchisor, Lessee, and Lessor intend to have the option for either party or all parties, to enter into this Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format ("PDF") and delivered via email and, if so, each party hereby consents to the other party entering into this Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Franchisor, Lessee, and Lessor hereby agree that the electronic signature of Franchisor and/or Lessee and/or Lessor to this Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Agreement and shall be effective to bind such party to this Agreement. Franchisor, Lessee, and Lessor agree that this Agreement, as signed by Franchisor, Lessee, and Lessor, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Franchisor, Lessee, and Lessor to the same extent as if signed by Franchisor, Lessee, and Lessor with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Franchisor, Lessee, and Lessor to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Franchisor, Lessee, nor Lessor shall contest the admissibility of true and accurate copies of this Agreement as signed by Franchisor, Lessee, and Lessor with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

IN WITNESS WHEREOF, the parties intending to be legally bound have executed this Agreement.

LESSOR:
(Name)

By: ________________________________

Title: ______________________________

LESSEE:
(Name)

By: _______________________________

Title: _____________________________

FRANCHISOR:

CELLAIRIS FRANCHISE, INC.

By: _______________________________

Title: _____________________________

EXHIBIT "3" to Franchise Agreement
INTERNET WEB SITES AND TELEPHONE LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND TELEPHONE LISTINGS AGREEMENT (the **"Listing Agreement"**) is made and entered into as of the _____ day of _________________, 201___ (the **"Effective Date"**), by and between Cellairis Franchise, Inc. a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Franchisor"**), and ________________________________, with a principal address at ______________________________________(**"Franchisee"**).

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Cellairis Franchise, Inc. Franchise Agreement (the "**Franchise Agreement**"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1. Interest in Internet Web Sites and Telephone Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings, and certain domain names, hypertext markup language, online social media websites, pages or accounts (including but not limited to blogging sites, Facebook®, Twitter®, LinkedIn®, Pinterest®, Instagram®, Snapchat®, Google Places®, Google+®, Google AdWords®, Vimeo®, Tumblr®, MySpace® or YouTube®), uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the **"Web Sites and Listings"**) related to the Business Unit or the Marks (all of which right, title, and interest is referred to herein as **"Franchisee's Interest"**). Franchisee shall provide Franchisor with all usernames, passwords and any additional information necessary to access the Web Sites and Listings.

2.2. Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all telephone companies, telephone directory publishers, telephone directory listing agencies, Internet Service Providers, domain name registries, online social media websites, Internet search engines, and other listing agencies (collectively, the **"Internet and Telephone Companies"**) with which Franchisee has Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Web Sites and Listings, Franchisee will immediately direct the Internet and Telephone Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3. Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

(i) Direct the Internet and Telephone Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Telephone Listings to Franchisor;

(ii) Direct the Internet and Telephone Companies to terminate any or all of the Internet Web Sites and Telephone Listings; and

(iii) Execute the Internet and Telephone Companies' standard assignment forms or other documents in order to effect such transfer or termination of Franchisee's Interest.

2.4. Certification of Termination. Franchisee hereby directs the Internet and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor that the Franchise Agreement has terminated.

2.5. Cessation of Obligations. After the Internet and Telephone Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Telephone Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Telephone Companies for the sums Franchisee is obligated to pay such Internet and Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Listing Agreement.

3. MISCELLANEOUS

3.1. Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Telephone Companies and each and all of their parent corporations, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Listing Agreement.

3.2. Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agree that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Listing Agreement.

3.3. No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Telephone Listings.

3.4. Further Assurances. Franchisee agrees that at any time after the date of this Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Listing Agreement.

3.5. Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Listing Agreement.

3.6. Effect on Other Agreements. Except as otherwise provided in this Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7. Survival. This Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8. Joint and Several Obligations. All Franchisee's obligations under this Listing Agreement shall be joint and several.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

CELLAIRIS FRANCHISE, INC.

By:______________________________
Name:____________________________
Title:_____________________________

FRANCHISEE:

If an Individual:

Signature:_________________________
Printed Name:______________________

If other than an Individual:

[INSERT ENTITY NAME]

By:______________________________
Name:____________________________
Title:_____________________________

EXHIBIT "4" to Franchise Agreement

FRANCHISEE Information

1. FRANCHISEE'S legal organization (circle one): (a) sole proprietorship; (b) partnership; (c) corporation; (d) limited liability company; or (e) other.

2. If FRANCHISEE is not a sole proprietor, list of all its partners, members, shareholders, or others holding any ownership interest in FRANCHISEE, and to the extent that any owner is an entity, each person who ultimately has an ownership interest in any and all such entity or entities:

	Name and address	% interest	Active in Operation of Business? (yes/no)
(a)	______________________________ ______________________________ ______________________________	______	______
(b)	______________________________ ______________________________ ______________________________	______	______
(c)	______________________________ ______________________________ ______________________________	______	______
(d)	______________________________ ______________________________ ______________________________	______	______

3. If FRANCHISEE is not a sole proprietor, list of FRANCHISEE'S officers, directors, managers, and/or general partners:

	Name	Title
(a)	____________________________	____________________________________
(b)	____________________________	____________________________________
(c)	____________________________	____________________________________
(d)	____________________________	____________________________________

4. If any of the individuals listed in response to questions 2 or 3 have an ownership interest in any other franchised Cellairis® Business Unit:

Name	Business Unit Location	% interest
(a)		
(b)		
(c)		
(d)		

The undersigned certifies that all information contained in this **Exhibit 4** is accurate and complete, and agrees to notify Company promptly (and in any case within 15 days) upon any change in the information required to be disclosed in this **Exhibit 4**.

FRANCHISEE:

If an Individual:

Signature:______________________________

Printed Name:__________________________

If other than an Individual:

[INSERT ENTITY NAME]

By:____________________________________

Name:_________________________________

Title:__________________________________

EXHIBIT "5" to Franchise Agreement

State-Specific Addenda

(See Attached)

CALIFORNIA AMENDMENT TO THE FRANCHISE AGREEMENT

The following Amendment modifies the Cellairis Franchise Agreement (the **"Agreement"**) with respect to Cellairis franchises offered and sold to either a resident of the State of California or a non-resident who will be operating a Cellairis franchise in the State of California, as follows:

1. Transfer Guidelines. Paragraph 9.D. of the Agreement is hereby supplemented by the addition of the following subsections "(11)" and "(12)":

(11) Among the potential qualifications that the transferee must possess, and/or the processes that must be followed by FRANCHISEE and the transferee, are the following:

a. the transferee must satisfy the Company's minimum net worth, liquid asset, equity/debt ratio, and credit score requirements;

b. the transferee must submit a complete and accurate franchise application, and payment of all applicable transfer and application fees;

c. the transferee must complete and pass all background checks;

d. there must not be any felony convictions or other crimes of transferee that may adversely affect the Marks, the System, or the Company, and there must not be a pleading of no contest to any other of these by the transferee;

e. no previous claims by the transferee or FRANCHISEE against another franchisor or an affiliate;

f. the operation or ownership of the Business Unit or franchisee entity will not violate any contracts with any third party;

g. the FRANCHISEE or transferee will not own or control an excessive number of Cellairis Business Units, and that threshold may be determined by Company in its sole discretion;

h. the transferee must not have a pattern or practice of litigiousness; and

i. there must not be a significant number of customer complaints against the transferee's previous business operations, whether as part of the Cellairis network or in other businesses.

(12) Company may expand upon, and provide more details related to, the conditions for transfer and Company's consent as described in this Paragraph 9, and may do so in the Manual or otherwise in writing. Company may, but is not obligated to, provide the additional details regarding the transfer conditions and company's consent to FRANCHISEE.

2. Repurchase Requirements. Paragraph 12 of the Agreement is hereby supplemented by the addition of the following paragraph at the end of Paragraph 12:

In connection with Company's right to purchase the personal property of, or other assets of, FRANCHISEE or the Business Unit upon termination, expiration, or non-renewal of this Agreement, whether permitted or required by this Agreement or by a federal, state, or local law or regulation, FRANCHISEE shall do, and comply with, the following as a pre-condition to any sale or acquisition:

(1) FRANCHISEE must conduct a physical inventory of the Business Unit, as of the date of the notice of termination, expiration or non-renewal, and shall provide an inventory report to Company in the form and manner specified by Company.

(2) Company shall not be required to purchase any inventory that was not previously authorized for sale at the Business Unit, nor any inventory for which FRANCHISEE does not have legitimate and verifiable evidence of purchase.

(3) Company shall purchase only (a) such inventory which is new and in its original packaging, (b) such display inventory which is new and saleable, and (c) such equipment that is in good working order. All such inventory and equipment shall be identified on the physical inventory report furnished to Company, and Company shall not purchase or pay for any inventory or equipment that may be listed on the report but is not delivered to Company at the time of purchase.

(4) The POS system, including all component hardware, software, electronic files, e-mail addresses, and passwords, shall be included in the equipment that Company purchases.

IN WITNESS WHEREOF, Company and Franchisee have signed and sealed this Amendment, as of the _____ day of ____________, 20__.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ________________________________
Title: ________________________________

FRANCHISEE: ____________________________

By: ____

ILLINOIS AMENDMENT TO THE FRANCHISE AGREEMENT

The following Amendment modifies and supersedes the Cellairis Franchise Agreement (the **"Agreement"**) with respect to Cellairis franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating a Cellairis franchise in the State of Illinois when the offer is made and accepted within the State of Illinois, pursuant to the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44 (the **"Act"**), and notwithstanding anything to the contrary contained in the Agreement, to the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended as follows:

1. All initial fees and payments due to Franchisor and its affiliates are deferred until the Franchisor has fulfilled all its pre-opening obligations and the Business Unit is opened for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

2. Illinois law governs the Agreement.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act any provision in the Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, the Agreement may provide for arbitration to take place outside of Illinois.

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

6. Capitalized terms that are not defined in this Amendment shall have the meaning given them in the Agreement.

7. Except as expressly modified by this Amendment, the Agreement remains unmodified and in full force and effect.

This Amendment is being entered into in connection with the Agreement. In the event of any conflict between this Amendment and the Agreement, the terms and conditions of this Amendment shall apply.

IN WITNESS WHEREOF, Company and Franchisee have signed and sealed this Amendment, as of the _____ day of ____________, 20_.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ________________________________

Title: ________________________________

FRANCHISEE: ________________________

By: ___________________________________

MARYLAND AMENDMENT TO THE FRANCHISE AGREEMENT

For citizens of Maryland and Franchises to be located within Maryland, and in recognition of the requirements of the Maryland Franchise Regulation and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233, the following is an amendment to the Franchise Agreement to include the following:

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

2. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise. The limitations on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

4. Any acknowledgements or representations of the FRANCHISEE which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Paragraph 9.D.(9) is deleted in its entirety.

6. Paragraph 14.B. is amended by adding: “This representation does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

IN WITNESS WHEREOF, Company and Franchisee have signed and sealed this Amendment, as of the _____ day of ____________, 20_.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ________________________________
Title: ________________________________

FRANCHISEE: ________________________

By: ___________________________________

MINNESOTA AMENDMENT TO THE FRANCHISE AGREEMENT

For citizens of Minnesota and Franchises to be located within Minnesota, the following is an amendment to the Franchise Agreement:

1. Minnesota law provides franchisees with certain rights regarding termination and nonrenewal of their franchises. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Ann. Sec. 80.C.14, Subd. 3, 4, and 5, which require, except in certain specified cases, (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of a franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

2. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Minn. Rule Part 2860.4400D may prohibit a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22; provided, that this part shall not bar the voluntary settlement of disputes.

4. Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J may prohibit the franchisor from requiring a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration bar.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

IN WITNESS WHEREOF, Company and Franchisee have signed and sealed this Amendment, as of the _____ day of ____________, 20__.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ________________________________

Title: ________________________________

FRANCHISEE: _______________________

By: __________________________________

NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

For citizens of North Dakota and Franchises to be located within North Dakota the North Dakota Securities Commissioner requires that certain provisions contained within the Franchise Agreement be amended to become more consistent with North Dakota Law, as detailed in Section 51-19-01 *et seq*. Therefore, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions shall be amended as follows:

1. If FRANCHISEE is required to signing a general release, as stated within Paragraph 4.B.(5), such release shall exclude claims arising under North Dakota Franchise Investment Law;

2. If the Franchise Agreement requires a payment of liquidated damages and termination penalties, such as those in Paragraphs 11 and 13, these requirements may be unenforceable under the North Dakota Franchise Investment Law;

3. Covenants not to compete as stated within Paragraph 8.D. are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable;

4. If the Franchise Agreement requires litigation to occur in jurisdictions other than the State of North Dakota, as stated within Paragraphs 13.C. and D., then such requirement is void with respect to claims under the North Dakota Franchise Investment Law;

5. If the Franchise Agreement requires that it be governed by a law other than the State of North Dakota, as stated within Paragraph 13.C., to the extent that such law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law will control;

6. Waiver of trials by jury as provided for within Paragraph 13.C.(5), may be unenforceable under the North Dakota Franchise Investment Law;

7. The consenting of a waiver of exemplary and punitive damages as provided for within Paragraph 13.M., may be unenforceable under the North Dakota Franchise Investment Law; and

8. All initial fees and payments due to franchisor and its affiliates, including payments for sub-license fees and initial inventory, are deferred until the franchisor has fulfilled all its pre-opening obligations and the Business Unit is opened for business.

Each of the above provisions shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each individual provision, are met independent of this Amendment to the Franchise Agreement. This Amendment to the Franchise Agreement shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Company and Franchisee have signed and sealed this Amendment, as of the _____ day of ____________, 20__.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ________________________________

Title: ________________________________

FRANCHISEE: ______________________

By: ________________________________

WASHINGTON STATE FRANCHISE AGREEMENT ADDENDUM

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

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~ The State of Washington has a statute, RCW 19.100,180, which may supersede the Franchise Agreement in your relationship with us in the areas including termination and renewal of your Franchise. There may be court decisions which may~~

~~supersede the Franchise Agreement in your relationship with us in the areas including termination and renewal of your Franchise.~~

~~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.~~

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

~~A release or waiver of rights executed by a Franchisee 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 rights to a jury trial may not be enforceable.~~

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

The undersigned does hereby acknowledge receipt of this addendum

Dated this ___________ day of _______________________ 20_________.

COMPANY: CELLAIRIS FRANCHISE, INC.

By: ___________________________________

Title: ___________________________________

FRANCHISEE: ________________________

By: ___________________________________

EXHIBIT "6" to Franchise Agreement
COMMENCEMENT DATE

Commencement Date: ____________________

The Location of the Business Unit will be in the [name of Host store] store located at:
____

Exhibit "7" to Franchise Agreement
ADA CERTIFICATION

Cellairis Franchise, Inc. ("**Franchisor**") and ________________________ ("**Franchisee**") are parties to a franchise agreement dated ___________________, 20_____ (the "**Franchise Agreement**") for the operation of a Cellairis business unit at ____________________________________ (the "**Business Unit**"). In accordance with Paragraph 6.O.(4) of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Business Unit and its adjacent areas comply with all applicable federal, state, and local accessibility laws, statutes, codes, rules, regulations, and standards, including but not limited to the Americans with Disabilities Act, and all regulations imposed by state, local, and municipal authorities. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing, or operation of the Business Unit. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor and the affiliates, officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act and all regulations imposed by state, local, and municipal authorities, as well as the costs, including attorneys' fees, related to the same.

____
Franchisee:

By: ________________________________

Name: _____________________________

Title: ______________________________

Exhibit "8" to Franchise Agreement
ACKNOWLEDGEMENT OF LEGAL REPRESENTATION

Each of the undersigned hereby represents and warrants to Cellairis Franchise, Inc. that they retained and were represented by an attorney knowledgeable and experienced in franchising and business transactions in conjunction with their evaluation of the Cellairis franchise opportunity and the execution of the Cellairis Franchise Agreement.

FRANCHISEE

____

By: ___________________________

Name ________________________

Title: ________________________

Date: ________________________

FRANCHISEE OWNER(S)

By: ___________________________

Name: ________________________

Date: __________________________

By: ___________________________

Name: _________________________

Date: __________________________

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EXHIBIT “E”

SUB-LICENSE AGREEMENTS

E1 – Interactive Kiosk~~Mall Unit~~ and Full Store Unit with Global Cellular

E2 – Store-in-Store Outlet with Cellairis WM

SUB-LICENSE AGREEMENT

THIS SUB-LICENSE AGREEMENT (hereinafter referred to as the "**Sub-License Agreement**"), is made effective as of the _____ day of __________, 20___, between **GLOBAL CELLULAR, INC.**, a Georgia corporation, with its principal place of business located at 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005 (hereinafter referred to as the **"Company"**) and ____ (hereinafter referred to as the **"Sub-licensee"**),

WHEREAS, Sub-licensee is a Franchisee under that certain Cellairis® Franchise Agreement dated _______________, 20___ (hereinafter referred to as the **"Franchise Agreement"**) with Cellairis Franchise, Inc. (hereinafter referred to as **"Cellairis"**) relating to the Premises described below,

WHEREAS, Company has heretofore entered into a Lease, License, or other occupancy agreement (herein referred to as the **"Underlying Agreement"**) with ____ as lessor/landlord/licensor (hereinafter referred to as the **"Landlord"**) and in which Company is the licensee, lessee, and/or tenant (depending on the terms of the Underlying Agreement) relating to the operations of carts, interactive kiosks or similar Business Units (as defined in the Franchise Agreement) at the following location ________________________________ (hereinafter referred to as the **"Premises"**),

WHEREAS, Sub-licensee wishes to sub-license the Premises from Company pursuant to the terms of this Sub-License Agreement pursuant to which Sub-licensee will operate the franchised Business Unit from the Premises in strict compliance with the obligations of this Sub-License Agreement, the Franchise Agreement, and the Underlying Agreement.

NOW THEREFORE, Company, in consideration of the agreements to be performed by Sub-licensee hereinafter set forth, hereby agrees with Sub-licensee as follows:

1. **Issuance of Sub-license.** Company hereby sub-licenses the Premises to the Sub-licensee and Sub-licensee sub-licenses from Company the Premises for the term commencing on _________ __, 20__ (**"Commencement Date"**), and ending on _______________ __, 20___ (unless extended or terminated as provided in this Sub-License Agreement) (**"Term"**) upon the following terms and conditions:

    A minimum annual Fee of $__________ per annum, payable in equal monthly installments, commencing upon the Commencement Date and continuing thereafter through and including the last day of the first License Year of the Term (such monthly installment being hereinafter called "**Fee**");

A minimum annual Fee of $__________ per annum, payable in equal monthly installments, each and every month during the second License Year of the Term (such monthly installment being hereinafter called "**Fee**");

A minimum annual Fee of $__________ per annum, payable in equal monthly installments, each and every month during the third License Year of the Term (such monthly installment being hereinafter called "**Fee**");

A minimum annual Fee of $___________ per annum, payable in equal monthly installments, each and every month during the fourth License Year of the Term (such monthly installment being hereinafter called "**Fee**");

A minimum annual Fee of $___________ per annum, payable in equal monthly installments, each and every month commencing upon the fifth License Year of the Term and continuing thereafter through and including the last month of the Term (such monthly installment being hereinafter called "**Fee**")

The Fees for each License Year shall collectively be referred to as **"Fees"**. Such Fees shall be paid by Sub-licensee as follows: Fees shall be payable in advance so that it is received by Company on or before the 25th day of the previous month during the term of this Sub-License Agreement. (As an example of this provision, the Fee that is due for September would be due and must be paid to Company and received by Company no later than August 25). If the Commencement Date begins on a day other than the first day of a month, Sub-licensee shall pay on the Commencement Date a prorated partial Fee for the period prior to the first day of the next calendar month, and thereafter Fee payments shall be made by Sub-licensee and received by Company not later than the 25th day of the previous month as set forth above. **"License Year"** as used herein, means a period of twelve consecutive calendar months during the Term, the first License Year commencing on the Commencement Date, or, in the event such Commencement Date is other than the first day of the month, the first License Year shall commence on the first day of the first month immediately following such Commencement Date.

2. **<u>Payment of Fees</u>.** Sub-licensee agrees to pay the Fees set forth herein to Company in the manner set forth in <u>Paragraph 1</u> of this Sub-License Agreement. Company reserves the right and may require, in its sole discretion, from time to time that Sub-licensee remit payment of Fees through alternative methods of payment including but not limited to electronic funds transfers. Sub-licensee agrees to comply with Company's payment instructions in every respect. All Fees, additional fees (as

described in Paragraph 15 of this Sub-License Agreement), and any other charges shall be paid to Company without notice or demand and without abatement, deduction, or set-off, except as otherwise expressly provided in this Sub-License Agreement.

A. Automatic Credit/Charge Card Payment

Company may, in its discretion, require that all Fee payments to Company or any subsidiary or affiliate of Company and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement be paid by credit/charge card payment which shall be automatically processed each month by Company. As a material condition of this Sub-License Agreement, Company requires that Sub-licensee provide it with Sub-licensee's credit/charge card information by accurately completing **Exhibit "A"** to this Sub-License Agreement at the time Sub-licensee signs this Sub-License Agreement and that Sub-licensee promptly update such information immediately after any change so that there is no interruption whatsoever. By signing this Sub-License Agreement, Sub-licensee authorizes Company and any subsidiary or affiliate of Company to charge Sub-licensee's credit/charge card for the Fees due each month payable to Company or any subsidiary or affiliate of Company, and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. Sub-licensee shall perform the acts and sign those documents, including the authorization form attached as **Exhibit "A"** to this Sub-License Agreement, that Company and/or Sub-licensee's credit/charge issuer may require to accomplish payment. Sub-licensee expressly warrants and represents that the credit/charge card information provided to Company in **Exhibit "A"** is accurate and that Sub-licensee has the authority to authorize Company and any subsidiary or affiliate of Company to charge the credit/charge card provided in **Exhibit "A"**. Sub-licensee further acknowledges that it is under the express obligation and duty to ensure that the information provided in **Exhibit "A"** is accurate at all times during the term hereof, and that the credit/charge card provided in **Exhibit "A"** is valid. If at any time, the credit/charge card provided in **Exhibit "A"** becomes invalid, Sub-licensee shall immediately provide Company with credit/charge card information for an alternative credit/charge card and authorize Company to charge the alternative credit/charge card for all fees due to Company and any subsidiary or affiliate of Company. If Sub-licensee (i) fails or is unable to provide a credit/charge card, or (ii) withdraws approval to charge a credit/charge card without designating a replacement credit/charge card, such failure, inability, or withdrawal shall constitute a material breach of this Sub-License Agreement justifying revocation or termination upon notice by the Company to Sub-licensee in accordance with Paragraph 13 of this Sub-License Agreement. Nothing contained herein shall constitute a waiver of the right of the Company to demand immediate cash payment of any and all sums currently due and owing.

B. Electronic Funds Transfer

Company may, in its discretion, elect to utilize an electronic funds transfer payment program, under which Company and any subsidiary or affiliate of Company may electronically debit from Sub-licensee's bank account the Fee due each month to Company and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. As a material condition of this Sub-License Agreement, Company requires that Sub-licensee provide it with Sub-licensee's banking information by accurately completing **Exhibit "B"** to this Sub-License Agreement at the time Sub-licensee signs this Sub-License Agreement and that Sub-licensee promptly update such information immediately after any change so that there is no interruption whatsoever. By signing this Sub-License Agreement, Sub-licensee authorizes Company and any subsidiary or affiliate of Company to electronically transfer Sub-licensee's bank account for the Fee due each month payable to Company or any subsidiary or affiliate of Company, and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. Sub-licensee shall perform the acts and sign those documents, including the authorization form attached as **Exhibit "B"** to this Sub-License Agreement that Company and/or Sub-licensee's bank may require to accomplish payment. Sub-licensee expressly warrants and represents that the banking information provided to Company in **Exhibit "B"** is accurate and that Sub-licensee has the authority to authorize Company and any subsidiary or affiliate of Company to electronically debit Sub-licensee's bank account provided in **Exhibit "B"**. Sub-licensee further acknowledges that Sub-licensee is under the express obligation and duty to ensure that the information provided in **Exhibit "B"** is accurate at all times during the term hereof, and that the banking information provided in **Exhibit "B"** is valid. If at any time, the banking information provided in **Exhibit "B"** becomes invalid, Sub-licensee shall immediately provide Company with banking information for an alternative bank account and authorize Company to charge the alternative bank account for all fees due to Company and any subsidiary or affiliate of Company. If Sub-licensee (i) fails or is unable to provide a bank account, or (ii) withdraws approval to charge a bank account without designating a replacement bank account, such failure, inability, or withdrawal shall constitute a material breach of this Sub-License Agreement justifying revocation or termination upon notice by the Company to Sub-licensee in accordance with Paragraph 13 of this Sub-License Agreement. Nothing contained herein shall constitute a waiver of the right of the Company to demand immediate cash payment of any and all sums currently due and owing.

C. Interest, Late Charges, and Declined or Rejected Payments.

Any payment due to Company not paid when due shall bear interest at the maximum rate allowed by Georgia law or, if no maximum rate relating to this transaction is in effect in the State of Georgia, 18% per annum. In the event such interest rate shall be void or unenforceable under either Georgia law or the laws of the jurisdiction where the Premises are located, then the highest rate of interest permitted under the laws of the jurisdiction where the Premises are located shall be charged. Nothing in this Sub-License Agreement shall be construed to mean that Sub-licensee is to pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws and it is agreed that if excess is inadvertently collected it shall be applied to reduce the Fee by the amount owed under Paragraph 1 above. All payments required to be made to Company under this Sub-License Agreement shall be made in Alpharetta, Georgia, or at such addresses and to such parties as Company may designate in writing from time to time. Sub-licensee agrees to make prompt payment, without deduction or set-off, of all charges which are due to Company and its affiliates. Such payments cannot be withheld on grounds of a claimed non-performance by Company or its affiliates of any of their obligations hereunder. In addition to Company's right to charge interest as provided herein, if permitted by applicable law, Company may charge Sub-licensee, without further notice or demand, a $500.00 late payment fee for all overdue payments and a $100.00 insufficient funds fee for any check, electronic funds transfer, credit/charge card, or other payment method that is not honored by Sub-licensee's financial institution plus the amount to reimburse Company for all costs, charges, fees, and expenses assessed by the financial institution or other third party, and otherwise incurred by Company (including reasonable attorney's fees) in obtaining the full payment of amounts owed by Sub-licensee. Such amount may be reduced to a lesser amount in Company's discretion if applicable law does not permit charges in the indicated amounts.

In the event any payment to Company is denied or rejected by the credit card issuer or financial institution for any reason whatsoever, Company, in addition to all rights under this Sub-License Agreement or which may be available at law or in equity, shall have the right to process such denied or rejected payment by one of the other alternative means of payment set forth in this Sub-License Agreement; provided, however, Company shall be under no obligation to so process any such declined or rejected payment, and Company hereby reserves the right to revoke or terminate this Sub-License Agreement as set forth herein.

D. Application of Payments; Billing Disputes.

Company and its affiliates shall have the right and discretion to apply and/or allocate payments made by or on behalf of Sub-licensee to any amounts due and owing Company and/or its affiliates, regardless of any instruction, direction, requirement or proposed allocation set forth by Sub-licensee. Sub-licensee shall pay Company and its affiliates promptly for all Fees, additional fees (as described in Paragraph 15 of this Sub-License Agreement), and any other charges when due under this Sub-License Agreement. If Company or an affiliate issues to Sub-licensee an invoice or demand for payment, Sub-licensee shall make such payment within the time frame indicated, or promptly if no such deadline is indicated (under this Sub-License Agreement or the invoice). If Sub-licensee disputes any aspect of any invoice, Sub-licensee shall advise Company and affiliate (if applicable) within 60 days of the date of the invoice. If no such dispute is provided within such time frame, such invoice shall be deemed accepted, and Sub-licensee waives any rights or claims. With respect to any payments that are to be made under this Paragraph 2, Paragraph 15, or any other provision within this Agreement, a~~A~~cceptance by Company of payments or reports shall be without prejudice, and shall neither ~~in no event~~ constitute a waiver of Company's right to claim a deficiency in such required payment or required information or report, nor a waiver of Company's right to audit Sub-licensee's books and records as provided for in Paragraph 15.E. below.

3. **Underlying Agreement.** Sub-licensee acknowledges and agrees that (i) Sub-licensee's privilege to use the Premises is as a sub-licensee of Company regardless of the nature of the agreement between Company and Landlord, (ii) this Sub-License Agreement is expressly made subject to all the terms and conditions of the Underlying Agreement, and (iii) **in the event that the Underlying Agreement expires or is terminated by Landlord, irrespective of the cause or circumstance, then this Sub-License Agreement shall immediately so terminate or expire and be deemed revoked without any liability whatsoever of Company to Sub-licensee** except that Sub-licensee may obtain from Company, as Sub-licensee's sole and entire remedy, any unearned Fees paid in advance which shall be refunded to Sub-licensee only if such termination is not the result of a breach by Sub-licensee of this Sub-License Agreement. The Underlying Agreement, as redacted, is attached hereto and is incorporated herein as **Exhibit "C"**. The obligations and terms and conditions of the Underlying Agreement attached as **Exhibit "C"** are hereinafter referred to collectively as the "**Requirements**". All of the obligations of the Underlying Agreement are incorporated into this Sub-License Agreement as if fully set forth herein (including without limitation, any holdover rights), with each reference to Landlord in the Underlying Agreement being deemed to include both Landlord and Company and with each reference therein to Company as the tenant/lessee/licensee (as the case may be) being deemed to mean Sub-licensee.

Sub-licensee shall only have the privileges expressly given to it by Company under this Sub-License Agreement and shall not be granted any additional rights that Company may have in the Underlying Agreement including, but not limited to, any rights of first refusal, nor shall this Sub-License Agreement grant Sub-licensee any rights that Company may have in the Underlying Agreement to the extent said rights would grant Sub-licensee any rights beyond those of a licensee as opposed to a lessee. Sub-licensee shall use the Premises in accordance with the terms of the Requirements and shall not do or omit to do anything which will breach any of the terms of the Requirements. Sub-licensee shall assume the obligation for performance of all of Company's obligations under the Underlying Agreement and the Requirements. The parties specifically agree that Company does not assume the obligations of the Landlord under applicable provisions of the Underlying Agreement or other Requirements, but shall exercise reasonable business judgment in attempting to cause the Landlord to perform its obligations under the Underlying Agreement. The parties agree that Company shall have no liability whatsoever to Sub-licensee for any failure of the Landlord to perform its obligations under the Underlying Agreement. Without limiting the foregoing, Sub-licensee agrees that it does not and shall not have or claim at any time any leasehold interest, nor a license coupled with an interest, nor any other interest or estate of any kind or extent whatsoever in any part of the Premises. Sub-licensee is only given a non-exclusive license which is personal to and non-transferable by Sub-licensee.

4. **Deposit.** Upon execution of this Sub-License Agreement, Sub-licensee shall deposit with Company a security deposit equal to one (1) month's Fees (**"Deposit"**) as security for Sub-licensee's faithful performance of Sub-licensee's obligations hereunder. If Sub-licensee fails to pay Fees or other charges due hereunder, or otherwise defaults with respect to any provision of this Sub-License Agreement, Company may use, apply, or retain all or any portion of the Deposit for the payment of any Fees or other charge in default or for the payment of any other sum to which Company may become obligated by reason of Sub-licensee's default, or to compensate the Company for any loss or damage which the Company may suffer thereby. Company may also use, apply, or retain any portion of the Deposit to pay any sum that Sub-licensee may owe to Company or any affiliate of Company under any other contract entered into by Sub-licensee, including without limitation, obligations under the Franchise Agreement. If Company so uses or applies all or any portion of the Deposit, Sub-licensee shall within five (5) days after written demand therefore deposit cash with Company in an amount sufficient to restore the Deposit to the full amount hereinabove described and Sub-licensee's failure to do so shall be a material breach of this Sub-License Agreement. Alternatively Company may, in its sole discretion, elect to restore the Deposit to the full amount hereinabove by seeking payment under the methods described in Paragraphs 2.A. and 2.B. Company shall not be

required to keep the Deposit separate from its general accounts or segregate the Deposit in any fashion, and any interest earned thereon shall be the sole property of Company. If Sub-licensee performs all of Sub-licensee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by Company, shall be returned, without payment of interest or other increment for its use to Sub-licensee (or at Company's option, to the last assignee, if any, of Sub-licensee's interest hereunder) at the expiration of the term hereof, and after Sub-licensee has vacated the Premises in accordance with this Sub-License Agreement and the Underlying Agreement. No fiduciary or trust relationship is created herein between the Company and Sub-licensee with respect to the Deposit.

5. **Payment of First Month's Fees.** Immediately upon execution of this Sub-License Agreement, Sub-licensee shall pay to Company the Fees and other charges for the first month of the Term of this Sub-License Agreement in accordance with the method of payment provided for in Paragraphs 2.A. or 2.B. of this Sub-License Agreement or such other method as agreed to in writing between the parties.

6. **Compliance with Regulations.** Sub-licensee shall comply promptly with all laws, ordinances, requirements, and regulations of the Federal, state, county, municipal, and other authorities (including but not limited to the trademark laws of the United States), the fire insurance underwriters, and insurance organizations or associations relating to the Premises and the operation of the franchised business unit at the Premises. Sub-licensee shall comply with the Franchise Agreement entered into with Cellairis and a breach or default by Sub-licensee under the Franchise Agreement shall constitute a material breach of this Sub-License Agreement. Without limiting the foregoing, Sub-licensee will not sell any products in violation of the trademark laws of the United States and shall purchase all products for resale from the Premises strictly in accordance with the provisions of Paragraph 5.C. of the Franchise Agreement. Sub-licensee shall only sell the products and/or services at retail to consumers from and through the Premises and shall not sell such items for redistribution or resale unless otherwise approved in writing by Company in Company's discretion.

7. **Viewing Premises.** Sub-licensee shall use the Premises exclusively for the operation of a Cellairis® franchised location at the Premises pursuant to the Franchise Agreement between the Sub-licensee and Cellairis, which Franchise Agreement is incorporated herein and made a part hereof and Sub-licensee shall use the Premises solely as permitted under the Requirements. At any time during the term, the Company, Cellairis, the Landlord, or agents of any one of them, may enter the Premises for the purpose of examining its condition, making repairs in any part, or determining Sub-licensee's compliance with this Sub-License Agreement and the Franchise Agreement. The inspections may be conducted without prior notice at any

time when Sub-licensee or one of Sub-licensee employees is at the Premises. However, Company and Cellairis do not assume any liability for the care or supervision of the Premises or appurtenances and shall have no obligation to so view or inspect the Premises. Company has the right to take photographs and videos, in any medium, of the Premises. The inspections will be performed in a manner that minimizes interference with the business operation. IN THE EVENT THAT ANY SUCH INSPECTION DETERMINES THAT THERE IS A VIOLATION OF PARAGRAPH 5.C. OR 6.F. OF THE FRANCHISE AGREEMENT, THEN, UPON DIRECTION FROM THE PERSONS CONDUCTING SUCH INSPECTION, SUB-LICENSEE AGREES THAT COMPANY MAY REQUIRE SUB-LICENSEE TO IMMEDIATELY CEASE OPERATIONS AT THE PREMISES AND/OR DISCONTINUE ALL SALES FROM THE PREMISES UNLESS AND UNTIL ANY AND ALL SUCH VIOLATION HAS BEEN CURED. Sub-licensee's agreement in this Paragraph 7 to close the Premises and discontinue sales shall not in any manner prejudice the right of the Company, at its option, to terminate this Sub-License Agreement for such material breach. Sub-licensee waives any claims against, or liability of, Company for any wrongful or improper closure of the Premises if Company was acting upon information that Company reasonably believes was cause for closure under this Paragraph.

8. **Assignment.** Sub-licensee shall not assign, mortgage, or pledge this Sub-License Agreement, or sub-license the whole or any part of the Premises without Company's prior written consent and without the consent of Cellairis, which consent may be withheld by Cellairis under the circumstances described in the Franchise Agreement and which consent may be conditioned upon the requirements set forth in the Franchise Agreement. Any such consent shall apply solely to the particular transaction consented to and shall not constitute Company's or Cellairis' waiver of the provisions of this Sub-License Agreement. Company and Sub-licensee agree that Company may freely assign this Sub-License Agreement.

9. **Insurance.** Sub-licensee shall not leave the Premises unoccupied during the Term, or by any act of commission or omission cause an increase in the rate of insurance or the cancellation of any insurance policy. Company will, on an annual basis (or such shorter basis as Company, in its discretion, may wish to require) bill Sub-licensee for general liability insurance coverage relating to the Premises. The billed amount shall be paid by Sub-licensee to Company within thirty (30) days from the date of the invoice and, in default of such payment, the amount may be added to the next installment of Fees as additional fees. Sub-licensee is aware that Company marks up the cost of the insurance which is billed by third party insurers to Company in order to cover administrative expenses and to provide an element of profit. This insurance is in addition to and will serve as excess coverage above Sub-licensee's primary general liability policy that Sub-licensee is required to obtain under the Franchise Agreement. In addition, Sub-licensee must obtain and pay for worker's

compensation coverage to the extent required by applicable law and Sub-licensee may wish and elect, in Sub-licensee's discretion to obtain supplemental liability insurance at Sub-licensee's sole expense.

In the event that (in Company's sole discretion) Sub-licensee is permitted to obtain its own general liability insurance and, with respect to any other insurance which is obtained by Sub-licensee, prior to opening the Premises, and at any time upon Company's request, Sub-licensee shall furnish Company evidence of such public liability insurance policies obtained by Sub-licensee ~~given~~ (which may include certificates of insurance, endorsements, binders, or copies of policies), together with information concerning claims and losses under such insurance. Such evidence may include, at Company's request, (i) an original certificate of insurance, (ii) a copy of the actual additional insured endorsement to the policy issued to Sub-licensee by the insurer, (iii) a copy of the corresponding "notice of cancellation" endorsement, and (iv) a copy of the declarations page for the policy. However, Sub-licensee agrees that the failure of Company to request and obtain the required certificates of insurance or to identify a deficiency in obtaining the required insurance will not be construed as a waiver of Sub-licensee's obligation to maintain the insurance required under this Sub-License Agreement. Any such policies obtained by Sub-licensee shall be issued~~given~~ by companies and in amounts satisfactory to Company.

Sub-licensee and Company further agree that: (a) the insurance required by Company does not represent that coverage and limits will necessarily be adequate to protect Sub-licensee for all events, nor will it be deemed as a limitation on Sub-licensee's liability to Company under this Sub-License Agreement; (b) Sub-licensee may meet the required insurance coverages and limits with any combination of primary and umbrella/excess liability insurance; (c) Sub-licensee is responsible for any deductible or self-insured retention; (d) Company is not responsible to pay any deductible or retention under Sub-licensee's policies; and (e) in the event Company receives any proceeds from any claim under Sub-licensee's policy, Company may retain any such amount to offset any monies owed by Sub-licensee to Company or any of its affiliates.

10. **Signs.** Sub-licensee shall not install advertisements or signs on any part of the Premises without Company's written consent and shall do so strictly in accordance with the Requirements and the Franchise Agreement.

11. **Condition.** Sub-licensee accepts the Premises in the condition existing as of the date of this Sub-License Agreement and by taking occupancy of the Premises, Sub-licensee agrees that the Premises are in good, safe, and usable condition. Sub-licensee acknowledges that neither Company nor Company's subsidiaries, affiliates, or agents have made any representations or warranties whatsoever

concerning the Premises, its condition, the Underlying Agreement, or the use to which it may be put, except as may be expressly provided in writing in the Underlying Agreement and the Franchise Agreement. The parties hereby expressly agree that Company, its subsidiaries, affiliates, and agents shall not have any duty or responsibility to repair, replace, or maintain any part of the Premises.~~ If this Sub-License Agreement is terminated, or if the Underlying Agreement is terminated, and Sub-licensee has no right to occupy or operate the Premises, and Company or an affiliate owns or has the right to occupy the Premises, Sub-licensee shall not use, alter, or modify the Premises in any manner, and shall strictly comply with Company's or its affiliate's instructions regarding use, inventory, equipment of the Premises, and all other matters regarding the Premises.~~

12. **Indemnification.** Company, its subsidiaries, affiliates, and agents shall not be liable and Sub-licensee agrees to defend, indemnify, and hold Company, its subsidiaries, affiliates, and agents, the Landlord, and the Premises harmless from any and all liability and claims of liability, damage, or injury to persons or property, from any cause whatsoever, arising on or about the Premises, arising out of or in any way connected with the operation of the franchised location operating at the Premises or any activity whatsoever carried on by Sub-licensee, its agents, or employees on the Premises. This obligation to indemnify shall include reasonable attorneys' fees and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand is to be made or may be made. The Company, its subsidiaries, affiliates, and agents shall not be responsible for any defect or change of condition in the Premises, or for any damage thereto, or to any person, or to goods or things contained therein due to any cause except Company's act or negligence and, without limiting any of the foregoing, Sub-licensee shall indemnify Company, its subsidiaries, affiliates, and agents from all claims, demands, and actions arising in connection with Sub-licensee's use of the property, or the use by any person occupying the Premises during the term hereof, or by reason of any breach or non-performance of any covenant herein, or Sub-licensee's violation of any law, regulation, or Requirements.

13. **Default and Remedies/Governing Law/Arbitration/Cross Default.**

A. If Sub-licensee fails to perform or observe any of its covenants under this Sub-license within five (5) days after Company gives it notice of default, Company may immediately: (a) revoke, terminate, or cancel this Sub-License Agreement by notifying Sub-licensee and upon such revocation, termination, or cancellation, Sub-licensee shall be liable to Company for all damages sustained by it by reason of Sub-licensee's breach of covenant and of the revocation, termination, or cancellation; or (b) re-enter the Premises without notice and upon re-entry, license all or any part thereof as agent for

Sub-licensee. If the Premises are licensed in accordance with the provisions of (b), Company may receive the Fees, applying it first to the payment of any expense Company incurs in entering and licensing the Premises, and then to the payment of the Fees and fulfillment of Sub-licensee's covenants hereunder. If Sub-licensee defaults, it shall pay and be liable for the several installments of Fees that would under this Sub-License Agreement become due had no default occurred, regardless of whether the demised Premises are re-licensed or remain vacant, and whether the vacancy is in whole or in part or for a period less than the whole or remainder of the term. Sub-licensee shall be credited at the end of each month within the term (but not beyond) with any net amounts actually received by Company during that month for the use or occupancy of all or part of the Premises provided that Company has been fully reimbursed for all sums and liabilities it has paid or incurred for any of the above purposes (which Sub-licensee also shall pay and be liable for). Such payments shall be made either directly by Company or out of monies actually received for the use of the Premises after Company has received undisputed possession. Company's maintenance of any action or proceeding to recover possession of the Premises or any installment or installments of Fees or other monies that may be due or become due from Sub-licensee shall not preclude Company from also instituting and maintaining subsequent actions or proceedings to recover possession of the Premises or of any subsequent payment or payments of Fees or other monies that may be due or become due from the Sub-licensee. A waiver by Company of Sub-licensee's breach of any one or more covenants or conditions contained herein shall not bar or limit in any manner any of Company's rights or remedies for a subsequent breach of the same covenant or condition. Notwithstanding anything in this Sub-License Agreement to the contrary, this Sub-License Agreement is conditioned upon the faithful performance by Sub-licensee of the Franchise Agreement between Cellairis and Sub-licensee, and a default in the terms of the Franchise Agreement shall be a default of this Sub-License Agreement.

In addition to, and notwithstanding the Attorneys' Fee provision in Paragraph 13.E. hereof, (i) in the event of Sub-licensee's default under Paragraph 13, (ii) in the event of any instance of non-compliance with this Sub-License Agreement for which Company notifies Sub-licensee of such default or non-compliance, (iii) if Sub-licensee cures a default, or (iv) if Company, in its discretion, elects not to terminate this Sub-License Agreement upon the occurrence of one or more events of default, then for any of these events, Company may require Sub-licensee to pay an administrative fee to Company in the amount of $1,000 per occurrence, plus any and all of Company's costs and expenses to enforce compliance by Sub-licensee or to cure such default, including but not limited to, reasonable accountants', attorneys', investigators', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, travel, and living expenses, whether incurred prior to, in preparation for, in contemplation of, or in connection with the filing of any judicial or arbitration proceeding to enforce this Sub-License Agreement. Such administrative fee and other charges are intended to reimburse Company for its time, expense, and other expenditure of resources incurred due to Sub-licensee's default or non-compliance. Company's decision to require Sub-licensee to pay such administrative fee shall be without prejudice to Company's right to terminate this Sub-License Agreement and/or to terminate any other rights, options, or arrangements under this Sub-License Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Sub-License Agreement. Sub-licensee shall be responsible for its own such costs and expenses.

B. **Governing Law**. The Parties agree that the Sub-License Agreement is deemed made and entered into in the State of Georgia. Except to the extent provided by the Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) (**"FAA"**) as required hereby, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*), or other applicable federal law, the terms of this Sub-License Agreement shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions. All matters relating to arbitration will be governed by the FAA.

a. Venue. For resolution of any dispute that is not subject to mandatory arbitration under Paragraph 13.C., including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within **Paragraph 13.C.**, Sub-licensee agrees not to raise and hereby irrevocably waives, to the fullest extent permitted by law, any objection based upon *forum non conveniens* or any other objection it may now have or hereafter have to personal jurisdiction or venue in the U.S. District Court for the Northern District of Georgia, Atlanta Division, or to the Superior Court of the State of Georgia located in Fulton County, Georgia. It is the express intent of the parties, that in the event a resolution of any dispute is not subject to arbitration under **Paragraph 13.C.**, then the parties agree that all claims must be brought only in the above-mentioned courts.

b. Jurisdiction. For resolution of any dispute that is not subject to mandatory arbitration under Paragraph 13.C., including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within **Paragraph 13.C.**, the Parties hereby consent and explicitly and knowingly waive any objection based on the exercise of personal jurisdiction in the District Court for the Northern District of Georgia, Atlanta Division or to the Superior Court of the State of Georgia located in Fulton County, Georgia and agree that the exercise of personal jurisdiction therein is proper.

c. **Waiver of Right to Trial by Jury. THE PARTIES EXPRESSLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO A TRIAL BY JURY, IF ANY.**

d. Right to Equitable Relief. Nothing in this Sub-License Agreement shall bar Company's right to obtain injunctive relief against threatened conduct that will cause irreparable harm, under the usual equity rules including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

C. **Arbitration**

a. Claims Subject to Mandatory Arbitration. Subject to Paragraph 13.C.b., the parties agree that all controversies, claims, causes of action, or disputes between Company and Sub-licensee arising out of or relating to:

i. This Sub-License Agreement or any other agreement between Company and Sub-licensee;

ii. The relationship between Sub-licensee and Company;

iii. The scope, validity, interpretation, and/or enforceability of this Sub-License Agreement, or any other agreement between Company and Sub-Licensee;

iv. The scope, validity, interpretation, and/or enforceability of this Paragraph 13.C., specifically including whether any specific claim is subject to arbitration at all (arbitrability questions) but not arbitrabiliity questions related to the exceptions found in Paragraph 13.C.b, which the parties intend for the court to address; and/or

v. Any agreement relating to the purchase of products or services by Sub-licensee from Company

will be subject to arbitration to be administered by the American Arbitration Association (**"AAA"**). Any claims by or against any affiliate of the Company or against any individual principal, officer, executive, owner, or employee of Company or its affiliates may be joined, in the Company's sole discretion, in the arbitration. Any claim that would constitute a compulsory counterclaim as defined by the then current version of Federal Rule of Civil Procedure 13 and under federal precedent of the U.S. Supreme Court and the Court of Appeals for the Eleventh Circuit, must be brought in arbitration. Company reserves the right, but has no obligation, to advance Sub-licensee's shares of the costs of any arbitration to allow the arbitration hearings to move forward, but by doing so, Company may not be deemed to have waived or relinquished any right to seek recovery of those costs from Sub-licensee. All claims that are subject to arbitration shall be brought and filed prior to the earlier of (a) the time period set forth in Paragraph 13.F., or (b) before the applicable statute of limitations would bar the institution of legal or equitable proceedings based on the claim, dispute or other matters in question. Notwithstanding any state law or regulation that purports to supersede or pre-empt the application of the FAA to this Sub-License Agreement, Company and Sub-licensee agree that the FAA controls, and except that as specifically set forth in Paragraph 13.C.b., all claims, controversies, and disputes shall be resolved in arbitration as described and required by this Sub-License Agreement.

b. Exception to Claims Subject to Mandatory Arbitration.

i. Exception of Company Actions. Company and Sub-licensee recognize and agree that certain claims of Company may not be best suited to determination through arbitration and agree that the Company, in its sole discretion, may bring the following types of claims, cases, disputes and causes of action either in court or in arbitration:

(1) Claims seeking injunctive or other equitable relief to enforce provisions of this Sub-License Agreement, including but not limited to proceedings to recover possession of the Premises; provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any injunctive relief may be given without the necessity of Company posting bond or other security, any bond or other security being hereby waived and

Sub-licensee acknowledges that the termination of any litigation for injunctive or other equitable relief shall not bar Company from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

(2) Claims seeking recovery of attorneys' fees, litigation expenses, and/or sanctions, including, but not limited to, claims seeking recovery pursuant to Paragraph 13.E, relating to or arising from any claim subject to Paragraph 13.C.b.1. or any claim subject to Paragraph 13.C.a. that Sub-licensee improperly brings in court;

(3) Claims, including claims by an affiliate of Company, seeking recovery or any other remedy based on Sub-licensee's failure to pay any moneys due under this Sub-License Agreement, any agreement with an affiliate of Company, or any unpaid invoices owed to an affiliate of Company or Company when due; and/or

(4) The issue of whether a claim is subject to Paragraph 13.C.b.i. It is the intent of the parties that any challenge as to the whether any of the claims that can be brought in court, as opposed to arbitration, as detailed within this Paragraph 13.C.b.i. shall be determined by a judge and not an arbitrator.

c. Exception of Sub-licensee Actions. Company and Sub-licensee recognize and agree that certain claims of Sub-licensee may not be best suited to determination through arbitration and agree to specifically except the following types of claims, cases, disputes, and causes of action from arbitration: Claims seeking injunctive or other equitable relief to enforce provisions of this Sub-License Agreement, provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration and that all claims seeking any injunctive or equitable relief must be brought solely in aid of arbitration in a venue governed by Paragraph 13.B., no other venue being permissible.

d. Waiver of Consolidated or Class Actions. No party except Company (including its employees, agents, officers, or directors and its parent, subsidiary, or affiliated companies) and Sub-licensee (including where applicable the immediate family members, owners, heirs, executors, successors, assigns, shareholders, partners, and guarantors (as applicable)) may join in or become a party to any arbitration proceeding arising under or relating to this Sub-License Agreement, and the arbitrator will not be authorized to permit any person or entity that is not a party to this Sub-License Agreement or identified in this paragraph to be a party in any arbitration conducted pursuant to this Sub-License Agreement. Further, in the event that Sub-licensee or one or more owners of Sub-licensee is a sub-licensee or is an owner of a sub-licensee of Company for another location, or is a franchisee or an owner of a franchisee of Cellairis for another location, any claims related to the other sub-licensee, other sub-license, other franchisee, other franchise agreement, or other location, may not be heard, arbitrated, or litigated in any arbitration or other proceeding under this Sub-license or the franchise agreement for this location. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not on a consolidated basis or as a class action. **SUB-LICENSEE EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION, MULTI-PLAINTIFF, MULTI-CLAIMANT, OR CONSOLIDATED BASIS, OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.** Any question regarding the interpretation of enforceability of this prohibition on class-wide arbitration shall be resolved by a court of competent jurisdiction, and not the arbitrator.

e. Selection of the Arbitrator(s). The arbitration shall be presided over by a single arbitrator if collectively the demand for arbitration, any counterclaims asserted, and the Costs and fees (as defined in Paragraph 13.C.i.v.) state claims totaling under $250,000 or less. A single arbitrator shall be authorized to issue a maximum award of $250,000, inclusive of all damages and Costs and fees. If either the demand for arbitration, any counterclaim, Costs and fees, or the aggregate of all claims asserted, individually or collectively, total over $250,000, then the arbitration shall be presided over by a panel of three arbitrators. In either event, the arbitrator(s) will be selected through the provisions of the AAA then in effect at the time of filing of the arbitration demand, with the parties agreeing to request that the AAA provide potential arbitrators who have significant experience in franchising matters, with a preference being given to members of the American Bar Association Forum on Franchising.

f. Rules Governing Arbitration. Subject to any contrary provisions contained in this Sub-License Agreement, the parties agree that the Commercial Arbitration Rules for the AAA in effect as of the date of this Sub-License Agreement will govern the conduct and administration of the arbitration, except as to filing fees that may be changes. The parties may, however, choose to employ the AAA's Commercial Arbitration Rules in effect as of the time of filing the demand if both parties agree and convey that agreement to the AAA.

g. Location of Arbitration Hearing. All arbitration hearings at which evidence will be taken will be held in person at a location within the boundaries of the City of Atlanta, at an office of the AAA, if AAA has such an office, or another suitable office acceptable to the arbitrator, within Atlanta, or within close proximity to Atlanta, within the state of Georgia, provided that the chosen location has adequate facilities to handle the hearing and accommodate the parties, witnesses, and evidence. The arbitrator(s) shall have no authority to select a hearing locale other than as described in this Paragraph.

h. Evidence and Hearing.

i. Company and Sub-licensee agree to pre-hearing discovery in accordance with the Federal Rules of Civil Procedure, notwithstanding the foregoing, in the event either party seeks to obtain electronically stored information (**"ESI"**) as part of discovery, the party requesting such ESI shall pay for the other party's costs of searching, labeling, indexing and producing the ESI. This includes, but is not limited to, attorneys' fees for both in-house and outside counsel's time spent collecting and reviewing documents for responsiveness, confidentiality, and privilege at a rate of $150 per hour.

ii. Company and Sub-licensee agree that the Federal Rules of Evidence will govern the admissibility and weight of evidence, including rules regarding the inadmissibility of hearsay.

iii. The parties confirm that the arbitrator may not consider any settlement discussions or offers that might have been made by either party and may not act as a mediator for the parties if the parties proceed to mediation at any point.

iv. The parties to the arbitration agree to keep all matters, including evidence and testimony, confidential unless obligated by law to disclose the information or the information is necessary in an application to confirm or vacate the award in court, following any appeal. If any party to the arbitration receives a subpoena to obtain information or documents from the arbitration, the recipient shall notify the other party, providing a copy of the subpoena in sufficient time to allow all parties to oppose the subpoena.

i. Decision of the Arbitrator(s). Unless otherwise specifically agreed to by all parties to the arbitration in writing, the award of the arbitrator(s):

i. will be rendered within 30 days of the close of the arbitration hearing record;

ii. will be a reasoned award;

iii. may not include punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute.

iv. may not include consequential damages (except that damages that are, or are based on lost future profits, are not, and shall not be deemed to be, consequential damages);

v. will include an award to the prevailing party as determined by the arbitrator(s), all of the prevailing party's costs and fees. **"Costs and fees"** mean all reasonable pre-award expenses of the arbitration, including the arbitrator(s)' fees, AAA administrative and filing fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, fees for depositions, including all costs of stenography and videography, and copies of testimony however recorded, witness fees, expert witness fees, costs of investigations and proof of facts, and attorneys' fees;

vi. may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules (**"Appellate Rules"**); and will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of the arbitrator's award, as provided by the Appellate Rules, by filing a Notice of Appeal with any AAA office; and/or

vii. following the appeal process the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof, subject to the exclusive jurisdiction set forth in Paragraph 13.B.

viii. After any appeal or in the event there is not an appeal, the award and decision of the arbitrator(s) shall be conclusive and binding on the parties and may be confirmed in any court having jurisdiction thereof, subject to **Paragraph 13.B.** Any right to contest the validity or enforceability of the award shall be governed exclusively by the FAA.

j. Agreement to Arbitrate Negotiated and Freely Given. Company and Sub-licensee both hereby represent, warrant, and affirm that this arbitration clause has been freely negotiated between the parties, that the obligations set forth herein have been fully considered by Company and Sub-licensee and their respective representatives, and are not unduly burdensome to either Company or Sub-licensee and are within the scope of mutually acceptable obligations established by the parties under this Sub-License Agreement and thus, are, in Company's and Sub-licensee's judgment, as evidenced by the parties' respective execution of this Sub-License Agreement, fair and reasonable. Sub-licensee further acknowledges that the requirement that Sub-licensee resolve disputes in arbitration in accordance with the requirements of this Paragraph 13.C. would not deprive Sub-licensee of due process or of the opportunity to have any disputes fairly and reasonably heard.

D. **Cross- Default**. Any default or breach by Sub-licensee, its affiliates, and/or any guarantor of Sub-licensee of this Sub-License Agreement will be deemed a default under the Franchise Agreement, and any default or breach of the Franchise Agreement by Sub-licensee and/or such other parties will be deemed a default or breach under this Sub-License Agreement. Sub-licensee's "affiliates" means any persons or entities controlling, controlled by, or under common control or ownership with Sub-licensee; provided, however, any transfer or assignment of this Sub-License Agreement shall be subject to Paragraph 8 above.

E. **Attorney's Fees**. In any arbitration or litigation to enforce the terms of this Sub-License Agreement, all attorney's fees and costs (including, but not limited to, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses) (including those incurred on appeal) incurred as a result of the litigation or arbitration (including any attorneys' fees and costs incurred in enforcing the right to recover fees and costs as set forth in this paragraph) shall be paid to the prevailing party by the other party. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience. The term prevailing party as used in this Paragraph shall include, without limitation, either a party that prevails on the ultimate merits of a dispute or a party that prevails with respect to the primary issue(s) or relief sought in an arbitration or litigation even if the ultimate merits of a dispute are not resolved. By way of example, if Sub-licensee initiates litigation with respect to claims that are subject to mandatory arbitration pursuant to Paragraph 13.C. of this Sub-License Agreement and Company files a motion to dismiss or motion to compel arbitration that is granted, Company will be considered the prevailing party with respect to such litigation and shall be entitled to recover the attorneys' fees and costs it incurred in such litigation pursuant to this paragraph.

F. **Damages And Timing Of Claims. THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES, OR LOST PROFITS FROM THE OTHER PARTY. WITH REGARD TO ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS SUB-LICENSE AGREEMENT, THE RELATIONSHIP BETWEEN SUB-LICENSEE AND COMPANY (INCLUDING EACH OF COMPANY'S AFFILIATES), OR THE OPERATION OF THE BUSINESS LOCATED AT THE PREMISES BROUGHT BY ANY PARTY TO THIS SUB-LICENSE AGREEMENT AGAINST ANOTHER PARTY TO THIS SUB-LICENSE AGREEMENT,**

SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED; PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF SUB-LICENSEE TO COMPANY AND EACH OF COMPANY'S AFFILIATES; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. IN ADDITION TO THE FOREGOING, ANY CLAIM OR ACTION BY SUB-LICENSEE AGAINST COMPANY OR ITS AFFILIATES RELATING TO ANY PAYMENT(S) MADE BY SUB-LICENSEE TO COMPANY OR ITS AFFILIATES SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DATE PAYMENT WAS RECEIVED BY COMPANY OR ITS AFFILIATES OR SUCH CLAIM OR ACTION SHALL BE BARRED; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. SUB-LICENSEE AGREES THAT ITS SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST COMPANY AND ITS SUCCESSORS AND ASSIGNS. SUB-LICENSEE AGREES THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS OF COMPANY AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN COMPANY AND SUB-LICENSEE.

14. **Revocation; Termination Option And Right; and Effect of Termination.**

A. Notwithstanding anything to the contrary herein contained, Company shall have the option and right to immediately revoke and terminate this Sub-License Agreement upon the happening of any of the following events: (a) if the Franchise Agreement expires and is not renewed or is terminated for any reason whatsoever or otherwise terminates, irrespective of the reason for such termination; (b) if the Underlying Agreement should be cancelled, should expire, or should be terminated for any reason at any time; or (c) if Sub-licensee should suffer or permit the occurrence of any act or thing which would constitute an event of default by Company pursuant to the terms of the Underlying Agreement or the Requirements. **RECOGNIZING THAT ANY FAILURE OR REFUSAL BY SUB-LICENSEE TO STRICTLY**

OBSERVE THE REQUIREMENTS OF THE UNDERLYING AGREEMENT MAY PUT IN JEOPARDY MULTIPLE LICENSES BETWEEN COMPANY AND THE LANDLORD AS WELL AS BENEFICIAL RELATIONS BETWEEN THE COMPANY AND THE LANDLORD, THE PARTIES AGREE THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED, IN THE EVENT THAT SUB-LICENSEE SHOULD SUFFER OR PERMIT THE OCCURRENCE OF ANY ACT OR THING WHICH WOULD CONSTITUTE AN EVENT OF DEFAULT BY COMPANY PURSUANT TO THE TERMS OF THE UNDERLYING AGREEMENT OR THE REQUIREMENTS, COMPANY SHALL HAVE THE RIGHT, AT ITS OPTION, TO IMMEDIATELY REVOKE AND TERMINATE THIS SUB-LICENSE AGREEMENT WITHOUT PRIOR NOTICE OR AN OPPORTUNITY TO CURE. In addition, Company may revoke and terminate this Sub-License Agreement if any one or more of the following events occur: proceedings in bankruptcy, or under any other act for the relief of debtors, are instituted by or against Sub-licensee; Sub-licensee compounds its debts, or assigns over its estate or effects for payment thereof; any execution issues against Sub-licensee or any of its effects; a receiver of trustee is appointed for Sub-licensee's property; or this Sub-License Agreement by operation of law devolves upon or passes to any party or parties other than Sub-licensee personally. In any such event, Company may immediately revoke and terminate this Sub-License Agreement by notifying the Sub-licensee.

B. Upon such revocation and termination, Company shall, in addition to its rights as set forth within this Paragraph, also be entitled to pursue any and all rights and recover all damages available at law or in equity. Sub-licensee acknowledges and agrees that all present and future sums due from Sub-licensee shall immediately become due and payable. **UPON ANY SUCH REVOCATION AND TERMINATION OF THIS SUB-LICENSE AGREEMENT, SUB-LICENSEE AGREES TO SURRENDER AND DELIVER THE PREMISES TO COMPANY UPON DEMAND.** Sub-licensee understands and acknowledges that this is a license and not a lease, and Sub-licensee acknowledges that Sub-licensee's obligation to surrender and deliver the Premises to Company upon demand is not subject to any right of Sub-licensee or requirement of Company to bring an action in the nature of an eviction or dispossession which Sub-licensee expressly waives.

C. Upon expiration, revocation, or termination of this Sub-License Agreement, Company shall have the right to remove Sub-licensee and any parties claiming rights or privileges under Sub-licensee and their property from the

Premises, and lock and bar Sub-licensee and all parties claiming rights or privileges under Sub-licensee from doing business at the Premises, and Sub-licensee agrees that any property of any kind, character, or manner that is not removed by Sub-licensee shall be deemed transferred to Company and Company shall have the right to dispose of all such property at Sub-licensee's sole expense. Furthermore, in the event Sub-licensee does not leave the Premises, then Sub-licensee agrees to remove, change, modify and shall not use any patented equipment, patented fixtures, equipment, fixtures, trade dress, or other intellectual property of Company or its affiliates. If Sub-licensee fails to modify the exterior and interior décor of the Premises as Company requires to eliminate its identification as an authorized Cellairis® location (including the removal of all signs bearing the Marks (as defined within the Franchise Agreement) and all intellectual property elements), Company may take such action to modify the exterior and interior décor of the Premises and the location and charge Sub-licensee for cost of such action. Sub-licensee shall immediately pay Company for the cost of any action taken by Company to modify the exterior and interior décor of the Premises. Without limiting the foregoing, upon the revocation, expiration, or termination of this Sub-License Agreement, Company and its agents and representatives have the right, without incurring any liability to Sub-licensee, to enter the Premises to enforce the provisions of this Paragraph 14, without obtaining any legal process or any consent from Sub-licensee. If Company or its affiliate assumes the Underlying Agreement for the location, Sub-licensee shall remain liable for all of its obligations in connection with the prior operation by Sub-licensee of the Premises, and Company assumes no such obligations, contractual or otherwise, including without limitation Sub-licensee's obligations to pay rent or license fees, salaries, vendors or applicable taxes.

D. In addition to the rights stated above, in the event Sub-licensee does not vacate the Premises upon demand, Sub-licensee hereby expressly consents to the entry of an injunctive order from any court of competent jurisdiction and agrees not to oppose the entry of injunctive orders or to take any position inconsistent therewith. Company shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived by Sub-licensee, and without being required to establish irreparable harm or a balance of convenience. Company's option and right to revoke and terminate hereunder is in addition to and not in lieu of its other rights under law and in equity and as set forth in this Sub-License Agreement.

E. Sub-licensee's obligations regarding trade secrets, confidential information, shall remain in full force and effect in accordance with their terms, notwithstanding such termination, revocation, or expiration.

~~E.~~F. If this Sub-License Agreement is terminated, or if the Occupancy Agreement is terminated, and Sub-licensee has no right to occupy or operate at the Premises, and Company or an affiliate owns or has the right to occupy or operate at the Premises, Sub-licensee shall not use, alter, or modify the Premises in any manner, and shall strictly comply with Company's or its affiliate's instructions regarding use, inventory, equipment located within the Premises, and all other matters regarding the Premises.

15. **Additional Fees.**

A. If Company makes any expenditure for which Sub-licensee is responsible, or if Sub-licensee fails to make any required payment under this Sub-License Agreement, Company may add such amount to any current or future installment of Fees. If any term of Underlying Agreement shall be effective under any circumstances to increase or escalate the Fees during the Term of this Sub-License Agreement, such amount shall be promptly paid by Sub-licensee to Company as additional fees. Some Landlords may require Company to license multiple sites in multiple malls and Company may be required to pay sums to Landlord relating to either (a) an annual lump sum payment associated with such multiple locations or (b) fees for sites which are much less likely to be developed. In such cases, Company reserves the right to allocate additional fees to Sub-licensee which represents a discretionary amount relating to such charges by the Landlord plus an additional fee associated with Company's costs of administration and profit to the Company.

B. **Percentage Fees**: In addition to Fees, Sub-licensee shall also pay Company, as described in this Paragraph 15.B., and as may be further described in policies and Cellairis' franchise manual, ______ percent times the amount of "Gross Sales" (as defined in Subparagraph 15.F.) during each License Year or partial License Year which exceeds the annual sales breakpoint described below for such period (hereinafter called **"Percentage Fees"**). If the License Year is less than twelve (12) full calendar months, then annual sales breakpoint for such License Year shall be an amount equal to the product obtained by multiplying the annual sales breakpoint by a fraction, the numerator of which shall be the number of days in such License Year and the denominator of which shall be three hundred sixty-five (365). The annual sales breakpoint shall be as follows:

a. $________ per annum from the Commencement Date through and including the expiration of the first License Year;
b. $_________ per annum during the second License Year;
c. $_________ per annum during the third License Year;
d. $_________ per annum during the fourth License Year; and
e. $_________ per annum from the commencement of the fifth License Year and continuing for the remainder of the Term (prorated for any partial License Year).

The Percentage Fees shall be calculated on a monthly basis, pro-rated based on the annual sales breakpoint. To the extent Percentage Fees are due for any month, such Percentage Fees shall be paid by Sub-licensee by the 5th business day of the month immediately following the month in which Gross Sales exceeded the sales breakpoint. Such amount shall be retained by Company during such License Year, but not in trust nor as a fiduciary, and Company may co-mingle such funds with other monies and funds of Company. Within 30 days following the conclusion of the License Year, Company shall issue to Sub-licensee an accounting for such monthly Percentage Fees. In the event Sub-licensee owes additional Percentage Fees, Sub-licensee shall pay such amount within 15 days of the date of the notice or invoice from Company. In the event Sub-licensee has overpaid, or is due a refund of any Percentage Fees, Company shall either (a) refund the amount to Sub-licensee within 15 days of such notice, or (b) apply such overpayment amount to future fees owed by Sub-licensee, or (c) apply such amount to other amounts owed by Sub-licensee to Company, to Cellairis, or to any of their affiliates. In the event the Sub-License Agreement and Franchise Agreement is transferred to a different sub-licensee and franchisee during a License Year, any Percentage Fees held by Company at such time of the transfer shall be retained by Company until the end of the License Year. Within 30 days following the end of the License Year, Company shall conduct an accounting of Percentage Fees, on a monthly basis, owed by Sub-licensee and by the transferee Sub-licensee. If any money or funds is owed to Sub-licensee, Company shall pay such amount to Sub-licensee within 15 days of Company's notice to Sub-licensee.

C. Sub-licensee shall (a) not later than the **5th** day after the close of each calendar month, deliver to both Company and Landlord a written statement certified under oath by Sub-licensee or an officer of Sub-licensee, showing Gross Sales made in such calendar month; and (b) not later than **15** days after the end of each License Year deliver to both Company and Landlord a statement of Gross Sales for such License Year the correctness of which is certified by Sub-licensee or an officer of Sub-licensee or an independent Certified Public Accountant. If Sub-licensee fails to prepare and deliver any statement of Gross Sales required hereunder, within the time or times specified above, then Company shall have the right, in addition to the other rights and remedies set forth in this Sub-License Agreement, to (i) collect from Sub-licensee a sum which shall be **$250.00** and which shall be deemed liquidated damages for administrative and overhead expenses resulting from such failure, and (ii) estimate Sub-licensee's Gross Sales for any non-reported period and bill Sub-licensee's Percentage Fees accordingly. Company reserves the right, at Company's option, to adjust Percentage Fees billings when actual Gross Sales reports are received.

~~C.~~

D. Percentage Fees shall become due and payable in each License Year on the **5th** day of the month immediately following the month during which Gross Sales exceed the annual sales breakpoint, and thereafter shall be paid monthly on all additional Gross Sales made during the remainder of such License Year, such payments to be made concurrently with the submission by Sub-licensee to Company of the written statement of monthly Gross Sales as provided for herein of, if Company elects in its sole discretion, by the methods set forth in Paragraphs 2.A. and 2.B. above.

E. **Audit**: Sub-licensee will preserve for at least three years all original books and records disclosing information pertaining to Gross Sales and such other information respecting Gross Sales as Company and Landlord require. Company and its agents shall have the right during business hours to examine and audit such books and records, and Landlord shall have the right to audit such books and records in accordance with the Underlying Agreement. If such examination or audit by Company discloses a liability for Percentage Fees of three percent or more in excess of the Percentage Fees paid by Sub-licensee for any period, or if Sub-licensee shall have failed to furnish Company any monthly statement of Gross Sales during any License Year, Sub-licensee shall pay Company the cost of said audit (including, without limitation, reasonable travel costs) and the deficiency in Percentage Fees, which deficiency shall be payable in any event, whereby any monies to be paid under this Paragraph shall be due and paid within 15 days after receipt of the notice by Company. Sub-licensee shall also be responsible for the payment of any audits, penalties, underpayments, and other charges due Landlord in accordance with the Underlying Agreement.

F. **"Gross Sales"** for purposes of this Sub-License Agreement shall have the meaning ascribed to it in the Underlying Agreement.

~~G. With respect to any payments that are to be made or any reports that are to be provided to Company or others as provided for within this Paragraph 15, acceptance by Company of payments or reports shall be without prejudice, and shall in no event constitute a waiver of Company's right to claim a deficiency in such required payment or required information or report, nor a waiver of Company's right to audit Sub-licensee's books and records as provided for in Paragraph 15.E.~~

16. Notices.

A. All notices to Company shall be in writing and shall be delivered or sent by express, registered or certified mail, or by an overnight delivery service (*e.g.*, Federal Express, UPS), postage fully prepaid, addressed to it at its offices at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 attention Jason S. Adler, Esq., with a mandatory copy to Chris Bussert, Kilpatrick Townsend & Stockton, 1100 Peachtree Street NE, Suite 2800, Atlanta, GA 30309, or at such other address as Company shall from time to time designate in writing.

B. All notices to Sub-licensee shall be in writing and shall be sent by any of the following means of delivery: (i) hand delivered, (ii) sent by express, registered or certified mail, (iii) sent by an overnight delivery service (*e.g.*, Federal Express, UPS), (iv) facsimile transmission, (v) E-mail, (vi) Sub-licensee's counsel of record, if any. Notices to Sub-licensee may be sent to any address appearing on any agreements between Company and Sub-licensee, the Premises, or in Company's records for Sub-licensee. Sub-licensee may change its address for receipt of notices by providing written notice of such change pursuant to the notice requirements to Company. Any notice to Sub-licensee or any of its Principal Owners (as defined in Paragraph 1.A. of the Franchise Agreement) shall be deemed effective notice to Sub-licensee and all of its Principal Owners.

C. Notices shall be deemed delivered as follows: (i) via hand delivery on the date delivered by hand, (ii) via express, registered or certified mail on the earlier of 3 business days after placement in the United States Mail or the date shown on the return receipt, (iii) via overnight delivery service on the date shown in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made, (iv) via facsimile transmission on the date the transmission occurs, or (v) via E-mail on the date the E-mail is sent.

17. **Waiver.** Both parties, for themselves and to the extent not limited by the applicable policy, their respective insurers, waive their respective rights against the other for damages caused by fire or other perils covered by insurance when the damages are sustained in connection with the occupancy of the Premises.

18. **Binding Effect.** The provisions of this instrument shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and permitted assigns, subject to Paragraph 8 above.

19. **Non-Waiver.** The failure of Company to exercise any right or option given to it under this Sub-License Agreement, or to insist upon strict compliance by Sub-licensee with the terms and conditions of this Sub-License Agreement shall not constitute a waiver of any terms or conditions of this Sub-License Agreement with respect to any other or subsequent breach, nor a waiver by Company of its right at any time thereafter to require exact and strict compliance with the terms and conditions of the Sub-License Agreement. The rights or remedies set forth in this Sub-License Agreement are in addition to any other rights or remedies that may be granted by law.

20. **Time of the Essence.** Time is of the essence of this Sub-License Agreement.

21. **No Agency.** The parties hereto agree that the business relationship created by this Sub-License Agreement is solely that of sub-licensor and sub-licensee. Nothing contained in this Sub-License Agreement shall make Sub-licensee an agent, legal representative, partner, subsidiary, joint venturer, or employee of Company. Sub-licensee shall have no right or power to, and shall not bind or obligate Company in any way, manner or thing whatsoever, nor represent that it has any right to do so.

22. **Non Circumvention.** Recognizing the mutual benefits associated with the relationship between Company and the Landlord (including the managers and agents of Landlord), Company and Sub-licensee wish to agree upon certain non circumvention requirements which shall be strictly observed by Sub-licensee. Both during the Term of this Sub-License Agreement and for a period of two (2) years after the expiration or termination of this Sub-License Agreement, irrespective of the cause of any such termination, Sub-licensee agrees that the Sub-licensee will not directly or indirectly through related parties circumvent the relationship between Landlord and Company by entering into agreements with Landlord (including the managers and agents of Landlord) by which Sub-licensee will directly or indirectly (except through other sub-licenses between Sub-licensee and Company) lease, license, or enter into any form of occupancy

agreement for space in any shopping mall located within fifty (50) miles of the Premises for the purpose of selling cellular telephone accessories or wireless device accessories, cellular telephone or wireless device repair services, and other related products and services.

23. **Representations and Warranties of Sub-licensee**. Sub-licensee makes the following representations with the understanding that Company is relying on them as a material inducement to enter into this Sub-License Agreement: (a) Sub-licensee has been advised to make an independent investigation of Company's operations; (b) Sub-licensee understands and acknowledges that by entering into this Sub-License Agreement it has not received, and it is not relying on, any warranties, guarantees, or representations regarding the Underlying Agreement, including any right, option, or possibility that the Occupancy Agreement may or will be extended or renewed upon the expiration or termination of the Underlying Agreement; (c) Company has not and does not represent that Sub-licensee can expect to attain a specific level of sales, profits, or earnings from operations at the Premises; (d) Sub-licensee has been advised to obtain independent professional advice regarding this Sub-License Agreement; (e) Sub-licensee understands that it may sustain losses as a result of the operation or the closing of the Business Unit at the Premises; (f) Sub-licensee understands that the business venture contemplated by this Sub-License Agreement involves a high degree of financial risk and depends to a large degree on Sub-licensee's skills, abilities, initiative, and hard work; (g) Sub-licensee understands that, pursuant to the requirements of the Franchise Agreement, Sub-licensee may be required to purchase all of the products and services to be sold from the Premises from Company or from Company's subsidiaries or affiliates, that these parties will establish the purchase price for such products and services in their discretion and that these parties expect to make a profit from such sales; (h) Sub-licensee also understands that Sub-licensee was free to obtain an appropriate approvable location for the operation of the Cellairis® business unit from any available source but that now that Sub-licensee has elected to sub-license the Premises from Company then Company has established the Fee rate for such Premises in its discretion and that Company expects to make a profit from such Fees; and (i) Sub-licensee also understands that as a result of this Sub-License Agreement, Sub-licensee is bound by the non circumvention requirements set forth in the preceding Paragraph.

24. **Headings.** Headings in this Sub-License Agreement are for reference and convenience only and shall not be used to interpret or construe its provisions.

25. **Counterparts.** This Sub-License Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Company and Sub-licensee intend to have the option for either party or all parties, to enter into this Sub-License

Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Sub-License Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Sub-licensee hereby agree that the electronic signature of Company and/or Sub-licensee to this Sub-License Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Sub-License Agreement and shall be effective to bind such party to this Sub-License Agreement. Company and Sub-licensee agree that this Sub-License Agreement, as signed by Company and Sub-licensee, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Sub-licensee to the same extent as if signed by Company and Sub-licensee with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Sub-License Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Sub-licensee to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Sub-licensee shall contest the admissibility of true and accurate copies of this Sub-License Agreement as signed by Company and Sub-licensee with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

26. **Entire Agreement.** This instrument supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them, except as otherwise provided or referenced herein.

27. **Holdover**. In the event Sub-licensee remains in possession of the Premises beyond the expiration of the Term, such holding over shall not create a tenancy or renewal of this Sub-License Agreement, but instead shall be for successive ten (10)-day terms until either party provides the other party with at least ten (10) days' prior written notice. In such event, Sub-licensee shall comply with all

terms and conditions of this Sub-License Agreement, including but not limited to, the payment all Fees and other monetary obligations that are due during such holdover period until the expiration of the holdover period. In the event Company or its subsidiaries or affiliates requires additional time to obtain a replacement franchisee or sub-licensee, Sub-licensee agrees to continue to occupy and use the Premises pursuant to this Sub-License Agreement for such period, if any, Company or its subsidiaries or affiliate requests.

28. **Relocation.** Sub-licensee acknowledges and agrees that the location of the Premises may change from time to time pursuant to the Underlying Agreement or pursuant to any existing or future written agreement between Company, its subsidiaries, and affiliates, and Landlord. In such event, the term "Premises" shall be revised to thereafter mean the Premises to which Sub-licensee has been relocated, effective as of the relocation date specified by Company. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SUB-LICENSEE HEREBY RELEASES COMPANY, ITS SUBSIDIARIES, AND AFFILIATES AND HEREBY WAIVES ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, COSTS, EXPENSES, DAMAGES, OR OTHER LIABILITY RELATED IN ANY MANNER TO ANY SUCH RELOCATION OF THE PREMISES.

29. **Personal Guaranty**. The individual owners of Sub-licensee shall personally guaranty all obligations of Sub-licensee under this Sub-License Agreement, including without limitation all payment obligations under Paragraphs 1 and 15, and shall execute the Personal Guaranty and Subordination Agreement in the form attached hereto as **Exhibit "D"**.

30. **Bankruptcy.**

A. **Assumption of Sub-License Agreement**. Neither Sub-licensee's interest in this Sub-License Agreement, nor any estate hereby created in Sub-licensee, nor any interest herein or therein, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law, except as may specifically be provided pursuant to the Bankruptcy Code (11 USC §101 *et seq.*), as the same may be amended from time to time (the "**Code**"). It is understood and agreed that this Sub-License Agreement is a lease of real property in a shopping center as such lease is described in Section 365 of the Code and, among other provisions, is entitled to the protections of Code § 365(b)(3) regarding adequate assurance of future performance.

In the event that an order for relief is entered against Sub-licensee, whether voluntarily or involuntarily, and Sub-licensee becomes a debtor under any section of the Code, and assuming that this Sub-License Agreement, the Franchise Agreement, or the Underlying Agreement has not been canceled or terminated as provided herein, then Sub-licensee may not assume or assign this Sub-License Agreement to any third party unless, at the time of such assumption, Sub-licensee cures (as that term is defined by the Code) any monetary defaults existing under this Sub-License Agreement, including without limitation, the Company's costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default.

B. **Adequate Assurance of Future Performance.** In the event this Sub-License Agreement is not canceled and terminated as provided herein, then Sub-licensee may not assign this Sub-License Agreement unless Sub-licensee and Sub-licensee's proposed assignee shall have assumed all of the obligations arising under this Sub-License Agreement on or after the date of such assignment, shall comply with all provisions of this Paragraph 30, shall comply with and meet all of the requirements of the Franchise Agreement, as determined in Company's sole and absolute discretion, and provide adequate assurance of future performance to Company of the source of Fees, rent, and other consideration payable under this Sub-License Agreement and any obligations of Sub-licensee under the Franchise Agreement so long as the assumption or assignment of this Sub-License Agreement will not breach the Underlying Agreement, including without limitation, the use of the Premises, and that Sub-licensee will continue to operate the business at the Premises in strict accordance with the requirements of this Sub-License Agreement and the Franchise Agreement. Company may, at its sole discretion, require such other assurances and documents at the time of such assumption or assignment. Sub-licensee, upon demand by Company, shall execute and deliver to Company an instrument confirming such assignment or, alternatively, shall provide Company with a copy of the Bankruptcy Court order authorizing such assignment; and

C. **Performance and Protection.** Upon the entry of an order for relief by or against Sub-licensee under the Code, Sub-licensee, as debtor and as debtor-in-possession, or any Trustee who may be appointed, agrees to: (1) timely perform each and every obligation of Sub-licensee under this Sub-License Agreement until such time as this Sub-License Agreement is either rejected or assumed by Order of the Bankruptcy Court; (2) timely pay all monetary obligations required under this Sub-License Agreement and perform all obligations under the Franchise Agreement; (3) provide Company a minimum thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties or is required or permitted under the Code or by Order of the Bankruptcy Court, of any proceeding relating to any assumption of this Sub-License Agreement or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Sub-License Agreement; (4) timely perform to the benefit of Company as required under any applicable provision of the Code; and (5) reject or assume this Sub-License Agreement within forty-five (45) days of the appointment of such trustee under Chapter 7 of the Code or within sixty (60) days (or such shorter term as Company may deem reasonable, so long as notice of such period is given) of the filing of a petition under any other Chapter.

D. **Accumulative Rights.** The rights, remedies, and liabilities of Company and Sub-licensee set forth in this Paragraph 30 shall be in addition to those which may now or hereafter be accorded, or imposed upon, Company and Sub-licensee by the Code. Company reserves the right in connection with any proposed assignment of this Sub-License Agreement to contest the assignment if in Company's sole judgment the assignee does not meet the requirements of a franchisee under the Franchise Agreement. The term "Sub-licensee" as used in this Sub-License Agreement includes the Sub-licensee named in this Sub-License Agreement and also any trustee, debtor in possession, receiver, custodian, or other similar officer. Neither Sub-licensee's interest in this Sub-License Agreement, nor any estate hereby created in Sub-licensee nor any interest herein shall pass to any trustee, except as may be specifically provided pursuant to the Code, or to any receiver or assignee for the benefit of creditors or otherwise by operation of law.

31. **Liability of Multiple Sub-licensees**. If Sub-licensee consists of more than one person, each person's liability and obligation under this Sub-License Agreement shall be joint and several.

32. **Modification**. This Sub-License Agreement may only be modified or amended by a separate negotiated written document executed by Company and Sub-licensee that is titled "Amendment to Sub-License Agreement". No handwritten or similar attempts by Sub-licensee to vary the terms of this Sub-License Agreement are valid and any such attempts are rejected, but such attempted changes shall not operate as a rejection by Sub-licensee of this Sub-License Agreement, and Sub-licensee's execution of this Sub-License Agreement shall be deemed acceptance of this Sub-License Agreement in the form provided to Sub-licensee by Company for signature.

33. **Survival**. Any provisions of this Sub-License Agreement which impose an obligation after termination or expiration of this Sub-License Agreement shall

survive the revocation, termination, or expiration of this Sub-License Agreement and be binding on the parties. The parties to this Sub-License Agreement specifically agree that the provisions related to jurisdiction, venue, and arbitration in Paragraphs 13.B., C., D., E. and F. and indemnification in Paragraph 12 shall survive the termination or expiration of this Sub-License Agreement.

34. **Business Judgment**. Whenever Company has expressly reserved in this Sub-License Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Sub-licensee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Sub-License Agreement, Company may make such decision or exercise its right and/or discretion on the basis of Company's judgment of what is in Company's best interests, at the time Company's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Company; (2) Company's decision or the action taken promotes Company's financial or other individual interest; (3) Company's decision or the action it takes applies differently to Sub-licensee and one or more other sub-licensees or Company's company-owned or affiliate-owned operations; or (4) Company's decision or the exercise of its right or discretion is adverse to Sub-licensee's interests. In the absence of an applicable statute, Company will have no liability to Sub-licensee for any such decision or action. Company and Sub-licensee intend that the exercise of Company's 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 Sub-License Agreement, Company and Sub-licensee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Sub-License Agreement and that this Sub-License Agreement grants Company the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Sub-licensee's rights and obligations hereunder

35. **Interpretation**. Company and Sub-licensee agree that if any provision of this Sub-License Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Sub-License Agreement shall be construed according to its fair meaning and not strictly against Company or Sub-licensee. It is the desire and intent of Company and Sub-licensee that the provisions of this Sub-License Agreement be enforced to the fullest extent. In the event any court shall determine that any provision in this Sub-License Agreement is not enforceable as written, Company and Sub-licensee agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws of the

jurisdiction in which enforcement is sought. The provisions of this Sub-License Agreement are severable and this Sub-License Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in the Sub-License Agreement, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

35. **Force Majeure and Delay**. As used in this Sub-License Agreement, **"Force Majeure"** means any delay, hindrance, or prevention of a party from performing any act or thing required hereunder by reason of strikes, lock-outs, labor troubles, casualties, inability to procure labor, materials, or financing, failure or lack of utilities, governmental laws or regulations, riots, insurrection, war, acts of God, inclement weather, or other causes beyond the reasonable control of either party, affiliates of Company, or authorized and approved third party suppliers.

If Company or Sub-licensee experiences a Force Majeure event, then the delayed party shall not be liable, and the period of performance of any such act shall be extended for a period equivalent to the period of such delay. The foregoing is inapplicable to the payment of any monies due and owing under this Sub-License Agreement unless due to an act arising after Sub-licensee's submission of the payment.

Notwithstanding the foregoing, in the event of any epidemic or pandemic related to a virus or disease where federal, state, or municipal governments force the complete closure of the Location via an executive order (**"Pandemic"**), then Sub-licensee covenants and agrees to promptly assess any insurance claims to be filed for losses related to the Pandemic and to promptly apply for additional disaster loan programs, funding and other relief programs through any disaster relief programs available, and any other local, state, or federal governments loans, grants, relief programs, or subsidies available as well as any available private/non-profit funding programs (**"Relief Funding Sources"**). Sub-licensee shall keep Company apprised on at least a weekly basis of its actions and efforts related to receiving funding from the Relief Funding Sources. Sub-licensee and Company acknowledge and agree that in the event that Sub-licensee is granted any funding or relief under any of the Relief Funding Sources, Sub-licensee shall use a portion of such funding or relief to immediately pay to Company any missed payments (either because those payments were not paid by Sub-licensee or such payments were abated for a period of time in accordance with an agreement in writing between Sub-licensee and Company) that were to be paid under this Sub-License Agreement or any other agreement between Sub-licensee and Company or its affiliates.

~~35.~~

36. Sub-licensee and all other signatories to this Sub-License Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Sub-License Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Sub-License Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will constitute, when executed and delivered, the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

IN WITNESS WHEREOF, the Company and Sub-licensee have signed and sealed this instrument, as of the ________________day of ___________________, 20___.

COMPANY:____________________

SUB-LICENSEE

GLOBAL CELLULAR, INC._____

____

By: ___________________________

By: ______________________

Title: ________________________

Title: ________________________

~~**SUB-LICENSEE:**~~

~~**By:**~~ ___________________________

~~**Title:**~~___________________________

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EXHIBIT "A"

<u>TO SUB-LICENSE AGREEMENT</u>

<u>Credit/Charge Card Authorization Form</u>

This authorizes Global Cellular, Inc. and any of its affiliates to use the Credit/Charge Card listed below in accordance with the terms of the Sub-License Agreement and any other agreement with Global Cellular, Inc. or any of its affiliates.

Type of Card (circle one): Visa MasterCard American Express

Name as it appears on Card: ____

Card Number: ________________________________Expiration Date: __________

Security Code No.: Not required at this time

Billing Address for Card ____

____

____

In the event that you continue to occupy the location after your Sub-License Agreement expires, you authorize Global Cellular, Inc. to continue to charge funds from the above-specified credit/charge care at the same rate and terms as your final month's payment under the Sub-License Agreement, and you agree to continue to comply with all terms and conditions of the expired sub-license. Global Cellular, Inc.'s acceptance of funds after the expiration of your Sub-License Agreement does not in any way: (1) create a new contract, (2) grant or imply that your sub-license will be renewed, or (3) alter or waive any rights that Global Cellular may have under the expired sub-license. Global Cellular, Inc. may demand possession of the location at any time.

I hereby authorize Global Cellular, Inc., and its affiliates to process charges against the credit/charge card identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Sub-License Agreement entered into with Global Cellular, Inc. and any other agreement with Global Cellular, Inc. or its affiliates (including Royalty fees, rent or License Payments, POS fees, the cost of any Products or Services purchased from Global Cellular, Inc. or its affiliates, and any other amounts owing to Global Cellular, Inc. or its affiliates under the Sub-License Agreement or any other agreement with Global Cellular, Inc. or its affiliates, including interest and late fees); and, if necessary, to initiate adjustments for any transactions charged in error. These charges are related to the operation of a franchised business and the amount of each charge will vary from month to month. This authorization will remain in full force and effect until Global Cellular, Inc. has received written notification from me of its termination in such time and in such manner as to afford Global Cellular, Inc. a reasonable opportunity to act on it. Termination of this authorization may result in your Sub-License Agreement being terminated unless an alternate means of payment acceptable to Global Cellular, Inc. is provided.

Authorized Card User's Signature____

EXHIBIT "B"

TO SUB-LICENSE AGREEMENT

Electronic Funds Transfer Authorization Form

This authorizes Global Cellular, Inc. and any of its affiliates to use the banking information provided below in accordance with the terms of the Sub-License Agreement.

Name of bank: ______________________________________

Address of bank: ____________________________________

Name of account holder: _____________________________

Name as it appears on account: _________________________

Address of account holder: _____________________________

Account Number: ____________________________________

Routing Number: ____________________________________

Type of Account: Checking Savings

In the event that you continue to occupy the location after your Sub-License Agreement expires, you authorize Global Cellular, Inc. to continue to auto-debit funds from the above-specified account at the same rate and terms as your final month's payment under the Sub-License Agreement, and you agree to continue to comply with all terms and conditions of the expired sub-license. Global Cellular, Inc.'s acceptance of funds after the expiration of your Sub-License Agreement does not in any way: (1) create a new contract, (2) grant or imply that your sub-license will be renewed, or (3) alter or waive any rights that Global Cellular may have under the expired sub-license. Global Cellular, Inc. may demand possession of the location at any time.

I hereby authorize Global Cellular, Inc., and its affiliates to process charges against the credit/charge card identified above in order to pay all fees, charges and any other amounts owed pursuant to the terms of the Sub-License Agreement entered into with Global Cellular, Inc. and any other agreement with Global Cellular, Inc. or its affiliates (including Royalty fees, rent or License Payments, POS fees, the cost of any Products or Services purchased from Global Cellular, Inc. or its affiliates, and any other amounts owing to Global Cellular, Inc. or its affiliates under the Sub-License Agreement or any other agreement with Global Cellular, Inc. or its affiliates, including interest and late fees); and, if necessary, to initiate adjustments for any transactions charged in error. These charges are related to the operation of a franchised business and the amount of each charge will vary from month to month. This authorization will remain in full force and effect until Global Cellular, Inc. has received written notification from me of its termination in such time and in such manner as to afford Global Cellular, Inc. a reasonable opportunity to act on it. Termination of this authorization may result in your Sub-License Agreement being terminated unless an alternate means of payment acceptable to Global Cellular, Inc. is provided.

Authorized Owner's Signature: _________________________

GLOBAL CELLULAR, INC. OFFICE USE ONLY

Account Code: _______________________________________

Mall Name / Location: __________________________________

Date: _________________ User: _________________________

EXHIBIT "C"

TO SUB-LICENSE AGREEMENT

UNDERLYING AGREEMENT

EXHIBIT "D"

TO SUB-LICENSE AGREEMENT

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

IN CONSIDERATION of and as an inducement to the execution of the Sub-License Agreement (**"Sub-License Agreement"**) this Personal Guaranty and Subordination Agreement is made and entered into effective as of the ____ day of _______, 20__, by and between GLOBAL CELLULAR, INC., a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ___________________, with a principal address at _______________________________ (**"Sub-licensee"**), each of the undersigned being a **"Guarantor"** and each of the Guarantors by this Personal Guaranty and Subordination Agreement (**"Guaranty Agreement"**) hereby personally and unconditionally guarantees to Company, its affiliates, and their successors and assigns for the term of the Sub-License Agreement and thereafter as provided in the Sub-License Agreement and in this Guaranty Agreement, that Sub-licensee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Sub-License Agreement including all ancillary agreements executed in conjunction with the Sub-License Agreement, and each of the Guarantors, hereby agrees to be personally bound by and personally liable for the breach of each and every provision in the Sub-License Agreement, by Sub-licensee, including all ancillary agreements executed in conjunction with the Sub-License Agreement, including but not limited to the Franchise Agreement, and all financial obligations to Company and any of its affiliates. The Guarantors hereby personally and unconditionally guarantee all debts and obligations which Sub-licensee may incur to Company or to affiliates of Company or to such companies that may in the future be affiliated with Company with respect to any obligations under the Sub-License Agreement. Each Guarantor jointly and severally agrees to make all payments and perform all obligations under this Guaranty Agreement.

To the extent permitted by law, each Guarantor hereby expressly waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the Guarantors may have against Sub-licensee arising as a result of the Guarantors' execution of and performance under this Guaranty Agreement, for the express purpose that none of the Guarantors shall be deemed a "creditor" of Sub-licensee under any applicable bankruptcy law with respect to Sub-licensee's obligations to Company, (ii) any right to require Company to: (a) proceed against Sub-licensee for any payment required under the Sub-License Agreement, (b) proceed against or exhaust any security from Sub-licensee, (c) take any action to assist any of the Guarantors in seeking reimbursement or subrogation in connection with this Guaranty Agreement, or (d) pursue, enforce, or exhaust any remedy, including any legal or equitable relief, against Sub-licensee, (iii) any benefit of, any right to participate in, any security now or hereafter held by Company, and (iv) acceptance and notice of acceptance by Company of the Guarantors' undertakings under this Guaranty Agreement; (v) all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (vi) protest; (vii) notices of dishonor; (viii) notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (ix) any other notices (including any notice of the purchase or sale of Products, inventory and goods by Sub-licensee, the maturing of bills and the failure to pay the same) and (x) any and all legal or equitable defenses to which any of the Guarantors may be entitled. The personal guaranty established by this Guaranty Agreement will not be affected by the modification, extension, or renewal of any agreement between Sub-licensee and Company or its affiliates, the taking of a note or other obligation from Sub-licensee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Sub-licensee of bankruptcy, insolvency, reorganization of other debt or relief afforded Sub-licensee under the United States Bankruptcy Code or under any other State or Federal statute or by the decision of any court or any other matter, whether similar or dissimilar to any of the foregoing, and the guaranty established by this Guaranty Agreement will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. Without affecting the obligations of the Guarantors under this Guaranty Agreement, Company may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Sub-License Agreement, any other agreement between Sub-licensee and Company or its affiliates, or any indebtedness or obligation of Sub-licensee, or settle, adjust, release, or compromise any claims against Sub-licensee or any Guarantors, make advances for the purpose of performing any obligations of Sub-licensee under the Sub-License Agreement, assign the Sub-License Agreement or the right to receive any sum payable thereunder, and the Guarantors each hereby, jointly and severally, waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Sub-License Agreement. Company shall have no present or future duty or obligation to the Guarantors under this Guaranty Agreement, and each of the Guarantors waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantors any information, financial or otherwise, concerning Sub-licensee, any other Guarantor, or any collateral securing any obligations of Sub-licensee to Company. The obligations of the Guarantors will be unconditional in spite of any defect herein with respect to any other circumstances whether or not referred to in this Guaranty Agreement that might otherwise constitute a legal or equitable discharge of surety or Guarantor.

This is an irrevocable, unconditional, and absolute guarantee of payment and performance by Sub-licensee and the Guarantors agree that the Guarantor's liability under this Guaranty Agreement will be immediate and will not be contingent upon the exercise and enforcement by Company of whatever remedies it may have against Sub-licensee or others or the enforcement of any lien or realization upon any security Company may at any time possess. Each Guarantor agrees that any current or future indebtedness by Sub-licensee to any Guarantor(s) will also be subordinate to any indebtedness owed by Sub-licensee to Company. The Guarantors will promptly modify any financing statements on file with any state agencies to specify that Company's rights are senior to those of Guarantor.

The Guarantors further agree that as long as Sub-licensee owes any money to Company (other than Fees (as defined in the Sub-License Agreement) that are not past due), Sub-licensee will not pay and the Guarantors will not accept payment of any part of any indebtedness owed by Sub-licensee to any of the Guarantors, either directly or indirectly, without the consent of Company.

Each Guarantor, jointly and severally, agrees to defend, indemnify, and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Sub-licensee to perform any obligation of Sub-licensee under the Sub-License Agreement, and all ancillary agreements executed in conjunction with the Sub-License Agreement, along with any amendments thereto, or any other agreement executed by Sub-Licensee referred to therein.

In connection with any litigation or arbitration to determine the Guarantors' liability under this Guaranty Agreement, the Guarantors expressly waive the Guarantors' right to trial by jury, if any, and agree to pay the costs and the reasonable attorneys' fees as fixed by any court. If Company is required to enforce this Guaranty Agreement in a judicial or arbitration proceeding, and prevails in such proceeding, Company shall be entitled to reimbursement of its costs and expenses (including those incurred on appeal), including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Company is required to engage legal counsel in connection with any failure by the Guarantors to comply with this Guaranty Agreement, the Guarantors shall reimburse Company for any of the above-listed costs and expenses Company incurs. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience.

If this Guaranty Agreement is signed by more than one individual, each individual signing this Guaranty Agreement will be jointly and severally liable for the obligations created in it. This Guaranty Agreement will remain in full force and effect until all obligations arising out of and under the Sub-License Agreement, including all renewals and extensions, are fully paid and satisfied as well as all obligations with respect to debts owed by Sub-licensee to affiliates of Company with respect to Parts, Products, or

Services sold or otherwise provided by such affiliates to Sub-licensee. Capitalized terms which are not defined herein shall have the same meaning as defined in the Sub-License Agreement.

Without limiting the foregoing in any manner, the Guarantors each have carefully read the Sub-License Agreement and each of the Guarantors hereby jointly and severally expressly agrees to be individually bound by all of the covenants contained in Paragraphs 7, 13.B., 13.C., and 22 of the Sub-License Agreement.

Each Guarantor acknowledges and agrees that it has made an independent examination, review, and investigation of the Cellairis franchise opportunity, Company, Sub-licensee, and Sub-License Agreement, as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from Sub-licensee any information required by Guarantor concerning the Sub-License Agreement, Sub-licensee, the Cellairis franchise opportunity, and Company. Further, Guarantor acknowledges that it is not relying on Company for any such information in connection with its decision to execute this Guaranty Agreement.

Subject to the arbitration obligations and other obligations of Paragraph 13.C. of the Sub-License Agreement and the provisions below, each of the Guarantors agrees that all actions arising under this Guaranty Agreement, the Sub-License Agreement, or otherwise as a result of the relationship between Company and the Guarantors, must be commenced in the state or federal court of general jurisdiction in Georgia, and each of the Guarantors irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the Guarantors agrees that Company may enforce this Guaranty Agreement and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

As provided in Paragraph 13.B. of the Sub-License Agreement, the parties agree that this Guaranty Agreement shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia without regard to its conflicts of law.

The signatories to this Guaranty Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Guaranty Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Guaranty Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

This Guaranty Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. Company and Guarantors intend to have the option for either party or all parties, to enter into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Guarantors hereby agree that the electronic signature of Company and/or Guarantors to this Guaranty Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Guaranty Agreement and shall be effective to bind such party to this Guaranty Agreement. Company and Guarantors agree that this Guaranty Agreement, as signed by Company and Guarantors, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Guarantors to the same extent as if signed by Company and Guarantors with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Guaranty Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Guarantors to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Guarantors shall contest the admissibility of true and accurate copies of this Guaranty Agreement as signed by Company and Guarantors with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the Guarantors has hereunto affixed their signatures and seals effective as of the date first above indicated.

By: ________________________________

Name: ______________________________

Address: ____________________________

By: ________________________________

Name: ______________________________

Address: ____________________________

GLOBAL CELLULAR, INC.

By: ________________________________

Title: ______________________________

SUB-LICENSE AGREEMENT

THIS SUB-LICENSE AGREEMENT (hereinafter referred to as the "**Sub-License Agreement**"), is made effective as of the _____ day of __________, 20___, between ___________________________, a Georgia __________, with its principal place of business located at 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005 (hereinafter referred to as the "**Company**") and ____ (hereinafter referred to as the "**Sub-licensee**"),

WHEREAS, Sub-licensee is a Franchisee under that certain Cellairis® Franchise Agreement dated _______________, 20___ (hereinafter referred to as the **"Franchise Agreement"**) with Cellairis Franchise, Inc. (hereinafter referred to as **"Cellairis"**) relating to the Premises described below,

WHEREAS, Company has heretofore entered into a Lease, License, or other occupancy agreement (herein referred to as the **"Underlying Agreement"**) with ____ as lessor/landlord/licensor (hereinafter referred to as the **"Landlord"**) and in which Company is the licensee, lessee, and/or tenant (depending on the terms of the Underlying Agreement) relating to the operations of the store-in-store Business Units (as defined in the Franchise Agreement) at the following location ________________________________ (hereinafter referred to as the **"Premises"**),

WHEREAS, Sub-licensee wishes to sub-license the Premises from Company pursuant to the terms of this Sub-License Agreement pursuant to which Sub-licensee will operate the franchised Business Unit from the Premises in strict compliance with the obligations of this Sub-License Agreement, the Franchise Agreement, and the Underlying Agreement.

NOW THEREFORE, Company, in consideration of the agreements to be performed by Sub-licensee hereinafter set forth, hereby agrees with Sub-licensee as follows:

1. **Issuance of Sub-license.** Company hereby sub-licenses the Premises to the Sub-licensee and Sub-licensee sub-licenses from Company the Premises for the term commencing on _________, 20__ ("**Commencement Date**"), and ending on _________________, 20___ (unless extended or terminated as provided in this Sub-License Agreement) (**"Term"**). Pursuant to the chart below the monthly rent shall be comprised of an administrative fee of $100 per month plus an amount as determined by the Gross Sales (as defined in Paragraph 15.F.) which are made from the Premises on a monthly basis. The amounts to be paid shall collectively be referred to as **"Fees"**.

Gross Sales		Fees			
Low	**High**	**Base**	**Additional Percentage**	**Min**	**Max**
$1	$15,000	$500	4%	$500.04	$1,100.00
$15,001	$25,000	$500	5%	$1,250.05	$1,750.00
$25,001	$35,000	$0	8%	$2,000.08	$2,800.00
$35,001	$60,000+	$0	6%	$2,100.06	$3,600.00+

THE FEES ASSOCIATED WITH THE VARIOUS GROSS SALES LEVELS IS IN NO WAY INTENDED TO IMPLY THAT SUB-LICENSEE WILL EXPERIENCE GROSS SALES OF ANY PARTICULAR LEVEL.

Pursuant to the above chart, Sub-licensee shall pay the Fees as follows: $600 per month (which is comprised of the $500 "Base" Fee plus the $100 administrative fee). Such Fee shall be payable in advance so that it is received by Company on or before the 25th day of the previous month during the term of this Sub-License Agreement. (As an example of this provision, $600 of the Fee that is due for September would be due and must be paid to Company and received by Company no later than August 25th). At the end of each month, the final Fee will be calculated based on Sub-licensee's Gross Sales, and Sub-licensee shall pay the amount owed for such month, less the $500 already paid, by the 3rd day of the immediately following month, in accordance with the procedures described in this Paragraph.

2. **Payment of Fees.** Sub-licensee agrees to pay the Fees set forth herein to Company in the manner set forth in Paragraph 1 of this Sub-License Agreement. Company reserves the right and may require, in its sole discretion, from time to time that Sub-licensee remit payment of Fees through alternative methods of payment including but not limited to electronic funds transfers. Sub-licensee agrees to comply with Company's payment instructions in every respect. All Fees, additional fees (as described in Paragraph 15 of this Sub-License Agreement) and any other charges shall be paid to Company without notice or demand and without abatement, deduction, or set-off, except as otherwise expressly provided in this Sub-License Agreement.

A. **Automatic Credit/Charge Card Payment**: Company may, in its discretion, require that all Fee payments to Company or any subsidiary or affiliate of Company and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement be paid by credit/charge card payment which shall be automatically processed each month by Company. As a material condition of this Sub-License Agreement, Company requires that Sub-licensee provide it with Sub-licensee's credit/charge card information by accurately completing **Exhibit "A"** to this Sub-License Agreement at the time Sub-licensee signs this Sub-License Agreement and that Sub-licensee promptly update such information immediately after any change so that there is no interruption whatsoever. By signing this Sub-License Agreement, Sub-licensee authorizes Company and any subsidiary or affiliate of Company to charge Sub-licensee's credit/charge card for the Fees due each month payable to Company or any subsidiary or affiliate of Company, and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. Sub-licensee shall perform the acts and sign those documents, including the authorization form attached as **Exhibit "A"** to this Sub-License Agreement that Company and/or Sub-licensee's credit/charge issuer may require to accomplish payment. Sub-licensee expressly warrants and represents that the credit/charge card information provided to Company in **Exhibit "A"** is accurate and that Sub-licensee has the authority to authorize Company and any subsidiary or affiliate of Company to charge the credit/charge card provided in **Exhibit "A"**. Sub-licensee further acknowledges that it is under the express obligation and duty to ensure that the information provided in **Exhibit "A"** is accurate at all times during the term hereof, and that the credit/charge card provided in **Exhibit "A"** is valid. If at any time, the credit/charge card provided in **Exhibit "A"** becomes invalid, Sub-licensee shall immediately provide Company with credit/charge card information for an alternative credit/charge card and authorize Company to charge the alternative credit/charge card for all fees due to Company and any subsidiary or affiliate of Company. If Sub-licensee (i) fails or is unable to provide a credit/charge card, or (ii) withdraws approval to charge a credit/charge card without designating a replacement credit/charge card, such failure, inability, or withdrawal shall constitute a material breach of this Sub-License Agreement justifying revocation or termination upon notice by the Company to Sub-licensee in accordance with Paragraph 13 of this Sub-License Agreement. Nothing contained herein shall constitute a waiver of the right of the Company to demand immediate cash payment of any and all sums currently due and owing.

B. **Electronic Funds Transfer**: Company may, in its discretion, elect to utilize an electronic funds transfer payment program, under which Company and any subsidiary or affiliate of Company may electronically debit from Sub-licensee's bank account the Fee due each month by Company and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. As a material condition of this Sub-License Agreement, Company requires that Sub-licensee provide it with Sub-licensee's banking information by accurately completing **Exhibit "B"** to this Sub-License Agreement at the time Sub-licensee signs this Sub-License Agreement and that Sub-licensee promptly update such information immediately after any change so that there is no interruption whatsoever. By signing this Sub-License Agreement, Sub-licensee authorizes Company and any subsidiary or affiliate of Company to electronically transfer Sub-licensee's bank account for the Fee due each month payable to Company or any subsidiary or affiliate of Company, and any other amounts owing to Company or any subsidiary or affiliate of Company pursuant to this Sub-License Agreement. Sub-licensee shall perform the acts and sign those documents, including the authorization form attached as **Exhibit "B"** to this Sub-License Agreement that Company and/or Sub-licensee's bank may require to accomplish payment. Sub-licensee expressly warrants and represents that the banking information provided to Company in **Exhibit "B"** is accurate and that Sub-licensee has the authority to authorize Company and any subsidiary or affiliate of Company to electronically debit Sub-licensee's bank account provided in **Exhibit "B"**. Sub-licensee further acknowledges that Sub-licensee is under the express obligation and duty to ensure that the information provided in **Exhibit "B"** is accurate at all times during the term hereof, and that the banking information provided in **Exhibit "B"** is valid. If at any time, the banking information provided in **Exhibit "B"** becomes invalid, Sub-licensee shall immediately provide Company with banking information for an alternative bank account and authorize Company to charge the alternative bank account for all fees due to Company and any subsidiary or affiliate of Company. If Sub-licensee (i) fails or is unable to provide a bank account, or (ii) withdraws approval to charge a bank account without designating a replacement bank account, such failure, inability, or withdrawal shall constitute a material breach of this Sub-License Agreement justifying revocation or termination upon notice by the Company to Sub-licensee in accordance with Paragraph 13 of this Sub-License Agreement. Nothing contained herein shall constitute a waiver of the right of the Company to demand immediate cash payment of any and all sums currently due and owing.

C. **Interest, Late Charges, and Declined or Rejected Payments**: Any payment due to Company not paid when due shall bear interest at the maximum rate allowed by Georgia law or, if no maximum rate relating to this transaction is in effect in the State of Georgia, 18% per annum. In the event such interest rate shall be void or unenforceable under either Georgia law or the laws of the jurisdiction where the Premises are located, then the highest rate of interest permitted under the laws of the jurisdiction where the Premises are located shall be charged. Nothing in this Sub-License Agreement shall be construed to mean that Sub-licensee is to pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The intention of the parties is to conform strictly to applicable usury laws and it is agreed that if excess is inadvertently collected it shall be applied to reduce the Fee by the amount owed under Paragraph 1 above. All payments required to be made to Company under this Sub-License Agreement shall be made in Alpharetta, Georgia, or at such addresses and to such parties as Company may designate in writing from time to time. Sub-licensee agrees to make prompt payment, without deduction or set-off, of all charges which are due to Company and its affiliates. Such payments cannot be withheld on grounds of a claimed non-performance by Company or its affiliates of any of their obligations hereunder. In addition to Company's right to charge interest as provided herein, if permitted by applicable law, Company may charge Sub-licensee, without further notice or demand, a $500.00 late payment fee for all overdue payments and a $100.00 insufficient funds fee for any check, electronic funds transfer, credit/charge card, or other payment method that is not honored by Sub-licensee's financial institution plus the amount to reimburse Company for all costs, charges, fees, and expenses assessed by the financial institution or other third party, and otherwise incurred by Company (including reasonable attorney's fees) in obtaining the full payment of amounts owed by Sub-licensee. Such amount may be reduced to a lesser amount in Company's discretion if applicable law does not permit charges in the indicated amounts.

In the event any payment to Company is denied or rejected by the credit card issuer or financial institution for any reason whatsoever, Company, in addition to all rights under this Sub-License Agreement or which may be available at law or in equity, shall have the right to process such denied or rejected payment by one of the other alternative means of payment set forth in this Sub-License Agreement; provided, however, Company shall be under no obligation to so process any such declined or rejected payment, and Company hereby reserves the right to revoke or terminate this Sub-License Agreement as set forth herein.

D. **Application of Payments; Billing Disputes**: Company and its affiliates shall have the right and discretion to apply and/or allocate payments made by or on behalf of Sub-licensee to any amounts due and owing Company and/or its affiliates, regardless of any instruction, direction, requirement or proposed allocation set forth by Sub-licensee. Sub-licensee shall pay Company and its affiliates promptly for all Fees, additional fees (as described in Paragraph 15 of this Sub-License Agreement), and any other charges when due under this Sub-License Agreement. If Company or an affiliate issues to Sub-licensee an invoice or demand for payment, Sub-licensee shall make such payment within the time frame indicated, or promptly if no such deadline is indicated (under this Sub-License Agreement or the invoice). If Sub-licensee disputes any aspect of any invoice, Sub-licensee shall advise Company and affiliate (if applicable) within 60 days of the date of the invoice. If no such dispute is provided within such time frame, such invoice shall be deemed accepted, and Sub-licensee waives any rights or claims. With respect to any payments that are to be made under this Paragraph 2, Paragraph 15, or any other provision within this Agreement, a~~A~~cceptance by Company of payments or reports shall be without prejudice, and shall neither ~~in no event~~ constitute a waiver of Company's right to claim a deficiency in such required payment or required information or report, nor a waiver of Company's right to audit Sub-licensee's books and records as provided for in Paragraph 15.E. below.

3. **Underlying Agreement.**

A. Sub-licensee acknowledges and agrees that (i) Sub-licensee's privilege to use the Premises is as a sub-licensee of Company regardless of the nature of the agreement between Company and Landlord, (ii) this Sub-License Agreement is expressly made subject to all the terms and conditions of the Underlying Agreement, and (iii) ~~**subject to any buy-out clause as detailed below,**~~ **in the event that the Underlying Agreement expires or is terminated by Landlord, irrespective of the cause or circumstance, then this Sub-License Agreement shall immediately so terminate or expire and be deemed revoked without any liability whatsoever of Company to Sub-licensee** except that Sub-licensee may obtain from Company, as Sub-licensee's sole and entire remedy, any unearned Fees paid in advance which shall be refunded to the Sub-licensee only if such termination is not the result of a breach by Sub-licensee of this Sub-License Agreement. The Underlying Agreement, as redacted, is attached hereto and is incorporated herein as **Exhibit "C"**. The obligations and terms and conditions of the Underlying Agreement attached as **Exhibit "C"** are hereinafter referred to collectively as the "**Requirements"**. All of the obligations of the Underlying Agreement are incorporated into this Sub-License Agreement as if fully set forth herein (including without limitation, any holdover rights) with each reference to Landlord in the Underlying Agreement being deemed to include both Landlord and Company and with each reference therein to Company as the tenant/lessee/licensee (as the case may be) being deemed to mean Sub-licensee. Sub-licensee shall only have the privileges expressly given to it by Company under this Sub-License Agreement and shall not be granted any additional rights that Company may have in the Underlying Agreement including, but not limited to, any rights of first refusal, nor shall this Sub-License Agreement grant Sub-licensee any rights that Company may have in the Underlying Agreement to the extent said rights would grant Sub-licensee any rights beyond those of a licensee as opposed to a lessee. Sub-licensee shall use the Premises in accordance with the terms of the Requirements and shall not do or omit to do anything which will breach any of the terms of the Requirements. Sub-licensee shall assume the obligation for performance of all of Company's obligations under the Underlying Agreement and the Requirements. The parties specifically agree that Company does not assume the obligations of the Landlord under applicable provisions of the Underlying Agreement or other Requirements, but shall exercise reasonable business judgment in attempting to cause the Landlord to perform its obligations under the Underlying Agreement. The parties agree that Company shall have no liability whatsoever to Sub-licensee for any failure of the Landlord to perform its obligations under the Underlying Agreement. Without limiting the foregoing, Sub-licensee agrees that it does not and shall not have or claim at any time any leasehold interest, nor a license coupled with an interest, nor any other interest or estate of any kind or extent whatsoever in any part of the Premises. Sub-licensee is only given a non-exclusive license which is personal to and non-transferable by Sub-licensee.

~~B.~~ ~~**Buy-Out Clause**: In the event the Business Unit is located within a Walmart, then Landlord may, without cause, terminate the Underlying Agreement, with prior, written notice effective 240 days after Company receives such written notice. In the event the Underlying Agreement terminates as a result of Landlord exercising the termination right granted in the preceding sentence and such termination occurs during the first five years of the Lease Term (as defined in the Underlying Agreement), Landlord has promised to pay to Company an early termination fee. If Landlord complies with its termination fee obligation under the Underlying Agreement, upon Landlord paying Company such termination fee, and upon Sub-licensee not being in default of this Sub-License Agreement, or any other agreement with Company or an affiliate of Company, then in that event, Company shall pay a portion of that fee to Sub-licensee, in accordance with the schedule below. Such payment schedule is based on the lease year in which the Underlying Agreement is terminated and not on the year in or any other 12-month period in which Sub-licensee is occupying the Premises. It is expressly understood and agreed by the parties that the amount specified by the parties is reasonable and Company shall not be liable for any other cost or expense of Sub-licensee ceasing operations in the applicable Leased Premises.~~

~~Year (under the Underlying Agreement)~~	~~Buy-out Amount to Sub-licensee~~
~~1~~	~~$125,000~~
~~2~~	~~$100,000~~
~~3~~	~~$75,000~~
~~4~~	~~$50,000~~
~~5~~	~~$25,000~~

~~In the event of termination by Landlord pursuant to the buy-out clause under the Underlying Agreement, Sub-licensee shall comply with all pre-and post-termination requirements and instructions, provided by Landlord and/or Company. As an example, for the avoidance of doubt, in the event the Underlying Agreement is terminated during the third lease year of the Underlying Agreement, but such date of termination occurs during the second year that Sub-licensee is operating under this Sub-License Agreement, the buy-out amount to Sub-licensee shall be $75,000.~~

B. **Reserved**.

4. **Deposit.** Upon execution of this Sub-License Agreement, Sub-licensee shall deposit with Company a security deposit equal to the sum of $_____ (**"Deposit"**) as security for Sub-licensee's faithful performance of Sub-licensee's obligations hereunder. If Sub-licensee fails to pay Fees or other charges due hereunder, or otherwise defaults with respect to any provision of this Sub-License Agreement, Company may use, apply, or retain all or any portion of the Deposit for the payment of any Fees or other charge in default or for the payment of any other sum to which Company may become obligated by reason of Sub-licensee's default, or to compensate the Company for any loss or damage which the Company may suffer thereby. Company may also use, apply, or retain any portion of the Deposit to pay any sum that Sub-licensee may owe to Company or any affiliate of Company under any other contract entered into by Sub-licensee, including without limitation, obligations under the Franchise Agreement. If Company so uses or applies all or any portion of the Deposit, Sub-licensee shall within five days after written demand therefore deposit cash with Company in an amount sufficient to restore the Deposit to the full amount hereinabove described and Sub-licensee's failure to do so shall be a material breach of this Sub-License Agreement. Alternatively Company may, in its sole discretion, elect to restore the Deposit to the full amount hereinabove by seeking payment under the methods described in Paragraphs 2.A. and 2.B. Company shall not be required to keep the Deposit separate from its general accounts or segregate the Deposit in any fashion, and any interest earned thereon shall be the sole property of Company. If Sub-licensee performs all of Sub-licensee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by Company, shall be returned, without payment of interest or other increment for its use to Sub-licensee (or at Company's option, to the last assignee, if any, of Sub-licensee's interest hereunder) at the expiration of the term hereof, and after Sub-licensee has vacated the Premises in accordance with this Sub-License Agreement and the Underlying Agreement. No fiduciary or trust relationship is created herein between the Company and Sub-licensee with respect to the Deposit.

5. **Payment of First Month's Fees.** Immediately upon execution of this Sub-License Agreement, Sub-licensee shall pay to Company the Fees and other charges for the first month of the Term of this Sub-License Agreement in accordance with Paragraph 1 and the method of payment provided for in Paragraphs 2.A. or 2.B. of this Sub-License Agreement or such other method as agreed to in writing between the parties.

6. **Compliance with Regulations.** Sub-licensee shall comply promptly with all laws, ordinances, requirements, and regulations of the Federal, state, county, municipal, and other authorities (including but not limited to the trademark laws of the United States), the fire insurance underwriters, and insurance organizations or associations relating to the Premises and the operation of the franchised business unit at the Premises. Sub-licensee shall comply with the Franchise Agreement entered into with Cellairis and a breach or default by Sub-licensee under the Franchise Agreement shall constitute a material breach of this Sub-License Agreement. Without limiting the foregoing, Sub-licensee will not sell any products in violation of the trademark laws of the United States and shall purchase all products for resale from the Business Unit strictly in accordance with the provisions of Paragraph 5.C. of the Franchise Agreement. Sub-licensee shall only sell the products and/or services at retail to consumers from and through the Premises and shall not sell such items for redistribution or resale unless otherwise approved in writing by Company in Company's discretion.

7. **Viewing Premises.** Sub-licensee shall use the Premises exclusively for the operation of a Cellairis® franchised location at the Premises pursuant to the Franchise Agreement between the Sub-licensee and Cellairis, which Franchise Agreement is incorporated herein and made a part hereof and Sub-licensee shall use the Premises solely as permitted under the Requirements. At any time during the term, Company, Cellairis, Landlord, or agents of any one of them, may enter the Premises for the purpose of examining its condition, making repairs in any part, or determining Sub-licensee's compliance with this Sub-License Agreement and the Franchise Agreement. The inspections may be conducted without prior notice at any time when Sub-licensee or one of Sub-licensee's employees is at the Premises. However, Company and Cellairis do not assume any liability for the care or supervision of the Premises or appurtenances and shall have no obligation to so view or inspect the Premises. Company has the right to take photographs and videos, in any medium, of the Premises. The inspections will be performed in a manner that minimizes interference with the business operation. IN THE EVENT THAT ANY SUCH INSPECTION DETERMINES THAT THERE IS A VIOLATION OF PARAGRAPH 5.C. OR 6.F. OF THE FRANCHISE AGREEMENT, THEN, UPON DIRECTION FROM THE PERSONS CONDUCTING SUCH INSPECTION, SUB-LICENSEE AGREES THAT COMPANY MAY REQUIRE SUB-LICENSEE TO IMMEDIATELY CEASE OPERATIONS AT THE PREMISES AND/OR DISCONTINUE ALL SALES FROM THE PREMISES UNLESS AND UNTIL ANY AND ALL SUCH VIOLATION HAS BEEN CURED. Sub-licensee's agreement in this Paragraph 7 to close the Premises and discontinue sales shall not in any manner prejudice the right of Company, at its option, to terminate this Sub-License Agreement for such material breach. Sub-licensee waives any claims against, or liability of, Company for any wrongful or improper closure of the Premises if Company was acting upon information that Company reasonably believes was cause for closure under this Paragraph.

8. **Assignment.** Sub-licensee shall not assign, mortgage or pledge this Sub-License Agreement, or sub-license the whole or any part of the Premises without Company's prior written consent and without the consent of Cellairis, which consent may be withheld by Cellairis under the circumstances described in the Franchise Agreement and which consent may be conditioned upon the requirements set forth in the Franchise Agreement. Any such consent shall apply solely to the particular transaction consented to and shall not constitute Company's or Cellairis' waiver of the provisions of this Sub-License Agreement. Company and Sub-licensee agree that Company may freely assign this Sub-License Agreement.

9. **Insurance.** Sub-licensee shall not leave the Premises unoccupied during the Term, or by any act of commission or omission cause an increase in the rate of insurance or the cancellation of any insurance policy. Company will, on an annual basis (or such shorter basis as Company, in its discretion, may wish to require) bill Sub-licensee for general liability insurance coverage relating to the Premises. The billed amount shall be paid by Sub-licensee to Company within thirty days from the date of the invoice and, in default of such payment, the amount may be added to the next installment of Fees as additional fees. Sub-licensee is aware that Company marks up the cost of the insurance which is billed by third party insurers to Company in order to cover administrative expenses and to provide an element of profit. This insurance is in addition to and will serve as excess coverage above Sub-licensee's primary general liability policy that Sub-licensee is required to obtain under the Franchise Agreement. In addition, Sub-licensee must obtain and pay for worker's compensation coverage to the extent required by applicable law and Sub-licensee may wish and elect, in Sub-licensee's discretion to obtain supplemental liability insurance at Sub-licensee's sole expense.

In the event that (in Company's sole discretion) Sub-licensee is permitted to obtain its own general liability insurance and, with respect to any other insurance which is obtained by Sub-licensee, prior to opening the Premises, and at any time upon Company's request, Sub-licensee shall furnish Company evidence of such public liability insurance policies obtained by Sub-licensee (which may include certificates of insurance, endorsements, binders, or copies of policies), together with information concerning claims and losses under such insurance. Such evidence may include, at Company's request, (i) an original certificate of insurance, (ii) a copy of the actual additional insured endorsement to the policy issued to Sub-licensee by the insurer, (iii) a copy of the corresponding "notice of cancellation" endorsement, and (iv) a copy of the declarations page for the policy. However, Sub-licensee agrees that the failure of Company to request and obtain the required certificates of insurance or to identify a deficiency in obtaining the required insurance will not be construed as a waiver of Sub-licensee's obligation to maintain the insurance required under this Sub-License Agreement. Any such policies obtained by Sub-licensee shall be issued by companies and in amounts satisfactory to Company.

Sub-licensee and Company further agree that: (a) the insurance required by Company does not represent that coverage and limits will necessarily be adequate to protect Sub-licensee for all events, nor will it be deemed as a limitation on Sub-licensee's liability to Company under this Sub-License Agreement; (b) Sub-licensee may meet the required insurance coverages and limits with any combination of primary and umbrella/excess liability insurance; (c) Sub-licensee is responsible for any deductible or self-insured retention; (d) Company is not responsible to pay any deductible or retention under Sub-licensee's policies; and (e) in the event Company receives any proceeds from any claim under Sub-licensee's policy, Company may retain any such amount to offset any monies owed by Sub-licensee to Company or any of its affiliates.

10. **Signs.** Sub-licensee shall not install advertisements or signs on any part of the Premises without Company's written consent and shall do so strictly in accordance with the Requirements and the Franchise Agreement.

11. **Condition.** Sub-licensee accepts the Premises in the condition existing as of the date of this Sub-License Agreement and by taking occupancy of the Premises, Sub-licensee agrees that the Premises are in good, safe, and usable condition. Sub-licensee acknowledges that neither Company nor Company's subsidiaries, affiliates, or agents have made any representations or warranties whatsoever concerning the Premises, its condition, the Underlying Agreement, or the use to which it may be put, except as may be expressly provided in writing in the Underlying Agreement and the Franchise Agreement. The parties hereby expressly agree that Company, its subsidiaries, affiliates, and agents shall not have any duty or responsibility to repair, replace, or maintain any part of the Premises.

12. **Indemnification.** Company, its subsidiaries, affiliates, and agents shall not be liable and Sub-licensee agrees to defend, indemnify, and hold Company, its subsidiaries, affiliates, agents, Landlord, and the Premises harmless from any and all liability and claims of liability, damage, or injury to persons or property, from any cause whatsoever, arising on or about the Premises, arising out of or in any way connected with the operation of the franchised location operating at the Premises or any activity whatsoever carried on by Sub-licensee, its agents, or employees on the Premises. This obligation to indemnify shall include reasonable attorneys' fees and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made or may be made. Company, its subsidiaries, affiliates, and agents shall not be responsible for any defect or change of condition in the Premises, or for any damage thereto, or to any person, or to goods or things contained therein due to any cause except Company's act or negligence and, without limiting any of the foregoing, Sub-licensee shall indemnify Company, its subsidiaries, affiliates, and agents from all claims, demands and actions arising in connection with Sub-licensee's use of the property, or the use by any person occupying the Premises during the term hereof, or by reason of any breach or non-performance of any covenant herein, or Sub-licensee's violation of any law, regulation, or Requirements.

13. **Default and Remedies/Governing Law/Arbitration/Cross Default.**

A. If Sub-licensee fails to perform or observe any of its covenants under this Sub-license within five days after Company gives it notice of default, Company may immediately: (a) revoke, terminate or cancel this Sub-License Agreement by notifying Sub-licensee and upon such revocation, termination or cancellation, Sub-licensee shall be liable to Company for all damages sustained by it by reason of Sub-licensee's breach of covenant and of the revocation, termination or cancellation; or (b) re-enter the Premises without notice and upon re-entry license all or any part thereof as agent for Sub-licensee. If the Premises are licensed in accordance with the provisions of (b), Company may receive the Fees, applying it first to the payment of any expense Company incurs in entering and licensing the Premises, and then to the payment of the Fees and fulfillment of Sub-licensee's covenants hereunder. If Sub-licensee defaults, it shall pay and be liable for the several installments of Fees that would under this Sub-License Agreement become due had no default occurred, regardless of whether the demised Premises are re-licensed or remain vacant, and whether the vacancy is in whole or in part or for a period less than the whole or remainder of the term. Sub-licensee shall be credited at the end of each month within the term (but not beyond) with any net amounts actually received by Company during that month for the use or occupancy of all or part of the Premises provided that Company has been fully reimbursed for all sums and liabilities it has paid or incurred for any of the above purposes (which Sub-licensee also shall pay and be liable for). Such payments shall be made either directly by Company or out of monies actually received for the use of the Premises after Company has received undisputed possession. Company's maintenance of any action or proceeding to recover possession of the Premises or any installment or installments of Fees or other monies that may be due or become due from Sub-licensee shall not preclude Company from also instituting and maintaining subsequent actions or proceedings to recover possession of the Premises or of any subsequent payment or payments of Fees or other monies that may be due or become due from the Sub-licensee. A waiver by Company of Sub-licensee's breach of any one or more covenants or conditions contained herein shall not bar or limit in any manner any of Company's rights or remedies for a subsequent breach of the same covenant or condition. Notwithstanding anything in this Sub-License Agreement to the contrary, this Sub-License Agreement is conditioned upon the faithful performance by Sub-licensee of the Franchise Agreement between Cellairis and Sub-licensee, and a default in the terms of the Franchise Agreement shall be a default of this Sub-License Agreement.

In addition to, and notwithstanding the Attorneys' Fee provision in Paragraph 13.E. hereof, (i) in the event of Sub-licensee's default under Paragraph 13, (ii) in the event of any instance of non-compliance with this Sub-License Agreement for which Company notifies Sub-licensee of such default or non-compliance, (iii) if Sub-licensee cures a default, or (iv) if Company, in its discretion, elects not to terminate this Sub-License Agreement upon the occurrence of one or more events of default, then for any of these events, Company may require Sub-licensee to pay an administrative fee to Company in the amount of $1,000 per occurrence, plus any and all of Company's costs and expenses to enforce compliance by Sub-licensee or to cure such default, including but not limited to, reasonable accountants', attorneys', investigators', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, travel, and living expenses, whether incurred prior to, in preparation for, in contemplation of, or in connection with the filing of any judicial or arbitration proceeding to enforce this Sub-License Agreement. Such administrative fee and other charges are intended to reimburse Company for its time, expense, and other expenditure of resources incurred due to Sub-licensee's default or non-compliance. Company's decision to require Sub-licensee to pay such administrative fee shall be without prejudice to Company's right to terminate this Sub-License Agreement and/or to terminate any other rights, options, or arrangements under this Sub-License Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Sub-License Agreement. Sub-licensee shall be responsible for its own such costs and expenses.

B. **Governing Law**. The Parties agree that the Sub-License Agreement is deemed made and entered into in the State of Georgia. Except to the extent provided by the Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) (**"FAA"**) as required hereby, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*) or other applicable federal law, the terms of this Sub-License Agreement shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions. All matters relating to arbitration will be governed by the FAA.

a. Venue. For resolution of any dispute that is not subject to mandatory arbitration under Paragraph 13.C., including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within Paragraph 13.C., Sub-licensee agrees not to raise and hereby irrevocably waives, to the fullest extent permitted by law, any objection based upon *forum non conveniens* or any other objection it may now have or hereafter have to personal jurisdiction or venue in the U.S. District Court for the Northern District of Georgia, Atlanta Division, or to the Superior Court of the State of Georgia located in Fulton County, Georgia. It is the express intent of the parties that in the event a resolution of any dispute is not subject to arbitration under Paragraph 13.C., then the parties agree that all claims must be brought only in the above-mentioned courts.

b. Jurisdiction. For resolution of any dispute that is not subject to mandatory arbitration under Paragraph 13.C., including without limitation, any claims or actions under the Bankruptcy Code, and for any dispute that is permitted to be brought in court as detailed within Paragraph 13.C., the Parties hereby consent and explicitly and knowingly waive any objection based on the exercise of personal jurisdiction in the District Court for the Northern District of Georgia, Atlanta Division or to the Superior Court of the State of Georgia located in Fulton County, Georgia and agree that the exercise of personal jurisdiction therein is proper.

c. **Waiver of Right to Trial by Jury. THE PARTIES EXPRESSLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO A TRIAL BY JURY, IF ANY.**

d. Right to Equitable Relief. Nothing in this Sub-License Agreement shall bar Company's right to obtain injunctive relief against threatened conduct that will cause irreparable harm, under the usual equity rules including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

C. **Arbitration**

a. Claims Subject to Mandatory Arbitration. Subject to Paragraph 13.C.b., the parties agree that all controversies, claims, causes of action, or disputes between Company and Sub-licensee arising out of or relating to:

i. This Sub-License Agreement or any other agreement between Company and Sub-licensee;

ii. The relationship between Sub-licensee and Company;

iii. The scope, validity, interpretation, and/or enforceability of this Sub-License Agreement, or any other agreement between Company and Sub-Licensee;

iv. The scope, validity, interpretation, and/or enforceability of this Paragraph 13.C., specifically including whether any specific claim is subject to arbitration at all (arbitrability questions) but not arbitrabiliity questions related to the exceptions found in Paragraph 13.C.b., which the parties intend for the court to address; and/or

v. Any agreement relating to the purchase of products or services by Sub-licensee from Company

will be subject to arbitration to be administered by the American Arbitration Association (**"AAA"**). Any claims by or against any affiliate of the Company or against any individual principal, officer, executive, owner, or employee of Company or its affiliates may be joined, in the Company's sole discretion, in the arbitration. Any claim that would constitute a compulsory counterclaim as defined by the then current version of Federal Rule of Civil Procedure 13 and under federal precedent of the U.S. Supreme Court and the Court of Appeals for the Eleventh Circuit must be brought in arbitration. Company reserves the right, but has no obligation, to advance Sub-licensee's shares of the costs of any arbitration to allow the arbitration hearings to move forward, but by doing so, Company may not be deemed to have waived or relinquished any right to seek recovery of those costs from Sub-licensee. All claims that are subject to arbitration shall be brought and filed prior to the earlier of (a) the time period set forth in Paragraph 13.F., or (b) before the applicable statute of limitations would bar the institution of legal or equitable proceedings based on the claim, dispute or other matters in question. Notwithstanding any state law or regulation that purports to supersede or pre-empt the application of the FAA to this Sub-License Agreement, Company and Sub-licensee agree that the FAA controls, and except that as specifically set forth in Paragraph 13.C.b., all claims, controversies, and disputes shall be resolved in arbitration as described and required by this Sub-License Agreement.

b. Exception to Claims Subject to Mandatory Arbitration. Exception of Company Actions. Company and Sub-licensee recognize and agree that certain claims of Company may not be best suited to determination through arbitration and agree that the Company, in its sole discretion, may bring the following types of claims, cases, disputes and causes of action either in court or in arbitration:

(1) Claims seeking injunctive or other equitable relief to enforce provisions of this Sub-License Agreement, including but not limited to proceedings to recover possession of the Premises; provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any

injunctive relief may be given without the necessity of Company posting bond or other security, any bond or other security being hereby waived and Sub-licensee acknowledges that the termination of any litigation for injunctive or other equitable relief shall not bar Company from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

(2) Claims seeking recovery of attorneys' fees, litigation expenses, and/or sanctions, including, but not limited to, claims seeking recovery pursuant to Paragraph 13.E, relating to or arising from any claim subject to Paragraph 13.C.b.1. or any claim subject to Paragraph 13.C.a. that Sub-licensee improperly brings in court;

(3) Claims, including claims by an affiliate of Company, seeking recovery or any other remedy based on Sub-licensee's failure to pay any moneys due under this Sub-License Agreement, any agreement with an affiliate of Company, or any unpaid invoices owed to an affiliate of Company or Company when due; and/or

(4) The issue of whether a claim is subject to Paragraph 13.C.b.i. It is the intent of the parties that any challenge as to the whether any of the claims that can be brought in court, as opposed to arbitration, as detailed within this Paragraph 13.C.b.i. shall be determined by a judge and not an arbitrator.

c. Exception of Sub-licensee Actions. Company and Sub-licensee recognize and agree that certain claims of Sub-licensee may not be best suited to determination through arbitration and agree to specifically except the following types of claims, cases, disputes and causes of action from arbitration: Claims seeking injunctive or other equitable relief to enforce provisions of this Sub-License Agreement, provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration and that all claims seeking any injunctive or equitable relief must be brought solely in aid of arbitration in a venue governed by Paragraph 13.B., no other venue being permissible.

d. Waiver of Consolidated or Class Actions. No party except Company (including its employees, agents, officers, or directors and its parent, subsidiary, or affiliated companies) and Sub-licensee (including where applicable the immediate family members, owners, heirs, executors, successors, assigns, shareholders, partners, and guarantors (as applicable)) may join in or become a party to any arbitration proceeding arising under or relating to this Sub-License Agreement, and the arbitrator will not be authorized to permit any person or entity that is not a party to this Sub-License Agreement or identified in this paragraph to be a party in any arbitration conducted pursuant to this Sub-License Agreement. Further, in the event that Sub-licensee or one or more owners of Sub-licensee is a sub-licensee or is an owner of a sub-licensee of Company for another location, or is a franchisee or an owner of a franchisee of Cellairis for another location, any claims related to the other sub-licensee, other sub-license, other franchisee, other franchise agreement, or other location, may not be heard, arbitrated, or litigated in any arbitration or other proceeding under this Sub-license or the franchise agreement for this location. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not on a consolidated basis or as a class action. **SUB-LICENSEE EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION, MULTI-PLAINTIFF, MULTI-CLAIMANT, OR CONSOLIDATED BASIS, OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.** Any question regarding the interpretation of enforceability of this prohibition on class-wide arbitration shall be resolved by a court of competent jurisdiction, and not the arbitrator.

e. Selection of the Arbitrator(s). The arbitration shall be presided over by a single arbitrator if collectively the demand for arbitration, any counterclaims asserted, and the Costs and fees (as defined in Paragraph 13.C.i.v.) state claims totaling $250,000 or less. A single arbitrator shall be authorized to issue a maximum award of $250,000, inclusive of all damages and Costs and fees. If either the demand for arbitration, any counterclaim, Costs and fees, or the aggregate of all claims asserted, individually or collectively, total over $250,000, then the arbitration shall be presided over by a panel of three arbitrators. In either event, the arbitrator(s) will be selected through the provisions of the AAA then in effect at the time of filing of the arbitration demand, with the parties agreeing to request that the AAA to provide potential arbitrators who have significant experience in franchising matters, with a preference being given to members of the American Bar Association Forum on Franchising.

f. <u>Rules Governing Arbitration.</u> Subject to any contrary provisions contained in this Sub-License Agreement, the parties agree that the Commercial Arbitration Rules for the AAA in effect as of the date of this Sub-License Agreement will govern the conduct and administration of the arbitration, except as to filing fees that may be changes. The parties may, however, choose to employ the AAA's Commercial Arbitration Rules in effect as of the time of filing the demand if both parties agree and convey that agreement to the AAA.

g. <u>Location of Arbitration Hearing.</u> All arbitration hearings at which evidence will be taken will be held in person at a location within the boundaries of the City of Atlanta, at an office of the AAA, if AAA has such an office, or another suitable office acceptable to the arbitrator, within Atlanta, or within close proximity to Atlanta, within the state of Georgia, provided that the chosen location has adequate facilities to handle the hearing and accommodate the parties, witnesses, and evidence. The arbitrator(s) shall have no authority to select a hearing locale other than as described in this <u>Paragraph</u>.

h. <u>Evidence and Hearing.</u>

i. Company and Sub-licensee agree to pre-hearing discovery in accordance with the Federal Rules of Civil Procedure, notwithstanding the foregoing, in the event either party seeks to obtain electronically stored information (**"ESI"**) as part of discovery, the party requesting such ESI shall pay for the other party's costs of searching, labeling, indexing and producing the ESI. This includes, but is not limited to, attorneys' fees for both in-house and outside counsel's time spent collecting and reviewing documents for responsiveness, confidentiality, and privilege at a rate of $150 per hour.

ii. Company and Sub-licensee agree that the Federal Rules of Evidence will govern the admissibility and weight of evidence, including rules regarding the inadmissibility of hearsay.

iii. The parties confirm that the arbitrator may not consider any settlement discussions or offers that might have been made by either party and may not act as a mediator for the parties if the parties proceed to mediation at any point.

iv. The parties to the arbitration agree to keep all matters, including evidence and testimony, confidential unless obligated by law to disclose the information or the information is necessary in an application to confirm or vacate the award in court, following any appeal. If any party to the arbitration receives a subpoena to obtain information or documents from the arbitration, the recipient shall notify the other party, providing a copy of the subpoena in sufficient time to allow all parties to oppose the subpoena.

i. <u>Decision of the Arbitrator(s).</u> Unless otherwise specifically agreed to by all parties to the arbitration in writing, the award of the arbitrator(s):

i. will be rendered within 30 days of the close of the arbitration hearing record;

ii. will be a reasoned award;

iii. may not include punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute.

iv. may not include consequential damages (except that damages that are, or are based on lost future profits, are not, and shall not be deemed to be, consequential damages);

v. will include an award to the prevailing party as determined by the arbitrator(s), all of the prevailing party's costs and fees. **"Costs and fees"** mean all reasonable pre-award expenses of the arbitration, including the arbitrator(s)' fees, AAA administrative and filing fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, fees for depositions, including all costs of stenography and videography and copies of testimony however recorded, witness fees, expert witness fees, costs of investigations and proof of facts, and attorneys' fees;

vi. may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules (**"Appellate Rules"**); and will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of the arbitrator's award, as provided by the Appellate Rules, by filing a Notice of Appeal with any AAA office;

vii. following the appeal process the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof, subject to the exclusive jurisdiction set forth in Paragraph 13.B; and/or

viii. After any appeal or in the event there is not an appeal, the award and decision of the arbitrator(s) shall be conclusive and binding on the parties and may be confirmed in any court having jurisdiction thereof, subject to Paragraph 13.B. Any right to contest the validity or enforceability of the award shall be governed exclusively by the FAA.

j. Agreement to Arbitrate Negotiated and Freely Given. Company and Sub-licensee both hereby represent, warrant, and affirm that this arbitration clause has been freely negotiated between the parties, that obligations set forth herein have been fully considered by Company and Sub-licensee and their respective representatives, and are not unduly burdensome to either Company or Sub-licensee and are within the scope of mutually acceptable obligations established by the parties under this Sub-License Agreement and thus, are, in Company's and Sub-licensee's judgment, as evidenced by the parties' respective execution of this Sub-License Agreement, fair and reasonable. Sub-licensee further acknowledges that the requirement that Sub-licensee resolve disputes in arbitration in accordance with the requirements of this Paragraph 13.C. would not deprive Sub-licensee of due process or of the opportunity to have any disputes fairly and reasonably heard.

D. **Cross- Default**. Any default or breach by Sub-licensee, its affiliates and/or any guarantor of Sub-licensee of this Sub-License Agreement will be deemed a default under the Franchise Agreement, and any default or breach of the Franchise Agreement by Sub-licensee and/or such other parties will be deemed a default or breach under this Sub-License Agreement. Sub-licensee's "affiliates" means any persons or entities controlling, controlled by or under common control or ownership with Sub-licensee; provided, however, any transfer or assignment of this Sub-License Agreement shall be subject to Paragraph 8 above.

E. **Attorney's Fees**. In any arbitration or litigation to enforce the terms of this Sub-License Agreement, all attorney's fees and costs (including, but not limited to, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses) (including those incurred on appeal) incurred as a result of the litigation or arbitration (including any attorneys' fees and costs incurred in enforcing the right to recover fees and costs as set forth in this Paragraph) shall be paid to the prevailing party by the other party. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience. The term prevailing party as used in this Paragraph shall include, without limitation, either a party that prevails on the ultimate merits of a dispute or a party that prevails with respect to the primary issue(s) or relief sought in an arbitration or litigation even if the ultimate merits of a dispute are not resolved. By way of example, if Sub-licensee initiates litigation with respect to claims that are subject to mandatory arbitration pursuant to Paragraph 13.C. of this Sub-License Agreement and Company files a motion to dismiss or motion to compel arbitration that is granted, Company will be considered the prevailing party with respect to such litigation and shall be entitled to recover the attorneys' fees and costs it incurred in such litigation pursuant to this Paragraph.

F. **Damages And Timing Of Claims. THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES, OR LOST PROFITS FROM THE OTHER PARTY. WITH REGARD TO ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS SUB-LICENSE AGREEMENT, THE RELATIONSHIP BETWEEN SUB-LICENSEE AND COMPANY (INCLUDING EACH OF COMPANY'S AFFILIATES), OR THE OPERATION OF THE BUSINESS LOCATED AT THE PREMISES BROUGHT BY ANY PARTY TO THIS SUB-LICENSE AGREEMENT AGAINST ANOTHER PARTY TO THIS SUB-LICENSE AGREEMENT, SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED; PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF SUB-LICENSEE**

TO COMPANY AND EACH OF COMPANY'S AFFILIATES; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. IN ADDITION TO THE FOREGOING, ANY CLAIM OR ACTION BY SUB-LICENSEE AGAINST COMPANY OR ITS AFFILIATES RELATING TO ANY PAYMENT(S) MADE BY SUB-LICENSEE TO COMPANY OR ITS AFFILIATES SHALL BE COMMENCED AT THE EARLIER OF (1) WITHIN ONE YEAR FROM THE DATE PAYMENT WAS RECEIVED BY COMPANY OR ITS AFFILIATES OR SUCH CLAIM OR ACTION SHALL BE BARRED; OR (2) WITHIN THE APPLICABLE STATUTE OF LIMITATIONS FOR SUCH CLAIM OR ACTION. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW. SUB-LICENSEE AGREES THAT ITS SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST COMPANY AND ITS SUCCESSORS AND ASSIGNS. SUB-LICENSEE AGREES THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS OF COMPANY AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN COMPANY AND SUB-LICENSEE.

14. **Revocation; Termination Option And Right; and Effect of Termination.**

A. Notwithstanding anything to the contrary herein contained, Company shall have the option and right to immediately revoke and terminate this Sub-License Agreement upon the happening of any of the following events: (a) if the Franchise Agreement expires and is not renewed or is terminated for any reason whatsoever or otherwise terminates, irrespective of the reason for such termination; (b) if the Underlying Agreement should be cancelled, should expire, or should be terminated for any reason at any time; or (c) if Sub-licensee should suffer or permit the occurrence of any act or thing which would constitute an event of default by Company pursuant to the terms of the Underlying Agreement or the Requirements. **RECOGNIZING THAT ANY FAILURE OR REFUSAL BY SUB-LICENSEE TO STRICTLY OBSERVE THE REQUIREMENTS OF THE UNDERLYING AGREEMENT MAY PUT IN JEOPARDY MULTIPLE LICENSES BETWEEN COMPANY AND THE LANDLORD AS WELL AS BENEFICIAL RELATIONS BETWEEN THE COMPANY AND THE LANDLORD, THE PARTIES AGREE THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED, IN THE EVENT THAT SUB-LICENSEE SHOULD SUFFER OR PERMIT**

THE OCCURRENCE OF ANY ACT OR THING WHICH WOULD CONSTITUTE AN EVENT OF DEFAULT BY COMPANY PURSUANT TO THE TERMS OF THE UNDERLYING AGREEMENT OR THE REQUIREMENTS, COMPANY SHALL HAVE THE RIGHT, AT ITS OPTION, TO IMMEDIATELY REVOKE AND TERMINATE THIS SUB-LICENSE AGREEMENT WITHOUT PRIOR NOTICE OR AN OPPORTUNITY TO CURE. In addition, Company may revoke and terminate this Sub-License Agreement if any one or more of the following events occur: proceedings in bankruptcy, or under any other act for the relief of debtors, are instituted by or against Sub-licensee; Sub-licensee compounds its debts, or assigns over its estate or effects for payment thereof; any execution issues against Sub-licensee or any of its effects; a receiver of trustee is appointed for Sub-licensee's property; or this Sub-License Agreement by operation of law devolves upon or passes to any party or parties other than Sub-licensee personally. In any such event, Company may immediately revoke and terminate this Sub-License Agreement by notifying the Sub-licensee.

B. Upon such revocation and termination, Company shall, in addition to its rights as set forth within this Paragraph, also be entitled to pursue any and all rights and recover all damages available at law or in equity. Sub-licensee acknowledges and agrees that all present and future sums due from Sub-licensee shall immediately become due and payable. **UPON ANY SUCH REVOCATION AND TERMINATION OF THIS SUB-LICENSE AGREEMENT, SUB-LICENSEE AGREES TO SURRENDER AND DELIVER THE PREMISES TO COMPANY UPON DEMAND.** Sub-licensee understands and acknowledges that this is a license and not a lease, and Sub-licensee acknowledges that Sub-licensee's obligation to surrender and deliver the Premises to Company upon demand is not subject to any right of Sub-licensee or requirement of Company to bring an action in the nature of an eviction or dispossession which Sub-licensee expressly waives.

C. Upon expiration, revocation, or termination of this Sub-License Agreement, Company shall have the right to remove Sub-licensee and any parties claiming rights or privileges under Sub-licensee and their property from the Premises, and lock and bar Sub-licensee and all parties claiming rights or privileges under Sub-licensee from doing business at the Premises, and Sub-licensee agrees that any property of any kind, character or manner that is not removed by Sub-licensee shall be deemed transferred to Company and Company shall have the right to dispose of all such property at Sub-licensee's sole expense. Furthermore, in the event Sub-licensee does not leave the Premises, then Sub-licensee agrees to remove, change, modify, and shall not use any patented equipment, patented fixtures, equipment, fixtures, trade dress, or other intellectual property of Company or its affiliates. If Sub-licensee fails to modify the exterior and interior décor of the Premises as Company requires to eliminate its identification as an authorized Cellairis® location (including the removal of all signs bearing the Marks (as defined within the Franchise Agreement) and all intellectual property elements), Company may take such action to modify the exterior and interior décor of the Premises and the location and charge Sub-licensee for cost of such action. Sub-licensee shall immediately pay Company for the cost of any action taken by Company to modify the exterior and interior décor of the Premises. Without limiting the foregoing, upon the revocation, expiration, or termination of this Sub-License Agreement, Company and its agents and representatives have the right, without incurring any liability to Sub-licensee, to enter the Premises to enforce the provisions of this Paragraph 14, without obtaining any legal process or any consent from Sub-licensee. If Company or its affiliate assumes the Underlying Agreement for the location, Sub-licensee shall remain liable for all of its obligations in connection with the prior operation by Sub-licensee of the Premises, and Company assumes no such obligations, contractual or otherwise, including without limitation Sub-licensee's obligations to pay rent or license fees, salaries, vendors or applicable taxes.

D. In addition to the rights stated above, in the event Sub-licensee does not vacate the Premises upon demand, Sub-licensee hereby expressly consents to the entry of an injunctive order from any court of competent jurisdiction and agrees not to oppose the entry of injunctive orders or to take any position inconsistent therewith. Company shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived by Sub-licensee, and without being required to establish irreparable harm or a balance of convenience. Company's option and right to revoke and terminate hereunder is in addition to and not in lieu of its other rights under law and in equity and as set forth in this Sub-License Agreement.

E. Sub-licensee's obligations regarding trade secrets, confidential information, shall remain in full force and effect in accordance with their terms, notwithstanding such termination, revocation, or expiration.

F. If this Sub-License Agreement is terminated, or if the Occupancy Agreement is terminated, and Sub-licensee has no right to occupy or operate at the Premises, and Company or an affiliate owns or has the right to occupy or operate at the Premises, Sub-licensee shall not use, alter, or modify the Premises in any manner, and shall strictly comply with Company's or its affiliate's instructions regarding use, inventory, equipment located within the Premises, and all other matters regarding the Premises.

~~17.~~15. **Additional Fees.**

A. If Company makes any expenditure for which Sub-licensee is responsible, or if Sub-licensee fails to make any required payment under this Sub-License Agreement, Company may add such amount to any current or future installment of Fees. If any term of Underlying Agreement shall be effective under any circumstances to increase or escalate the Fees during the Term of this Sub-License Agreement, such amount shall be promptly paid by Sub-licensee to Company as additional fees. Some Landlords may require Company to license multiple sites in multiple malls and Company may be required to pay sums to Landlord relating to either (a) an annual lump sum payment associated with such multiple locations or (b) fees for sites which are much less likely to be developed. In such cases, Company reserves the right to allocate additional fees to Sub-licensee which represents a discretionary amount relating to such charges by the Landlord plus an additional fee associated with Company's costs of administration and profit to the Company.

B. **Percentage Fees**: In addition to Fees, Sub-licensee shall also pay Company, as described in this Paragraph 15.B., and as may be further described in policies and Cellairis' franchise manual, ______ percent times the amount of "Gross Sales" (as defined in Subparagraph 15.F.) during each License Year or partial License Year which exceeds the annual sales breakpoint described below for such period (hereinafter called "**Percentage Fees**"). **"License Year"** as used herein, means a period of twelve consecutive calendar months during the Term, the first License Year commencing on the Commencement Date, or, in the event such Commencement Date is other than the first day of the month, the first License Year shall commence on the first day of the first month immediately following such Commencement Date. If the License Year is less than 12 full calendar months, then annual sales breakpoint for such License Year shall be an amount equal to the product obtained by multiplying the annual sales breakpoint by a fraction, the numerator of which shall be the number of days in such License Year and the denominator of which shall be 365. The annual sales breakpoint shall be as follows:

a. $________ per annum from the Commencement Date through and including the expiration of the first License Year;

b. $_________ per annum during the second License Year;

~~d.~~c. $_________ per annum during the third License Year;

~~e.~~d. $_________ per annum during the fourth License Year; and

~~f.~~e. $_________ per annum from the commencement of the fifth License Year and continuing for the remainder of the Term (prorated for any partial License Year).

The Percentage Fees shall be calculated on a monthly basis, pro-rated based on the annual sales breakpoint. To the extent Percentage Fees are due for any month, such Percentage Fees shall be paid by Sub-licensee by the 5th business day of the month immediately following the month in which Gross Sales exceeded the sales breakpoint. Such amount shall be retained by Company during such License Year, but not in trust nor as a fiduciary, and Company may co-mingle such funds with other monies and funds of Company. Within 30 days following the conclusion of the License Year, Company shall issue to Sub-licensee an accounting for such monthly Percentage Fees. In the event Sub-licensee owes additional Percentage Fees, Sub-licensee shall pay such amount within 15 days of the date of the notice or invoice from Company. In the event Sub-licensee has overpaid, or is due a refund of any Percentage Fees, Company shall either (a) refund the amount to Sub-licensee within 15 days of such notice, or (b) apply such overpayment amount to future fees owed by Sub-licensee, or (c) apply such amount to other amounts owed by Sub-licensee to Company, to Cellairis, or to any of their affiliates. In the event the Sub-License Agreement and Franchise Agreement is transferred to a different sub-licensee and franchisee during a License Year, any Percentage Fees held by Company at such time of the transfer shall be retained by Company until the end of the License Year. Within 30 days following the end of the License Year, Company shall conduct an accounting of Percentage Fees, on a monthly basis, owed by Sub-licensee and by the transferee Sub-licensee. If any money or funds is owed to Sub-licensee, Company shall pay such amount to Sub-licensee within 15 days of Company's notice to Sub-licensee.

C. Sub-licensee shall (a) not later than the 1st day after the close of each calendar month, deliver to both Company and Landlord a written statement certified under oath by Sub-licensee or an officer of Sub-licensee, showing Gross Sales made in such calendar month; and (b) not later than **15** days after the end of each License Year deliver to both Company and Landlord a statement of Gross Sales for such License Year the correctness of which is certified by Sub-licensee or an officer of Sub-licensee or an independent Certified Public Accountant. If Sub-licensee fails to prepare and deliver any statement of Gross Sales required hereunder, within the time or times specified above, then Company shall have the right, in addition to the other rights and remedies set forth in this Sub-License Agreement, to (i) collect from Sub-licensee a sum which shall be **$250.00** and which shall be deemed liquidated damages for administrative and overhead expenses resulting from such failure, and (ii) estimate Sub-licensee's Gross Sales for any non-reported period and bill Sub-licensee's Percentage Fees accordingly. Company reserves the right, at Company's option, to adjust Percentage Fees billings when actual Gross Sales reports are received.

D. Percentage Fees shall become due and payable in each License Year on the 3rd day of the month immediately following the month during which Gross Sales exceed the annual sales breakpoint, and thereafter shall be paid monthly on all additional Gross Sales made during the remainder of such License Year, such payments to be made concurrently with the submission by Sub-licensee to Company of the written statement of monthly Gross Sales as provided for herein of, if Company elects in its sole discretion, by the methods set forth in Paragraphs 2.A. and 2.B. above.

E. **Audit**: Sub-licensee will preserve for at least three years all original books and records disclosing information pertaining to Gross Sales and such other information respecting Gross Sales as Company and Landlord require. Company and its agents shall have the right during business hours to examine and audit such books and records, and Landlord shall have the right to audit such books and records in accordance with the Underlying Agreement. If such examination or audit by Company discloses a liability for Percentage Fees of three percent or more in excess of the Percentage Fees paid by Sub-licensee for any period, or if Sub-licensee shall have failed to furnish Company any monthly statement of Gross Sales during any License Year, Sub-licensee shall pay Company the cost of said audit (including, without limitation, reasonable travel costs) and the deficiency in Percentage Fees, which deficiency shall be payable in any event, whereby any monies to be paid under this Paragraph shall be due and paid within 15 days after receipt of the notice by Company. Sub-licensee shall also be responsible for the payment of any audits, penalties, underpayments, and other charges due Landlord in accordance with the Underlying Agreement.

F. **"Gross Sales"** for purposes of this Sub-License Agreement shall have the meaning ascribed to it in the Underlying Agreement.

~~F. With respect to any payments that are to be made or any reports that are to be provided to Company or others as provided for within this Paragraph 15, acceptance by Company of payments or reports shall be without prejudice, and shall in no event constitute a waiver of Company's right to claim a deficiency in such required payment or required information or report, nor a waiver of Company's right to audit Sub-licensee's books and records as provided for in Paragraph 15.E.~~

~~20.~~16. **Notices.**

A. All notices to Company shall be in writing and shall be delivered or sent by express, registered or certified mail, or by an overnight delivery service (*e.g.*, Federal Express, UPS), postage fully prepaid, addressed to it at its offices at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 attention Jason S. Adler, Esq., with a mandatory copy to Chris Bussert, Kilpatrick Townsend & Stockton, 1100 Peachtree Street NE, Suite 2800, Atlanta, GA 30309, or at such other address as Company shall from time to time designate in writing.

B. All notices to Sub-licensee shall be in writing and shall be sent by any of the following means of delivery: (i) hand delivered; (ii) sent by express, registered or certified mail; (iii) sent by an overnight delivery service (*e.g.*, Federal Express, UPS); (iv) facsimile transmission; (v) E-mail; or (vi) Sub-licensee's counsel of record, if any. Notices to Sub-licensee may be sent to any address appearing on any agreements between Company and Sub-licensee, the Premises, or in Company's records for Sub-licensee. Sub-licensee may change its address for receipt of notices by providing written notice of such change pursuant to the notice requirements to Company. Any notice to Sub-licensee or any of its Principal Owners (as defined in Paragraph 1.A. of the Franchise Agreement) shall be deemed effective notice to Sub-licensee and all of its Principal Owners.

C. Notices shall be deemed delivered as follows: (i) via hand delivery on the date delivered by hand, (ii) via express, registered or certified mail on the earlier of 3 business days after placement in the United States Mail or the date shown on the return receipt, (iii) via overnight delivery service on the date shown in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made, (iv) via facsimile transmission on the date the transmission occurs, or (v) via E-mail on the date the E-mail is sent.

~~21.~~17. **Waiver.** Both parties, for themselves and to the extent not limited by the applicable policy, their respective insurers, waive their respective rights against the other for damages caused by fire or other perils covered by insurance when the damages are sustained in connection with the occupancy of the Premises.

~~22.~~18. **Binding Effect.** The provisions of this instrument shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and permitted assigns, subject to Paragraph 8 above.

~~23.~~19. **Non-Waiver.** The failure of Company to exercise any right or option given to it under this Sub-License Agreement, or to insist upon strict compliance by Sub-licensee with the terms and conditions of this Sub-License Agreement shall not constitute a waiver of any terms or conditions of this Sub-License Agreement with respect to any other or subsequent breach, nor a waiver by Company of its right at any time thereafter to require exact and strict compliance with the terms and conditions of the Sub-License Agreement. The rights or remedies set forth in this Sub-License Agreement are in addition to any other rights or remedies that may be granted by law.

~~24.~~20. **Time of the Essence.** Time is of the essence of this Sub-License Agreement.

~~25.~~21. **No Agency.** The parties hereto agree that the business relationship created by this Sub-License Agreement is solely that of sub-licensor and sub-licensee. Nothing contained in this Sub-License Agreement shall make Sub-licensee an agent, legal representative, partner, subsidiary, joint venturer or employee of Company. Sub-licensee shall have no right or power to, and shall not bind or obligate Company in any way, manner or thing whatsoever, nor represent that it has any right to do so.

~~26.~~22. **Non-Circumvention.** Recognizing the mutual benefits associated with the relationship between Company and the Landlord (including the managers and agents of Landlord), Company and Sub-licensee wish to agree upon certain non-circumvention requirements which shall be strictly observed by Sub-licensee. Both during the Term of this Sub-License Agreement and for a period of two (2) years after the expiration or termination of this Sub-License Agreement, irrespective of the cause of any such termination, Sub-licensee agrees that the Sub-licensee will not directly or indirectly through related parties circumvent the relationship between Landlord and Company by entering into agreements with Landlord (including the managers and agents of Landlord) by which Sub-licensee will directly or indirectly (except through other sub-licenses between Sub-licensee and Company) lease, license or enter into any form of occupancy agreement for space in any shopping mall located within fifty (50) miles of the Premises for the purpose of selling cellular telephone accessories or wireless device accessories, cellular telephone or wireless device repair services, and other related products and services.

~~27.~~23. **Representations and Warranties of Sub-licensee**. Sub-licensee makes the following representations with the understanding that Company is relying on them as a material inducement to enter into this Sub-License Agreement: (a) Sub-licensee has been advised to make an independent investigation of Company's operations; (b) Sub-licensee understands and acknowledges that by entering into this Sub-License Agreement it has not received, and it is not relying on, any warranties, guarantees, or representations regarding the Underlying Agreement, including any right, option, or possibility that the Occupancy Agreement may or will be extended or renewed upon the expiration or termination of the Underlying Agreement; (c) Company has not and does not represent that Sub-licensee can expect to attain a specific level of sales, profits, or earnings from operations at the Premises; (d) Sub-licensee has been advised to obtain independent professional advice regarding this Sub-License Agreement; (e) Sub-licensee understands that it may sustain losses as a result of the operation or the closing of the Business Unit at the Premises; (f) Sub-licensee understands that the business venture contemplated by this Sub-License Agreement involves a high degree of financial risk and depends to a large degree on Sub-licensee's skills, abilities, initiative, and hard work; (g) Sub-licensee understands that, pursuant to the requirements of the Franchise Agreement, Sub-licensee may be required to purchase all of the products and services to be sold from the Premises from Company or from Company's subsidiaries or affiliates, that these parties will establish the purchase price for such products and services in their discretion and that these parties expect to make a profit from such sales; (h) Sub-licensee also understands that Sub-licensee was free to obtain an appropriate approvable location for the operation of the Cellairis® business unit from any available source but that now that Sub-licensee has elected to sub-license the Premises from Company then Company has established the Fee rate for such Premises in its discretion and that Company expects to make a profit from such Fees; and (i) Sub-licensee also understands that as a result of this Sub-License Agreement, Sub-licensee is bound by the non-circumvention requirements set forth in the preceding Paragraph.

~~28.~~24. **Headings.** Headings in this Sub-License Agreement are for reference and convenience only and shall not be used to interpret or construe its provisions.

~~29.~~25. **Counterparts.** This Sub-License Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Company and Sub-licensee intend to have the option for either party or all parties, to enter into this Sub-License Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Sub-License Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Sub-licensee hereby agree that the electronic signature of Company and/or Sub-licensee to this Sub-License Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Sub-License Agreement and shall be effective to bind such party to this Sub-License Agreement. Company and Sub-licensee agree that this Sub-License Agreement, as signed by Company and Sub-licensee, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Sub-licensee to the same extent as if signed by Company and Sub-licensee with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Sub-License Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Sub-licensee to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Sub-licensee shall contest the admissibility of true and accurate copies of this Sub-License Agreement as signed by Company and Sub-licensee with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

~~30.~~26. **Entire Agreement.** This instrument supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them, except as otherwise provided or referenced herein.

~~31.~~27. **Holdover**. In the event Sub-licensee remains in possession of the Premises beyond the expiration of the Term, such holding over shall not create a tenancy or renewal of this Sub-License Agreement, but instead shall be for successive ten (10)-day terms until either party provides the other party with at least ten (10) days' prior written notice. In such event, Sub-licensee shall comply with all terms and conditions of this Sub-License Agreement, including but not limited to, the payment all Fees and other monetary obligations that are due during such holdover period until the expiration of the holdover period. In the event Company or its subsidiaries or affiliates requires additional time to obtain a replacement franchisee or sub-licensee, Sub-licensee agrees to continue to occupy and use the Premises pursuant to this Sub-License Agreement for such period, if any, Company or its subsidiaries or affiliate requests.

~~32.~~28. **Relocation.** Sub-licensee acknowledges and agrees that the location of the Premises may change from time to time pursuant to the Underlying Agreement or pursuant to any existing or future written agreement between Company, its subsidiaries, and affiliates, and Landlord. In such event, the term "Premises" shall be revised to thereafter mean the Premises to which Sub-licensee has been relocated, effective as of the relocation date specified by Company. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SUB-LICENSEE HEREBY RELEASES COMPANY, ITS SUBSIDIARIES, AND AFFILIATES AND HEREBY WAIVES ANY AND ALL

CLAIMS, ACTIONS, CAUSES OF ACTION, COSTS, EXPENSES, DAMAGES, OR OTHER LIABILITY RELATED IN ANY MANNER TO ANY SUCH RELOCATION OF THE PREMISES.

~~33.~~29. **Personal Guaranty**. The individual owners of Sub-licensee shall personally guaranty all obligations of Sub-licensee under this Sub-License Agreement, including without limitation all payment obligations under Paragraphs 1 and 15, and shall execute the Personal Guaranty and Subordination Agreement in the form attached hereto as **Exhibit "D"**.

~~34.~~30. **Bankruptcy.**

A. Assumption of Sub-License Agreement. Neither Sub-licensee's interest in this Sub-License Agreement, nor any estate hereby created in Sub-licensee, nor any interest herein or therein, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law, except as may specifically be provided pursuant to the Bankruptcy Code (11 USC §101 *et seq.*), as the same may be amended from time to time (the "**Code**"). It is understood and agreed that this Sub-License Agreement is a lease of real property in a shopping center as such lease is described in Section 365 of the Code and, among other provisions, is entitled to the protections of Code § 365(b)(3) regarding adequate assurance of future performance.

In the event that an order for relief is entered against Sub-licensee, whether voluntarily or involuntarily, and Sub-licensee becomes a debtor under any section of the Code, and assuming that this Sub-License Agreement, the Franchise Agreement, or the Underlying Agreement has not been canceled or terminated as provided herein, then Sub-licensee may not assume or assign this Sub-License Agreement to any third party unless, at the time of such assumption, Sub-licensee cures (as that term is defined by the Code) any monetary defaults existing under this Sub-License Agreement, including without limitation, the Company's costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default.

B. **Adequate Assurance of Future Performance.** In the event this Sub-License Agreement is not canceled and terminated as provided herein, then Sub-licensee may not assign this Sub-License Agreement unless Sub-licensee and Sub-licensee's proposed assignee shall have assumed all of the obligations arising under this Sub-License Agreement on or after the date of such assignment, shall comply with all provisions of this Paragraph 30, shall comply with and meet all of the requirements of the Franchise Agreement, as determined in Company's sole and absolute discretion, and provide adequate assurance of future performance to Company of the source of Fees, rent, and other consideration payable under this Sub-License Agreement and any obligations of Sub-licensee under the Franchise Agreement so long as the assumption or assignment of this Sub-License Agreement will not breach the Underlying Agreement, including without limitation, the use of the Premises, and that Sub-licensee will continue to operate the business at the Premises in strict accordance with the requirements of this Sub-License Agreement and the Franchise Agreement. Company may, at its sole discretion, require such other assurances and documents at the time of such assumption or assignment. Sub-licensee, upon demand by Company, shall execute and deliver to Company an instrument confirming such assignment or, alternatively, shall provide Company with a copy of the Bankruptcy Court order authorizing such assignment; and

C. **Performance and Protection.** Upon the entry of an order for relief by or against Sub-licensee under the Code, Sub-licensee, as debtor and as debtor-in-possession, or any Trustee who may be appointed, agrees to: (1) timely perform each and every obligation of Sub-licensee under this Sub-License Agreement until such time as this Sub-License Agreement is either rejected or assumed by Order of the Bankruptcy Court; (2) timely pay all monetary obligations required under this Sub-License Agreement and perform all obligations under the Franchise Agreement; (3) provide Company a minimum thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties or is required or permitted under the Code or by Order of the Bankruptcy Court, of any proceeding relating to any assumption of this Sub-License Agreement or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Sub-License Agreement; (4) timely perform to the benefit of Company as required under any applicable provision of the Code; and (5) reject or assume this Sub-License Agreement within forty-five (45) days of the appointment of such trustee under Chapter 7 of the Code or within sixty (60) days (or such shorter term as Company may deem reasonable, so long as notice of such period is given) of the filing of a petition under any other Chapter.

D. **Accumulative Rights.** The rights, remedies, and liabilities of Company and Sub-licensee set forth in this Paragraph 30 shall be in addition to those which may now or hereafter be accorded, or imposed upon, Company and Sub-licensee by the Code. Company reserves the right in connection with any proposed assignment of this Sub-License Agreement to contest the assignment if in Company's sole judgment the assignee does not meet the requirements of a franchisee under the Franchise Agreement. The term "Sub-licensee" as used in this Sub-License Agreement includes the Sub-licensee named in this Sub-License Agreement and also any trustee, debtor in possession, receiver, custodian, or other similar officer. Neither Sub-licensee's interest in this Sub-License Agreement, nor any estate hereby created in Sub-licensee nor any interest herein shall pass to any trustee, except as may be specifically provided pursuant to the Code, or to any receiver or assignee for the benefit of creditors or otherwise by operation of law.

31. **Liability of Multiple Sub-licensees**. If Sub-licensee consists of more than one person, each person's liability and obligation under this Sub-License Agreement shall be joint and several.

32. **Modification**. This Sub-License Agreement may only be modified or amended by a separate negotiated written document executed by Company and Sub-licensee that is titled "Amendment to Sub-License Agreement". No handwritten or similar attempts by Sub-licensee to vary the terms of this Sub-License Agreement are valid and any such attempts are rejected, but such attempted changes shall not operate as a rejection by Sub-licensee of this Sub-License Agreement, and Sub-licensee's execution of this Sub-License Agreement shall be deemed acceptance of this Sub-License Agreement in the form provided to Sub-licensee by Company for signature.

33. **Survival**. Any provisions of this Sub-License Agreement which impose an obligation after termination or expiration of this Sub-License Agreement shall survive the revocation, termination, or expiration of this Sub-License Agreement and be binding on the parties. The parties to this Sub-License Agreement specifically agree that the provisions related to jurisdiction, venue, and arbitration in Paragraphs 13.B., C., D., E., and F. and indemnification in Paragraph 12 shall survive the termination or expiration of this Sub-License Agreement.

34. **Business Judgment**. Whenever Company has expressly reserved in this Sub-License Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Sub-licensee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Sub-License Agreement, Company may make such decision or exercise its right and/or discretion on the basis of Company's judgment of what is in Company's best interests, at the time Company's decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Company; (2) Company's decision or the action taken promotes Company's financial or other individual interest; (3) Company's decision or the action it takes applies differently to Sub-licensee and one or more other sub-licensees or Company's company-owned or affiliate-owned operations; or (4) Company's decision or the exercise of its right or discretion is adverse to Sub-

licensee's interests. In the absence of an applicable statute, Company will have no liability to Sub-licensee for any such decision or action. Company and Sub-licensee intend that the exercise of Company's 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 Sub-License Agreement, Company and Sub-licensee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Sub-License Agreement and that this Sub-License Agreement grants Company the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Sub-licensee's rights and obligations hereunder

35. **Interpretation**. Company and Sub-licensee agree that if any provision of this Sub-License Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Sub-License Agreement shall be construed according to its fair meaning and not strictly against Company or Sub-licensee. It is the desire and intent of Company and Sub-licensee that the provisions of this Sub-License Agreement be enforced to the fullest extent. In the event any court shall determine that any provision in this Sub-License Agreement is not enforceable as written, Company and Sub-licensee agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws of the jurisdiction in which enforcement is sought. The provisions of this Sub-License Agreement are severable and this Sub-License Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in the Sub-License Agreement, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. The Company and Sub-licensee also agree that each obligation in this Sub-License Agreement shall be construed as an agreement independent of any other provision of this Sub-License Agreement, and that the existence of any claim or cause of action by one party to this Sub-License Agreement against another party to this Sub-License Agreement, whether predicated on this Sub-License Agreement or otherwise, shall not constitute a defense to the enforcement by any party to this Sub-License Agreement of any such obligations.

36. **Force Majeure and Delay**. As used in this Sub-License Agreement, **"Force Majeure"** means any delay, hindrance, or prevention of a party from performing any act or thing required hereunder by reason of strikes, lock-outs, labor troubles, casualties, inability to procure labor, materials, or financing, failure or lack of utilities, governmental laws or regulations, riots, insurrection, war, acts of God, inclement weather, or other causes beyond the reasonable control of either party, affiliates of Company, or authorized and approved third party suppliers.

If Company or Sub-licensee experiences a Force Majeure event, then the delayed party shall not be liable, and the period of performance of any such act shall be extended for a period equivalent to the period of such delay. The foregoing is inapplicable to the payment of any monies due and owing under this Sub-License Agreement unless due to an act arising after Sub-licensee's submission of the payment.

Notwithstanding the foregoing, in the event of any epidemic or pandemic related to a virus or disease where federal, state, or municipal governments force the complete closure of the Location via an executive order (**"Pandemic"**), then Sub-licensee covenants and agrees to promptly assess any insurance claims to be filed for losses related to the Pandemic and to promptly apply for additional disaster loan programs, funding and other relief programs through any disaster relief programs available, and any other local, state, or federal governments loans, grants, relief programs, or subsidies available as well as any available private/non-profit funding programs (**"Relief Funding Sources"**). Sub-licensee shall keep Company apprised on at least a weekly basis of its actions and efforts related to receiving funding from the Relief Funding Sources. Sub-licensee and Company acknowledge and agree that in the event that Sub-licensee is granted any funding or relief under any of the Relief Funding Sources, Sub-licensee shall use a portion of such funding or relief to immediately pay to Company any missed payments (either because those payments were not paid by Sub-licensee or such payments were abated for a period of time in accordance with an agreement in writing between Sub-licensee and Company) that were to be paid under this Sub-License Agreement or any other agreement between Sub-licensee and Company or its affiliates.

~~35.~~37. Sub-licensee and all other signatories to this Sub-License Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Sub-License Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Sub-License Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will constitute, when executed and delivered, the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

IN WITNESS WHEREOF, the Company and Sub-licensee have signed and sealed this instrument, as of the ________________day of ___________________, 20___.

SUB-LICENSEE: **COMPANY:**

CELLAIRIS WM, LLC

By: ________________________ **By: ________________________**

Title: ________________________ **Title: ________________________**

~~**SUB-LICENSEE:**~~

~~**By:**~~________________________

~~**Title:**~~ ________________________

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EXHIBIT "A"

TO SUB-LICENSE AGREEMENT

Credit/Charge Card Authorization Form

This authorizes Cellairis WM, LLC and any of its affiliates to use the Credit/Charge Card listed below in accordance with the terms of the Sub-License Agreement and any other agreement with Cellairis WM, LLC or any of its affiliates.

Type of Card (circle one): Visa MasterCard American Express

Name as it appears on Card: ____

Card Number: ________________________________ Expiration Date: __________

Security Code No.: Not required at this time

Billing Address for Card: ____

____

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In the event that you continue to occupy the location after your Sub-License Agreement expires, you authorize Cellairis WM, LLC to continue to charge funds from the above-specified credit/charge care at the same rate and terms as your final month's payment under the Sub-License Agreement, and you agree to continue to comply with all terms and conditions of the expired sub-license. Cellairis WM, LLC's acceptance of funds after the expiration of your Sub-License Agreement does not in any way: (1) create a new contract, (2) grant or imply that your sub-license will be renewed, or (3) alter or waive any rights that Cellairis WM, LLC may have under the expired sub-license. Cellairis WM, LLC may demand possession of the location at any time.

I hereby authorize Cellairis WM, LLC, and its affiliates to process charges against the credit/charge card identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Sub-License Agreement entered into with Cellairis WM, LLC and any other agreement with Cellairis WM, LLC or its affiliates (including Royalty fees, Fees, interest, late fees, and the cost of any Products or Services purchased from affiliates); and, if necessary, to initiate adjustments for any transactions charged in error. These charges are related to the operation of a franchised business and the amount of each charge will vary from month to month. This authorization will remain in full force and effect until Cellairis WM, LLC has received written notification from me of its termination in such time and in such manner as to afford Cellairis WM, LLC a reasonable opportunity to act on it. Termination of this authorization may result in your Sub-License Agreement being terminated unless an alternate means of payment acceptable to Cellairis WM, LLC is provided.

Authorized Card User's Signature____

EXHIBIT "B"

TO SUB-LICENSE AGREEMENT

Electronic Funds Transfer Authorization Form

This authorizes Cellairis WM, LLC and any of its affiliates to use the banking information provided below in accordance with the terms of the Sub-License Agreement.

Name of bank: ______________________________________

Address of bank: ____________________________________

Name of account holder: ______________________________

Name as it appears on account: _________________________

Address of account holder: _____________________________

Account Number: ____________________________________

Routing Number: ____________________________________

Type of Account: Checking Savings

In the event that you continue to occupy the location after the Sub-License Agreement expires, you authorize Cellairis WM, LLC to continue to auto-debit funds from the above-specified account at the same rate and terms as your final month's payment under the Sub-License Agreement, and you agree to continue to comply with all terms and conditions of the expired sub-license. Cellairis WM, LLC's acceptance of funds after the expiration of your Sub-License Agreement does not in any way: (1) create a new contract, (2) grant or imply that your sub-license will be renewed, or (3) alter or waive any rights that Cellairis WM, LLC may have under the expired sub-license. Cellairis WM, LLC may demand possession of the location at any time.

I hereby authorize Cellairis WM, LLC, and its affiliates to process charges against the bank account identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Sub-License Agreement entered into with Cellairis WM, LLC and any other agreement with Cellairis WM, LLC or its affiliates (including Royalty fees, Fees, interest, late fees, and the cost of any Products or Services purchased from affiliates); and, if necessary, to initiate adjustments for any transactions charged in error. These charges are related to the operation of a franchised business and the amount of each charge will vary from month to month. This authorization will remain in full force and effect until Cellairis WM, LLC has received written notification from me of its termination in such time and in such manner as to afford Cellairis WM, LLC a reasonable opportunity to act on it. Termination of this authorization may result in your Sub-License Agreement being terminated unless an alternate means of payment acceptable to Cellairis WM, LLC is provided.

Authorized Owner's Signature: _________________________

______________ **OFFICE USE ONLY**

Account Code: ____

Mall Name / Location: ________________________________

Date: _________________ User: ______________________________

EXHIBIT “C”

TO SUB-LICENSE AGREEMENT

UNDERLYING AGREEMENT

EXHIBIT "D"

TO SUB-LICENSE AGREEMENT

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

IN CONSIDERATION of and as an inducement to the execution of the Sub-License Agreement (**"Sub-License Agreement"**), this Personal Guaranty and Subordination Agreement is made and entered into effective as of the ____ day of _______, 20__, by and between CELLAIRIS WM, LLC, a Georgia limited liability company with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ___________________, with a principal address at ________________________________ (**"Sub-licensee"**), each of the undersigned being a **"Guarantor"** and each of the Guarantors by this Personal Guaranty and Subordination Agreement (**"Guaranty Agreement"**) hereby personally and unconditionally guarantees to Company, its affiliates and their successors and assigns for the term of the Sub-License Agreement and thereafter as provided in the Sub-License Agreement and in this Guaranty Agreement, that Sub-licensee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Sub-License Agreement including all ancillary agreements executed in conjunction with the Sub-License Agreement, and each of the Guarantors, hereby agrees to be personally bound by and personally liable for the breach of each and every provision in the Sub-License Agreement, by Sub-licensee, including all ancillary agreements executed in conjunction with the Sub-License Agreement, including but not limited to the Franchise Agreement, and all financial obligations to Company and any of its affiliates. The Guarantors hereby personally and unconditionally guarantee all debts and obligations which Sub-licensee may incur to Company or to affiliates of Company or to such companies that may in the future be affiliated with Company with respect to any obligations under the Sub-License Agreement. Each Guarantor jointly and severally agrees to make all payments and perform all obligations under this Guaranty Agreement.

To the extent permitted by law, each Guarantor hereby expressly waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the Guarantors may have against Sub-licensee arising as a result of the Guarantors' execution of and performance under this Guaranty Agreement, for the express purpose that none of the Guarantors shall be deemed a "creditor" of Sub-licensee under any applicable bankruptcy law with respect to Sub-licensee's obligations to Company; (ii) any right to require Company to: (a) proceed against Sub-licensee for any payment required under the Sub-License Agreement, (b) proceed against or exhaust any security from Sub-licensee, (c) take any action to assist any of the Guarantors in seeking reimbursement or subrogation in connection with this Guaranty Agreement, or (d) pursue, enforce, or exhaust any remedy, including any legal or equitable relief, against Sub-licensee; (iii) any benefit of, any right to participate in, any security now or hereafter held by Company; (iv) acceptance and notice of acceptance by Company of the Guarantors' undertakings under this Guaranty Agreement; (v) all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (vi) protest; (vii) notices of dishonor; (viii) notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (ix) any other notices (including any notice of the purchase or sale of Products, inventory, and goods by Sub-licensee, the maturing of bills and the failure to pay the same); and (x) any and all legal or equitable defenses to which any of the Guarantors may be entitled. The personal guaranty established by this Guaranty Agreement will not be affected by the modification, extension, or renewal of any agreement between Sub-licensee and Company or its affiliates, the taking of a note or other obligation from Sub-licensee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Sub-licensee of bankruptcy, insolvency, reorganization of other debt or relief afforded Sub-licensee under the United States Bankruptcy Code or under any other State or Federal statute or by the decision of any court or any other matter, whether similar or dissimilar to any of the foregoing, and the guaranty established by this Guaranty Agreement will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. Without affecting the obligations of the Guarantors under this Guaranty Agreement, Company may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Sub-License Agreement, any other agreement between Sub-licensee and Company or its affiliates, or any indebtedness or obligation of Sub-licensee, or settle, adjust, release, or compromise any claims against Sub-licensee or any Guarantors, make advances for the purpose of performing any obligations of Sub-licensee under the Sub-License Agreement, assign the Sub-License Agreement or the right to receive any sum payable thereunder, and the Guarantors each hereby, jointly and severally, waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Sub-License Agreement. Company shall have no present or future duty or obligation to the Guarantors under this Guaranty Agreement, and each of the Guarantors waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantors any information, financial or otherwise, concerning Sub-licensee, any other Guarantor, or any collateral securing any obligations of Sub-licensee to Company. The obligations of the Guarantors will be unconditional in spite of any defect herein with respect to any other circumstances whether or not referred to in this Guaranty Agreement that might otherwise constitute a legal or equitable discharge of surety or Guarantor.

This is an irrevocable, unconditional, and absolute guarantee of payment and performance by Sub-licensee and the Guarantors agree that the Guarantor's liability under this Guaranty Agreement will be immediate and will not be contingent upon the exercise and enforcement by Company of whatever remedies it may have against Sub-licensee or others or the enforcement of any lien or realization upon any security Company may at any time possess. Each Guarantor agrees that any current or future indebtedness by Sub-licensee to any Guarantor(s) will also be subordinate to any indebtedness owed by Sub-licensee to Company. The Guarantors will promptly modify any financing statements on file with any state agencies to specify that Company's rights are senior to those of Guarantor.

The Guarantors further agree that as long as Sub-licensee owes any money to Company (other than Fees (as defined in the Sub-License Agreement) that are not past due), Sub-licensee will not pay and the Guarantors will not accept payment of any part of any indebtedness owed by Sub-licensee to any of the Guarantors, either directly or indirectly, without the consent of Company.

Each Guarantor, jointly and severally, agrees to defend, indemnify, and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney’s fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Sub-licensee to perform any obligation of Sub-licensee under the Sub-License Agreement, and all ancillary agreements executed in conjunction with the Sub-License Agreement, along with any amendments thereto, or any other agreement executed by Sub-Licensee referred to therein.

In connection with any litigation or arbitration to determine the Guarantors' liability under this Guaranty Agreement, the Guarantors expressly waive the Guarantors' right to trial by jury, if any, and agree to pay the costs and the reasonable attorneys’ fees as fixed by any court. If Company is required to enforce this Guaranty Agreement in a judicial or arbitration proceeding, and prevails in such proceeding, Company shall be entitled to reimbursement of its costs and expenses (including those incurred on appeal), including, but not limited to, reasonable accountants’, attorneys’, attorneys’ assistants’, arbitrators’, and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Company is required to engage legal counsel in connection with any failure by the Guarantors to comply with this Guaranty Agreement, the Guarantors shall reimburse Company for any of the above-listed costs and expenses Company incurs. Attorneys’ fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience.

If this Guaranty Agreement is signed by more than one individual, each individual signing this Guaranty Agreement will be jointly and severally liable for the obligations created in it. This Guaranty Agreement will remain in full force and effect until all obligations arising out of and under the Sub-License Agreement, including all renewals and extensions, are fully paid and satisfied as well as all obligations with respect to debts owed by Sub-licensee to affiliates of Company with respect to Parts, Products, or Services sold or otherwise provided by such affiliates to Sub-licensee. Capitalized terms which are not defined herein shall have the same meaning as defined in the Sub-License Agreement.

Without limiting the foregoing in any manner, the Guarantors each have carefully read the Sub-License Agreement and each of the Guarantors hereby jointly and severally expressly agrees to be individually bound by all of the covenants contained in Paragraphs 7, 13.B., 13.C., and 22 of the Sub-License Agreement.

Each Guarantor acknowledges and agrees that it has made an independent examination, review, and investigation of the Cellairis franchise opportunity, Company, Sub-licensee, and Sub-License Agreement, as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from Sub-licensee any information required by Guarantor concerning the Sub-License Agreement, Sub-licensee, the Cellairis franchise opportunity, and Company. Further, Guarantor acknowledges that it is not relying on Company for any such information in connection with its decision to execute this Guaranty Agreement.

Subject to the arbitration obligations and other obligations of Paragraph 13.C. of the Sub-License Agreement and the provisions below, each of the Guarantors agrees that all actions arising under this Guaranty Agreement, the Sub-License Agreement, or otherwise as a result of the relationship between Company and the Guarantors, must be commenced in the state or federal court of general jurisdiction in Georgia, and each of the Guarantors irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the Guarantors agrees that Company may enforce this Guaranty Agreement and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

As provided in Paragraph 13.B. of the Sub-License Agreement, the parties agree that this Guaranty Agreement shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia without regard to its conflicts of law.

The signatories to this Guaranty Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Guaranty Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Guaranty Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

This Guaranty Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. Company and Guarantors intend to have the option for either party or all parties, to enter into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Guaranty Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Guarantors hereby agree that the electronic signature of Company and/or Guarantors to this Guaranty Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Guaranty Agreement and shall be effective to bind such party to this Guaranty Agreement. Company and Guarantors agree that this Guaranty Agreement, as signed by Company and Guarantors, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Guarantors to the same extent as if signed by Company and Guarantors with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Guaranty Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Guarantors to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Guarantors shall contest the admissibility of true and accurate copies of this Guaranty Agreement as signed by Company and Guarantors with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the Guarantors has hereunto affixed their signatures and seals effective as of the date first above indicated.

By: ________________________________

Name: ______________________________

Address: ____________________________

By: ________________________________

Name: ______________________________

Address: ____________________________

CELLAIRIS WM, LLC

By: ________________________________

Title: _______________________________

~~EXHIBIT "F"~~

~~PERSONAL GUARANTY AND SUBORDINATION AGREEMENT~~

~~PERSONAL GUARANTY AND SUBORDINATION AGREEMENT~~

~~IN CONSIDERATION of and as an inducement to the execution of the Franchise Agreement (**"Franchise Agreement"**) this Personal Guaranty and Subordination Agreement is made and entered into effective as of the ____ day of _______, 20__ by and between CELLAIRIS FRANCHISE, INC., a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Company"**), and ____________________, with a principal address at ______________________________ (**"Franchisee"**), each of the undersigned guarantors (**"Guarantors"**) is a Bound Party as defined in the Franchise Agreement and each of the Guarantors by this Personal Guaranty and Subordination Agreement (**"Guaranty Agreement"**) hereby personally and unconditionally guarantees to Company, its affiliates, and their successors and assigns for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement and in this Guaranty Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement, including all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), and each of the Guarantors, hereby agrees to be personally bound by and personally liable for the breach of each and every provision in the Franchise Agreement, by Franchisee, including all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), and all financial obligations to Company and any of its affiliates. The Guarantors hereby personally and unconditionally guarantee all debts and obligations which Franchisee may incur to Company or to affiliates of Company or to such companies that may in the future be affiliated with Company with respect to the provision of any products or services to Franchisee, as a result of any obligations under the Franchise Agreement or as a result of purchases of Parts, Products, or Services by Franchisee from Company or its affiliates. Each Guarantor jointly and severally agrees to make all payments and perform all obligations under this Guaranty Agreement.~~

~~To the extent permitted by law, each Guarantor hereby expressly waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the Guarantors may have against Franchisee arising as a result of the Guarantors' execution of and performance under this Guaranty Agreement, for the express purpose that none of the Guarantors shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Company; (ii) any right to require Company to: (a) proceed against Franchisee for any payment required under the Franchise Agreement, (b) proceed against or exhaust any security from Franchisee, (c) take any action to assist any of the Guarantors in seeking reimbursement or subrogation in connection with this Guaranty Agreement, or (d) pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by Company; (iv) acceptance and notice of acceptance by Company of the Guarantors' undertakings under this Guaranty Agreement; (v) all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (vi) protest; (vii) notices of dishonor; (viii) notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (ix) any other notices (including any notice of the purchase or sale of Products, inventory and goods by Franchisee, the maturing of~~

~~bills and the failure to pay the same); and (x) legal or equitable defenses to which any of the Guarantors may be entitled. The personal guaranty established by this Guaranty Agreement will not be affected by the modification, extension, or renewal of any agreement between Franchisee and Company or its affiliates, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization of other debt or relief afforded Franchisee under the United States Bankruptcy Code or under any other State or Federal statute or by the decision of any court or any other matter, whether similar or dissimilar to any of the foregoing, and the guaranty established by this Guaranty Agreement will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. Without affecting the obligations of the undersigned under this Guaranty Agreement, Company may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement, any other agreement between Franchisee and Company or its affiliates, or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any Guarantors, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement or the right to receive any sum payable thereunder, and the Guarantors each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Franchise Agreement. Company shall have no present or future duty or obligation to the Guarantors under this Guaranty Agreement, and each of the Guarantors waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantors any information, financial or otherwise, concerning Franchisee, any other Guarantor, or any collateral securing any obligations of Franchisee to Company. The obligations of the Guarantors will be unconditional in spite of any defect herein or with respect to any other circumstances whether or not referred to in this Guaranty Agreement that might otherwise constitute a legal or equitable discharge of surety or Guarantor.~~

~~This is an irrevocable, unconditional, and absolute guarantee of payment and performance by Franchisee and the Guarantors agree that the Guarantor's liability under this Guaranty Agreement will be immediate and will not be contingent upon the exercise and enforcement by Company of whatever remedies it may have against Franchisee or others or the enforcement of any lien or realization upon any security Company may at any time possess. Each Guarantor agrees that any current or future indebtedness by Franchisee to any Guarantor(s) will also be subordinate to any indebtedness owed by Franchisee to Company. The Guarantors will promptly modify any financing statements on file with any state agencies to specify that Company's rights are senior to those of Guarantor.~~

~~The Guarantors further agree that as long as Franchisee owes any money to Company (other than royalty payments that are not past due), Franchisee will not pay and the Guarantors will not accept payment of any part of any indebtedness owed by Franchisee to any of the Guarantors, either directly or indirectly, without the consent of Company.~~

~~Each Guarantor, jointly and severally, agrees to defend, indemnify, and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court~~

~~costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, and all ancillary agreements executed in conjunction with the Franchise Agreement, including but not limited to the Sub-License Agreement (to the extent a Sub-License Agreement is entered), along with any amendments thereto, or any other agreement executed by Franchisee referred to therein.~~

~~**In connection with any litigation or arbitration to determine the Guarantors' liability under this Guaranty Agreement, the Guarantors expressly waive the Guarantors' right to trial by jury, if any, and agree to pay the costs and the reasonable attorneys' fees as fixed by any court.**~~ ~~If Company is required to enforce this Guarantee Agreement in a judicial or arbitration proceeding, and prevails in such proceeding, Company shall be entitled to reimbursement of its costs and expenses (including those incurred on appeal), including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Company is required to engage legal counsel in connection with any failure by the Guarantors to comply with this Guarantee Agreement, the Guarantors shall reimburse Company for any of the above-listed costs and expenses Company incurs. Attorneys' fees include a charge for the service of in-house counsel at the market rate for independent counsel of similar experience.~~

~~If this Guaranty Agreement is signed by more than one individual, each individual signing this Guaranty Agreement will be jointly and severally liable for the obligations created in it. This Guaranty Agreement will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied as well as all obligations with respect to debts owed by Franchisee to affiliates of Company with respect to Parts, Products, or Services sold or otherwise provided by such affiliates to Franchisee. Capitalized terms which are not defined herein shall have the same meaning as defined in the Franchise Agreement.~~

~~Without limiting the foregoing in any manner, the Guarantors each have carefully read the Franchise Agreement and each of the Guarantors hereby jointly and severally expressly agrees to be individually bound by all of the covenants contained in Paragraphs 6.C., 6.I., 8.D., 13.C., 13.D., and 13.M. of the Franchise Agreement, and acknowledge and agree that this Guaranty Agreement does not grant the Guarantors any right to use the "Cellairis"® marks or system licensed to Franchisee under the Franchise Agreement.~~

~~Each Guarantor acknowledges and agrees that it has made an independent examination, review, and investigation of the Cellairis franchise opportunity, Company, Franchisee, and Franchise Agreement, as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from Franchisee any information required by Guarantor concerning the Franchise Agreement, Franchisee, the Cellairis franchise opportunity, and Company. Further, Guarantor acknowledges that it is not relying on Company for any such information in connection with its decision to execute this Guaranty Agreement.~~

~~Subject to the arbitration obligations and other obligations of Paragraph 13.D. of the Franchise Agreement and the provisions below, each of the Guarantors agrees that all actions arising under this Guarantee Agreement, the Franchise Agreement, or otherwise as a result of the relationship between Company and the Guarantors, must be commenced in the state or federal court of general jurisdiction in Georgia, and each of the Guarantors irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the Guarantors agrees that Company may enforce this Guarantee Agreement and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.~~

~~As provided in Paragraph 13.C. of the Franchise Agreement, the parties agree that this Guaranty Agreement shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia without regard to its conflicts of law.~~

~~The signatories to this Guaranty Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Guaranty Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Guaranty Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.~~

~~**IN WITNESS WHEREOF**, each of the Guarantors has hereunto affixed their signatures and seals effective as of the date first above indicated.~~

~~**By:**~~ ______________________________

~~**Name:**~~ ______________________________

~~**Address:**~~ ______________________________

~~**By:**~~ ______________________________

~~**Name:**~~ ______________________________

~~**Address:**~~ ______________________________

~~**CELLAIRIS FRANCHISE, INC.**~~

~~**By:**~~ ______________________________

~~**Title:**~~ ______________________________

EXHIBIT “F~~G~~”

~~CONDITIONAL LEASE ASSIGNMENT AGREEMENT~~

~~**CONDITIONAL LEASE ASSIGNMENT AGREEMENT**~~

~~This CONDITIONAL LEASE ASSIGNMENT AGREEMENT (**"Agreement"**) is made and entered into effective as of the ____ day of ________, 20__, by and between CELLAIRIS FRANCHISE, INC., a Georgia corporation with its principal place of business at 6485 Shiloh Road, Bldg. B # 100, Alpharetta, GA 30005 (**"Franchisor"**), and ________________________, with a principal address at ____(**"Lessee"**) and ______________________ with a principal address at ____, (**"Lessor"**).~~

~~**RECITALS:**~~

~~**WHEREAS**, under the terms of the Lease Agreement, attached hereto as **Exhibit "A"**, Lessor has agreed to lease to Lessee certain premises (the **"Premises"**) located at the following street address:~~

~~____~~

~~____~~

~~**WHEREAS**, Franchisor has accepted the Premises as a suitable location for Lessee's operation, subject to the provisions of its franchise agreement (the **"Franchise Agreement"**) and further subject to the terms and conditions set forth herein.~~

~~**NOW, THEREFORE**, in consideration of the mutual covenants herein contained other good and valuable consideration, including the acceptance by Franchisor of the Premises as a location for a "Cellairis" retail operation, the parties hereby agree as follows:~~

~~**Use of the Premises**. Lessee shall use the Premises only for the operation of a "Cellairis" retail operation pursuant to the Franchise Agreement and for no other purposes whatsoever.~~

~~**Signage**. Lessor hereby consents to Lessee's use and display on the Premises of such exterior and interior signs, posters, promotional materials and equipment, furnishings, and décor as are currently required by Franchisor pursuant to the Franchise Agreement. In the event that such requirements are changed in the future, Lessor agrees that it will not unreasonably withhold its consent to Lessee's compliance with such changes. In the event that local ordinances or zoning requirements prohibit the use of the Franchisor's standard signage, Franchisor will not unreasonably withhold its consent to the modification of its standard signage to comply with such requirements.~~

~~**Assignment**. Lessor hereby acknowledges that Lessee has agreed under the Franchise Agreement that, in the event of termination or expiration of the Franchise Agreement or Lessee's default under the Lease, Lessee shall, at Franchisor's option, assign to Franchisor any and all interest of Lessee in the Lease, including any rights to renew the Lease or to sublease the Premises; and Lessor hereby consents to such assignment, subject to the following conditions:~~
~~(A) Franchisor shall notify Lessor in writing within thirty (30) days after termination or expiration of the Franchise Agreement or Franchisor's receipt of any notice of default by Lessee~~

~~under the Lease if Franchisor elects to accept assignment of the Lease; Franchisor's failure to accept assignment of the Lease upon any default of Lessee under the Lease shall not be deemed a waiver of Franchisor's future right to accept such assignment in the event of any future default by Lessee;~~

~~(B) If Franchisor elects to accept assignment of the Lease, Franchisor shall execute and deliver to Lessor a lease containing the same terms and conditions (including rental rates) as the Lease; provided, however, that Franchisor's leasehold interest shall not be subject to any default claims that may exist between Lessor and Lessee;~~

~~(C) If Franchisor elects to accept assignment of the Lease, Franchisor shall take possession of the Premises within thirty (30) days after notice of such election to Lessor, and Franchisor shall commence payment of rent upon taking possession of the Premises;~~

~~(D) Nothing herein shall affect Lessor's right to recover from Lessee any and all amounts due under the Lease or to exercise any rights of Lessor against Lessee as provided under the Lease, but will have no rights to terminate the Lease or to disturb the quiet possession of the Premises by Franchisor or any future assignee of Franchisor.~~

~~**Consent to Assignment**. This Agreement will remain in effect during the entire term of the Lease and any and all renewals or extensions of the Lease. Lessor agrees that the Lease may not be amended, assigned, extended, renewed, or surrendered, nor may the Premises or any part of it be sublet, nor may the Lease, or any interest therein, be assigned or encumbered by Lessee without obtaining the prior written consent of Franchisor.~~

~~**Exercise of Option by Franchisor**. Franchisor may exercise the option described in Section 3 of this Agreement to accept an assignment of the Lease or enter into a new lease containing the same terms and conditions of the Lease, by giving written notice to Lessee and Lessor of its election to do so. In such event, Lessee must vacate the Premises immediately upon the receipt of such notice.~~

~~**Assignment to Third Party**. At any time after giving notice of its election to accept assignment of the lease or after or entering into a new lease containing the same terms and conditions of the Lease, Franchisor may request to assign its lease, or sublease the Premises, to a third party. Lessor agrees not to unreasonably withhold its consent to any such assignment or sublease on the same terms as the Lease provided however, that if Lessor refuses to consent to such assignment or sublease by Franchisor, Franchisor shall have no further obligations thereunder. Notwithstanding anything set forth in the Lease to the contrary, the Lessee and/or Franchisor shall have the right to assign the Lease or any interest therein, or sublet the Premises or any portion thereof without the consent of Lessor, to:~~

~~(A) A parent, subsidiary, or affiliate of Lessee;~~

~~(B) Franchisor or any successor or affiliate thereof;~~

~~(C) Wholly owned by Lessee, Lessee's parent or a subsidiary of Lessee;~~

~~(D) A corporation with which Lessee merges;~~

~~A result of a reorganization, or the surviving corporation of a business restructuring; or~~

~~Any bona fide franchisee of the Franchisor.~~

~~**Notices**. Lessor agrees to furnish Franchisor with copies of any and all letters and notices to Lessee pertaining to any default by Lessee under the Lease at the same time and in the same manner as any such notice is sent to Lessee. Lessee agrees to furnish Franchisor with prompt written notice of any and all amendments, waivers, extensions, renewals, or other modifications of the Lease. All notices hereunder shall be mailed or delivered to the addresses set forth above, unless changed from time to time by any party through written notice mailed or delivered to the other parties. Within fifteen (15) days after Lessee's right to cure any default expires, Franchisor or any affiliate thereof shall have the right but not the obligation, to cure any such default.~~

~~**Entry of Franchisor**. Lessor and Lessee hereby acknowledge that Lessee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises operated by Lessee at any time for the purpose of conducting inspections, protecting Franchisor's proprietary marks, and correcting deficiencies of Lessee. Lessor and Lessee hereby agree not to interfere with or prevent such entry by Franchisor, its employees or agents.~~

~~**De-Identification**. Lessor and Lessee hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Lessee is obligated under the Franchise Agreement to take certain steps to de-identify the location as a "Cellairis." Lessor agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Lessee, including allowing Franchisor, its employees, and agents to enter and remove signs, décor, patented fixtures, and materials bearing or displaying any marks, designs, logos, or intellectual property of Franchisor or its affiliates; provided, however, that Lessor shall not be required to bear any expenses thereof. Lessee agrees that if Lessee fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Lessee's expense.~~

~~**General Provisions**.~~

~~(A) Lessor agrees not to construct or change any improvements or landscaping in any manner which would impair the visibility of or access to the Premises, or the amount of parking available for use by Lessee.~~

~~(B) This Agreement shall be binding upon the parties hereto and their successors, assigns, heirs, executors, and administrators. The rights and obligations herein contained shall continue notwithstanding changes in the persons or entities that may hold any leasehold or ownership in the land of building. Any party hereto may record this Agreement or a memorandum hereof.~~

~~(C) Any party hereto may seek equitable relief, including, without limitation, injunctive relief or specific performance, for actual threatened violation or nonperformance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for under this or other agreements between any of the parties. The prevailing party in any action shall be entitled to recover its legal fees together with court costs and expenses of litigation.~~

~~(D) Nothing contained in this Agreement shall affect any term or condition in the Franchise Agreement between Lessee and Franchisor. Nothing herein shall be deemed to constitute a guaranty or endorsement by Franchisor of the terms and conditions of the Lease between Lessor and Lessee. In the event that Franchisor, in its sole discretion, determines not to accept assignment of the Lease as permitted hereunder, neither Lessor nor Lessee shall have any claims against Franchisor. No terms or conditions contained in the Lease shall be binding on Franchisor unless and until it elects to accept assignment of the Lease hereunder.~~

~~(E) If Lessee has an obligation to continuously operate its business at the Premises, Lessee may cease operating for up to ninety (90) days, from time to time, to perform repairs, enhancements or renovations, as required by the Franchise Agreement.~~

~~(F) The signatories to this Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Agreement, and each and every other agreement, document, and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.~~

~~**IN WITNESS WHEREOF**, the parties intending to be legally bound have executed this Agreement.~~

~~**LESSOR:** (Name)~~

~~**By:**~~ ______________________________

~~**Title:**~~ ______________________________

~~**LESSEE:** (Name)~~

~~**By:**~~ ______________________________

~~**Title:**~~ ______________________________

~~**FRANCHISOR: CELLAIRIS FRANCHISE, INC.**~~

~~**By:**~~ ______________________________

~~**Title:**~~ ______________________________

~~EXHIBIT "H"~~

CELLAIRIS FRANCHISED STORES

CURRENT CELLAIRIS FRANCHISED BUSINESS UNITS

(as of December 31, 2020~~19~~)

* Units marked with one asterisk are Store-in-Store Outlets.
+ Units marked with a plus sign are Full Store Units.
^ Units marked with a carat sign are Store-in-Store Outlets operated by the owners and management of our Area Representative, Jubilee Franchise Inc.

#	State	Location Name	Franchisee	Contact Name	Contact Number	Location Address	Location City	Location Zip
1	AK	Dimond Center	Seong H Lee Corporation	Seong Lee	907-250-7876	800 Dimond Blvd.	Anchorage	99515
2	AL	Downtown Auburn	Blue C, Inc.	Charles Cope	334-787-0460	117 North College Street	Auburn	36830
3	AL	Decatur Mall+	Jeffreys-Skouras, Inc,.	Lance Jeffreys	256-468-6711	1801 Beltline Road	Decatur	35601
4	AL	Florence Mall+	Jeffreys-Skouras, Inc,.	Lance Jeffreys	256-468-6711	301 Cox St. Pkwy	Florence	35630
5	AL	Gadsden Mall	Blue C, Inc.	Charles Cope	334-787-0460	1001 Rainbow Dr.	Gadsden	35901
6	AL	Parkway Place Mall	Jeffreys-Skouras, Inc,.	Lance Jeffreys	256-468-6711	2801 Memorial Pkwy S.	Huntsville	35801
7	AL	Parkway Place Mall	Jeffreys-Skouras, Inc,.	Lance Jeffreys	256-468-6711	2801 Memorial Pkwy S.	Huntsville	35801
8	AL	Jasper Mall	Blue C, Inc.	Charles Cope	334-787-0460	300 Hwy. 78 East	Jasper	35501
9	AL	Quintard Mall	Jeffreys-Skouras, Inc,.	Lance Jeffreys	256-468-6711	700 Quintard Ave.	Oxford	36203
10	AR	Northwest Arkansas Mall+	Four LAKE Management LLC	Paul Wadlow	509-475-9538	4201 N. Shiloh Dr.	Fayetteville	72703
11	AR	Mall at Turtle Creek	Sherry Lee, Inc.	Chris Lee	901-428-8413	3000 E Highland Drive	Jonesboro	72401
12	AR	Walmart Store #1*	Four LAKE Management LLC	Paul Wadlow	509-475-9538	2110 W Walnut St	Rogers	72756
13	AZ	Walmart Store #5186*	Omni Accessories LLC	Joseph Park	706-540-9168	2501 S Market St	Gilbert	85295
14	AZ	Arrowhead Towne Center	MD Al Mamun	MD Al Mamun	818-862-5669	7700 W. Arrowhead Towne Center	Glendale	85308
15	AZ	Walmart Store #2482*	Omni Accessories LLC	Joseph Park	706-540-9168	857 N Dobson	Mesa	85215
16	AZ	Walmart Store #2767*	Omni Accessories LLC	Joseph Park	706-540-9168	4505 E Mckellips Rd	Mesa	85215
17	AZ	Walmart Store #5190*	Omni Accessories LLC	Joseph Park	706-540-9168	2501 W Happy Valley Rd Ste 34	Phoenix	85085
18	AZ	Scottsdale Fashion Square	Biswas, LLC	Sajal Biswas	480-358-8187	7014-590 E. Camelback Rd.	Scottsdale	85251
19	AZ	Walmart Store #2777*	Omni Accessories LLC	Joseph Park	706-540-9168	13770 W Bell Rd	Surprise	85374
20	CA	Santa Anita Mall	Ahmad Dara Mirarmandeh; Kasra Mahboobi	Dara Mirarmandeh	404-200-8576	400 South Baldwin Ave.	Arcadia	91007
21	CA	Fresno Fashion Fair	MD Nasir Uddin	MD Nasir Uddin	213-618-3095	645 E. Shaw Ave.	Fresno	93710
22	CA	Lakewood Mall	MD A. Hossen	MD A. Hossen	347-337-6414	500 Lakewood Center Mall	Lakewood	90712
23	CA	Vintage Faire Mall	MD Nasir Uddin	MD Nasir Uddin	213-618-3095	3401 Dale Road	Modesto	95356
24	CA	Moreno Valley Mall	Myint, Inc.	Nyana Tun	310-467-9901	22500 Town Cir.	Moreno Valley	92553
25	CA	Northridge Fashion Center	Aydinlar LLC	Mehmet Fatih Aydin	818-671-9741	9301 Tampa Ave.	Northridge	91324
26	CA	Ontario Mills	Phone Love Inc.	Nabin Regmi	805-601-7543	One Mills Circle	Ontario	91764
27	CA	Galleria at Roseville	Masoud Abolhassani; Mohammad Bagher Mosharraf Ghahfarokhi; Shahab Riahi	Shahab Riahi	916-872-0167	1151 Galleria Blvd.	Roseville	95678

#	State	Location Name	Franchisee	Contact Name	Contact Number	Location Address	Location City	Location Zip
28	CA	Arden Fair Mall	Shahab Riahi, Pouya Namdarian, Aref Tabibi	Shahab Riahi	916-872-0167	1689 Arden Way	Sacramento	95815
29	CO	Cherry Creek Mall+	CM Cases-CO, LLC	Chirag Amin	678-632-8177	3000 E 1st. Ave	Denver	80206
30	DE	Walmart Store #1741*	SC Mobile LLC	Bahadir Cetin	803-762-6058	939 N Dupont Blvd	Milford	19963
31	FL	Walmart Store #955*	Amanah Cell LLC	Reshma Isani	832-623-9766	1700 S Orange Blossom Trail	Apopka	32703
32	FL	Walmart Store #1590*	Amanah Cell LLC	Reshma Isani	832-623-9766	5851 NW 177th St.	Hialeah	33015
33	FL	Walmart Store #817*	Rosario Baio	Rosario Baio	917-605-2006	4444 W Vine Street	Kissimmee	34746
34	FL	Merritt Square	Phone Fashion Inc.	MD Golam Kibria	425-328-8081	777 E. Merritt Island Cswy	Merritt Island	32952
35	FL	Walmart Store #1220*	Rosario Baio	Rosario Baio	917-605-2006	2500 S Kirkman Rd.	Orlando	32811
36	FL	Walmart Store #4332*	Rosario Baio	Rosario Baio	917-605-2006	8990 Turkey Lake Rd.	Orlando	32819
37	FL	Walmart Store #4365*	Rosario Baio	Rosario Baio	917-605-2006	11930 Narcoossee Rd	Orlando	32832
38	FL	Wellington Green Mall+	Buckwild Wireless, Inc.	Steven Brown	954-822-1083	10300 West Forest Hill Blvd.	Royal Palm Beach	33414
39	GA	Walmart Store #2941*^	TEKCELL, LLC	Imtyaz Isani	404-429-0506	5200 Windward Parkway	Alpharetta	30004
40	GA	Georgia Square Mall^	Sai Cell LLC	Imtyaz Isani	404-429-0506	3700 Athens Hwy	Athens	30606
41	GA	Atlantic Station	The Cellenials, LLC	Abdelmenam Naiem	404-558-1893	1380 Atlantic Drive	Atlanta	30363
42	GA	Cumberland Mall	Mobeen Khan	Mobeen Khan	404-536-2027	1000 Cumberland Mall	Atlanta	30339
43	GA	Cumberland Mall	Mobeen Khan	Mobeen Khan	404-536-2027	1000 Cumberland Mall	Atlanta	30339
44	GA	Lenox Square Mall^	Sai Cell LLC	Imtyaz Isani	404-429-0506	3393 Peachtree Rd. NE	Atlanta	30326
45	GA	Perimeter Mall	Cell Universe LLC	Amin A. Nathani	404-694-6069	4400 Ashford Dunwoody Rd.	Atlanta	30346
46	GA	Perimeter Mall	Cell Universe LLC	Amin A. Nathani	404-694-6069	4400 Ashford Dunwoody Rd.	Atlanta	30346
47	GA	Walmart Store #615*^	City Traders, Inc.	Imtyaz Isani	404-429-0506	101 Market Place Blvd	Cartersville	30121
48	GA	Peachtree Mall^	Citi Diamonds Inc.	Imtyaz Isani and Amir Lalani	404-429-0506	3131 Manchester Expwy	Columbus	31909
49	GA	The Collection at Forsyth	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256-468-6711	410 Peachtree Parkway	Cumming	30041
50	GA	Walmart Store #5173*	AAA Cellular, Inc.	Anita Vadsaria	706-980-3340	815 Shugart Rd.	Dalton	30720
51	GA	Walmart Store #1488*^	Supreme Mobile LLC	Zamira Safoeva	404-944-0206	7001 Concourse Pkwy	Douglasville	30134
52	GA	Walmart Store #1070*	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256.468.6711	88 Highland Xing	East Ellijay	30540
53	GA	Statesboro Mall+	Four LAKE Management LLC	Paul Joseph Wadlow and Abby Guenther Wadlow	509-475-9538	325 Northside Drive	East Statesboro	30458
54	GA	Walmart Store #3570*	Lairsey Holding Company, LLC	Eric Lairsey	706-726-2780	4469 Washington Rd	Evans	30809
55	GA	Walmart Store #594*^	Supreme Mobile LLC	Zamira Safoeva	404-944-0206	125 Pavilion Pkwy	Fayetteville	30214
56	GA	Market Plaza+	Spectrum Accessories, Inc.	Lance Jeffreys	256-468-6711	1255 Johnston Ferry Road	Marietta	30068
57	GA	Walmart Store #5390*^	TEKCELL, LLC	Imtyaz Isani	404-429-0506	210 Cobb Parkway	Marietta	30060
58	GA	Walmart Store #937*^	TEKCELL, LLC	Imtyaz Isani	404-429-0506	2795 Chastain Meadows Parkway	Marietta	30066
59	GA	Winward Parkway+	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256-468-6711	5230 Windward Parkway, Suite 107	Milton	30004
60	GA	Walmart Store #494*^	Supreme Mobile LLC	Zamira Safoeva	404-944-0206	1025 Highway 34 E	Newnan	30265
61	GA	Walmart Store #1458*	AAA Cellular, Inc.	Anita Vadsaria	706-980-3340	3040 Battlefield Pkwy	Oglethorpe	30742

#	State	Location Name	Franchisee	Contact Name	Contact Number	Location Address	Location City	Location Zip
62	GA	Holcomb Woods+	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256-468-6711	1570 Old Alabama Road	Roswell	30076
63	GA	Oglethorpe Mall	Hadi Kashfipour	Hadi Kashfipour	404-641-8708	7804 Abercorn St.	Savannah	31406
64	GA	Oglethorpe Mall+	Hadi Kashfipour	Hadi Kashfipour	404-641-8708	7804 Abercorn St.	Savannah	31406
65	GA	Walmart Store #754*	Four LAKE Management LLC	Paul Joseph Wadlow and Abby Guenther Wadlow	509-475-9538	147 Northside Dr E	Statesboro	30458
66	GA	Walmart Store #3462*^	Sai Cell LLC	Imtyaz Isani	404-429-0506	3245 Lawrenceville Suwanee Road	Suwanee	30024
67	GA	Walmart Store #5275*^	TEKCELL, LLC	Imtyaz Isani	404-429-0506	6435 Bells Ferry Road	Woodstock	30189
68	GA	Walmart Store #575*^	TEKCELL, LLC	Imtyaz Isani	404-429-0506	12182 Highway 92	Woodstock	30188
69	IA	Coral Ridge Mall	RP & Associates, LLC.	Ryan Patrick	913-708-0258	1451 Coral Ridge Ave.	Coralville	52241
70	ID	Boise Towne Square+	Mobile Mania, LLC	Ryan Spath	904-517-6523	350 North Milwaukee	Boise	83704
71	IL	Market Place Mall	Derbliss, Inc.	Scott Wylie	217-377-0395	2000 North Neil Street	Champaign	61820
72	KS	Towne East Mall	YB Accessories, LLC	Chris Corbin	316-682-1849	7700 E Kellogg Drive	Wichita	67207
73	MA	Natick Collection+	Safe Mobile Accessories, LLC	Mohi Uddin	740-284-2897	1245 Worcester Road	Natick	01760
74	MD	Annapolis Mall	Cell Phone Mania, LLC	Oz Aharon	347-251-3745	2002 Annapolis Mall	Annapolis	21401
75	MD	Mondawmin Mall	MKIS Enterprises, LLC	Michael Kissi-Antwi	240-289-3027	2401 Liberty Heights Ave.	Baltimore	21215
76	MD	White Marsh Mall	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	8200 Perry Hall Blvd.	Baltimore	21236
77	MD	Montgomery Mall	Cell Phone Mania, LLC	Oz Aharon	347-251-3745	7101 Democracy Blvd.	Bethesda	20817
78	MD	Mall in Columbia	Aze Wireless, LLC	Ali Alizada and Elnur Sadullayev	845-671-9007	10300 Little Patuxent Pkwy	Columbia	21044
79	MD	Lake Forest Mall	MKIS Enterprises, LLC	Michael Kissi-Antwi and Imran Aamir Shariff	240-289-3027	701 Russell Ave.	Gaithersburg	20877
80	MD	Towson Town Center	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	825 Dulaney Valley Rd.	Towson	21204
81	MD	Towson Town Center	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	825 Dulaney Valley Rd.	Towson	21204
82	MD	Wheaton Mall	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	11150 Veirs Mill Rd.	Wheaton	20902
83	MI	The Mall at Partridge Creek+	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	17420 Hall Road	Clinton Township	48038
84	MN	Mall of America	Uddin Family, LLC	Ala Uddin	614-687-0879	60 E. Broadway	Bloomington	55425
85	MN	Crossroads Center	Safe Mobile Accessories, LLC	Mohi Uddin	740-284-2897	4101 W. Division St.	St. Cloud	56301
86	MO	West County	Mobile Fashion, LLC	Wali Ahmed	404-274-1118	80 W. County Center	St. Louis	63131
87	NJ	Walmart Store #5340*	Elnur Sadullayev	Elnur Sadullayev	973-780-7164	500 NJ 38 W	Cherry Hill	8002
88	NJ	Deptford Mall	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	1750 Deptford Center Road	Deptford	08096
89	NJ	Deptford Mall	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	1750 Deptford Center Road	Deptford	08096
90	NJ	Walmart Store #3422*	Ilsur Ghiniatullin	Ilsur Ghiniatullin	973-780-7164	2000 Clements Bridge Rd. Ste 10	Deptford	8096
91	NJ	Jersey Gardens	Cellia Mobile, LLC	Khalig Isgandarov	646-226-5339	651 Kapkowski Road	Elizabeth	07201
92	NJ	Walmart Store #3236*	Elnur Sadullayev	Elnur Sadullayev	973-780-7164	326 W Main Street	Freehold	7728
93	NJ	Walmart Store #2518*	Ilsur Ghiniatullin	Ilsur Ghiniatullin	973-780-7160	700 Marketplace Blvd	Hamilton	8691
94	NJ	Ocean County Mall	Hadi Kashfipour	Hadi Kashfipour	732-244-4422	1201 Hooper Ave.	Toms River	08753
95	NJ	Ocean County Mall	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	1201 Hooper Ave.	Toms River	08753
96	NV	Walmart Store #2593*	Winlock Wireless R&A LLC	Steve Arychuk	604-833-7380	2310 E Serene Ave	Las Vegas	89123

#	State	Location Name	Franchisee	Contact Name	Contact Number	Location Address	Location City	Location Zip
97	NV	Walmart Store #2838*	Winlock Wireless R&A LLC	Steve Arychuk	604-833-7380	540 Marks St	Las Vegas	89014
98	NV	Walmart Store #4356*	Winlock Wireless R&A LLC	Steve Arychuk	604-833-7380	7200 Arroyo Crossing Pkwy	Las Vegas	89113
99	NV	Meadowood Mall	Iris Reihing, LLC	Michael Carter McCollum, Lance Jeffreys, and James Griffin	901-633-6103	5000 Meadowood Mall Cir., Ste 1	Reno	89502
100	NY	Walmart Store #1810*	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	26 W Merritt Blvd	Fishkill	12524
101	NY	Walmart Store #2637*	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	288 Larkin Dr	Monroe	10950
102	NY	Walmart Store #2104*	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	1201 Route 300	Newburgh	12550
103	NY	Staten Island Mall+	Cellia Mobile, LLC	Khalig Isgandarov	646-226-5339	2655 Richmond Ave.	Staten Island	10314
104	OH	Beachwood Place	Mario R. Shy	Mario Shy	216-254-6855	26300 Cedar Rd.	Beachwood	44122
105	OK	Walmart Store #1597*	Anatolia Vision, LLC	Burak Tirpan and Onuralp Dursun	443-856-5974	10938 S. Memorial Dr.	Tulsa	74133
106	OR	Valley River Center	Mobile Mania, LLC	Ryan Spath	503-705-6588	293 River Center	Eugene	97401
107	OR	Washington Square Mall	Mobile Mania, LLC	Ryan Spath	503-705-6588	9585 SW Washington Square Rd.	Portland	97223
108	PA	Ross Park Mall	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	1000 Ross Park Mall Dr	Pittsburgh	15237
109	PA	South Hills Village Mall	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	301 S Hills Village	Pittsburgh	15241
110	PA	Lehigh Valley Mall	Elnur Sadullayev	Elnur Sadullayev	617-953-2584	250 Lehigh Valley Mall	Whitehall	18052
111	PA	Willow Grove	Hare Krishna News, LLC	Shailesh (Sam) Patel	732-691-5316	2500 W Moreland Road	Willow Grove	19090
112	PR	The Mall of San Juan+	Sky Cases, Inc.	David Vazquez	939-645-5252	1000 Mall of San Juan Blvd.	San Juan	00924
113	RI	Walmart Store #2283*	I Case Depot LLC	Agil Nadirov	401-479-9541	650 Centre of New England Blvd	Coventry	2816
114	RI	Walmart Store #2225*	I Case Depot LLC	Agil Nadirov	401-479-9541	7 Dowling Village Boulevard	North Smithfield	2896
115	SC	Anderson Mall	LEF Enterprises, LLC	Charles (Chuck) Flaherty	864-630-7010	3131 North Main Street	Anderson	29621
116	SC	Powdersville Towne Center	LEF Enterprises, LLC	Charles J. Flaherty and Tina K. Flaherty	864-630-7010	125 Waltzing Vine Lane	Williamstown	29697
117	TN	Walmart Store #672*	Michael Gerard Zaker	Michael Gerard Zaker	708-268-7517	1030 Hunters Crossing	Alcoa	37701
118	TX	Barton Creek	Shark Accessories, LLC	Naeem Ali	832-776-6963	2901 S. Capital of Texas Hwy	Austin	78746
119	TX	Walmart Store #1253*	TR Mobile LLC	Burak Tirpan and Semih Boybay	443-856-5974	710 E Ben White Blvd	Austin	78704
120	TX	Baybrook Mall	Cellia Mobile, LLC	Khalig Isgandarov and Elnur Sadullayev	646-226-5339	500 Baybrook Mall	Friendship	77546
121	TX	Walmart Store #1062*^	DJ Cell LLC	Imtyaz Isani	404-429-0506	150 W. El Dorado Blvd.	Friendswood	77546
122	TX	Walmart Store #1303*^	City Cell LLC	Imtyaz Isani	404-429-0506	620 I-35	Georgetown	78628
123	TX	Grapevine Mills	New Jess, Inc.	Muhin Sohan	512-299-3066	3000 Grapevine Mills Pkwy	Grapevine	76051
124	TX	Grapevine Mills	New Jess, Inc.	Muhin Sohan	512-299-3066	3000 Grapevine Mills Pkwy	Grapevine	76051
125	TX	Walmart Store #6286*^	City Cell LLC	Imtyaz Isani	404-429-0506	3404 W Stan Schlueter Loop	Killeen	76549
126	TX	Walmart Store #452*	Mcallen Phone Repair, LLC	Filiberto Serrano	847-809-7097	2800 W. Nolana Ave.	Mc Allen	78504
127	TX	Walmart Store #3886*	Victor&Adriana LLC	Victor Hugo Barrera Jr.	956-878-3572	1740 Eas Expressway 83	Mercedes	78570
128	TX	Walmart Store #3510*^	DJ Cell LLC	Imtyaz Isani	404-429-0506	1710 E Broadway St	Pearland	77581
129	TX	Willow Bend Mall+	TR Mobile LLC	Burak Tirpan and Semih Boybay	617-953-2584	6121 West Park Blvd.	Plano	75093
130	TX	Walmart Store #5480*	CellMart Zone-Round Rock, Inc.	Guven Yildiz	737-717-1291	4700 E Palm Valley Blvd	Round Rock	78665

#	State	Location Name	Franchisee	Contact Name	Contact Number	Location Address	Location City	Location Zip
131	TX	Walmart Store #1198*^	DJ Cell LLC	Imtyaz Isani	404-429-0506	1515 N. Loop 1604 E.	San Antonio	78232
132	TX	Walmart Store #3888*	Ilsur Ghiniatullin	Ilsur Ghiniatullin	973-780-7160	11210 Potranco Rd	San Antonio	78253
133	TX	Walmart Store #5146*	Techno Gadgets North America LLC	Alamin Ebrahim Hemani	956-645-0050	8030 Bandera Rd	San Antonio	78250
134	TX	Walmart Store #3391*^	City Cell LLC	Imtyaz Isani	404-429-0506	6102 Fm 3009	Schertz	78154
135	TX	Walmart Store #915*^	DJ Cell LLC	Imtyaz Isani	404-429-0506	11210 W Airport Blvd.	Stafford	77477
136	TX	Walmart Store #351*^	DJ Cell LLC	Imtyaz Isani	404-429-0506	25800 Kuykendahl Rd.	Tomball	77375
137	UT	Walmart Store #2511*	Powered Pylons LLC	Lloyd Chin III	435-513-9251	949 W Grasslands Dr	American Fork	84003
138	UT	Walmart Store #3568*	Powered Pylons LLC	Lloyd Chin III	435-513-9251	3180 S 5600 W	West Valley City	84120
139	VA	Dulles Town Center	OEM Consulting, Inc.	Chris Whipple	702-400-4374	2110 Dulles Town Center	Dulles	20166
140	VA	Fair Oaks Mall+	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222	11750 Fair Oaks Mall	Fairfax	22033
141	VA	Springfield Town Center	Aze Wireless, LLC	Ali Alizada and Elnur Sadullayev	845-671-9007	6500 Springfield Mall	Springfield	22150
142	WA	Bellis Fair	Let's Repair LLC	Gregory L. Campbell	425-314-8003	One Bellis Fair Parkway	Bellingham	98226

CURRENT CELLAIRIS FRANCHISEES WITH OUTLETS NOT YET OPENED

(as of December 31, 2020~~19~~)

None

EXHIBIT "G~~I~~"

FINANCIAL STATEMENTS

Cellairis Franchise, Inc.
Balance Sheet
as of February 28, 2021

Assets:		
Current Assets:		
Cash on Hand and In Banks	17,035	
Accounts Receivable, Net	319,225	
Prepaids and other receivables	515,864	
Total Current Assets		852,124
Other Assets:		
Notes Receivable, Net	883	
Lease Asset-RTU	2,310,242	
Deposits	-	
Total Other Assets		2,311,125
Total Assets		3,163,249
Liabilities & Equity:		
Current Liabilities:		
Accounts Payable and accrued expenses	84,481	
Current Portion of Deferred Revenue	525,400	
Current Portion of Notes Payable	23,389	
Current Portion of Lease Liability	182,228	
Total Current Liabilities		815,498
Other Liabilities:		
Deferred Revenue	191,000	
Deferred Rental Revenue	-	
Notes Payable	294,973	
Lease Liability	2,575,363	
Total Other Liabilities		3,061,337
Total Liabilities		3,876,834
Equity:		
Common Stock	45,000	
Accumulated earnings	(758,585)	
Total Equity		(713,585)
Total Liabilities and Equity		3,163,249

Cellairis Franchise, Inc.
Statement of Operation
for the 2 months ending February 28, 2021

	YTD
Revenue	469,105
Less: Cost of Goods Sold	100,405
Gross Profit	368,700
Expenses	
Bank & Merchant Fees	399
Bad Debt Expense	7,000
Marketing Expense	44,490
Professional Fees	40,099
Legal Fees	30,994
Taxes & Licenses	1,017
Total Expenses	123,998
Income (Loss) from Operations	244,702
Other Income	
Interest Income	61
Interest Expense	(2,501)
Net Income (Loss)	**242,262**

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM

Aprio, LLP consents to the use in the Franchise Disclosure Document issued by Cellairis Franchise, Inc. (the "Franchisor") on April 16, 2021 as it may be amended, of our report dated April 14, 2021, relating to the financial statements of Franchisor for the year ending December 31, 2020.

Aprio, LLP

Aprio, LLP
Atlanta, Georgia
April 16, 2021

CELLAIRIS FRANCHISE, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

CELLAIRIS FRANCHISE, INC.

TABLE OF CONTENTS

Aprio
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Advisory Assurance Tax Private Client

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Cellairis Franchise, Inc.

We have audited the accompanying financial statements of Cellairis Franchise, Inc. (an S corporation), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cellairis Franchise, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Aprio, LLP

Atlanta, Georgia

April 14, 2021

CELLAIRIS FRANCHISE, INC.
BALANCE SHEETS
DECEMBER 31,

ASSETS

		2020		2019
Current assets				
Cash	$	106,374	$	265,880
Accounts receivable, net		258,236		203,974
Note receivable - current portion		10,074		3,894
Advertising fund restricted assets		55,758		145,592
Right of use asset - current portion		228,220		232,460
Unbilled rent receivable - current portion		13,894		13,991
Total current assets		672,556		865,791
Other assets				
Note receivable - net of current portion		2,566		8,295
Unbilled rent receivable - net of current portion		238,687		-
Security deposits		-		30,584
Right of use asset - net of current portion		2,337,610		2,595,325
Total assets	$	3,251,419	$	3,499,995

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

		2020		2019
Current liabilities				
Accounts payable and accrued liabilities	$	5,250	$	7,054
Advertising fund liabilities		55,762		144,113
Deferred revenue		250,500		11,500
Customer deposits		650,000		-
Lease liability - current portion		215,684		211,064
Long-term debt - current portion		41,944		-
Total current liabilities		1,219,140		373,731
Long-term liabilities				
Long-term debt - net of current portion		296,079		-
Lease liability - net of current portion		2,544,546		2,627,419
Stockholders' equity (deficit)				
Common stock, $1 par value, 100,000 shares authorized; 45,000 shares issued and outstanding at December 31, 2020 and 2019		45,000		45,000
Retained earnings (accumulated deficit)		(853,346)		453,845
Stockholders' equity (deficit)		(808,346)		498,845
Total liabilities and stockholders' equity (deficit)	$	3,251,419	$	3,499,995

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
Revenue		
Royalties	$ 1,012,648	$ 1,365,550
Franchise fees	27,000	13,500
Franchise system license agreement fees	16,831	44,203
Advertising fund income	237,147	335,451
	1,293,626	1,758,704
Operating expenses		
General and administrative	695,513	501,482
Professional fees	32,450	28,721
Advertising fund expenses	237,147	335,451
	965,110	865,654
Other income (expense)		
Interest expense	(15,580)	-
Interest income	477	1,484
Miscellaneous income	127,500	-
Rental income	498,590	253,991
Total other income	610,987	255,475
Net income	$ 939,503	$ 1,148,525

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Common Stock		Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount		
Balance at January 1, 2019	45,000	$ 45,000	$ 512,060	$ 557,060
Distributions	-	-	(1,206,740)	(1,206,740)
Net income	-	-	1,148,525	1,148,525
Balance at December 31, 2019	45,000	45,000	453,845	498,845
Distributions	-	-	(2,105,465)	(2,105,465)
Contribution of Cellairis SNS, LLC	-	-	(141,229)	(141,229)
Net income	-	-	939,503	939,503
Balance at December 31, 2020	45,000	$ 45,000	$ (853,346)	$ (808,346)

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

Increase (Decrease) In Cash

	2020	2019
Cash flows from operating activities		
Net income	$ 939,503	$ 1,148,525
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in allowance for doubtful accounts	130,497	(3,936)
Change in operating assets and liabilities:		
Accounts receivable	(245,143)	24,509
Note receivable	(451)	3,311
Right of use asset	261,955	(2,827,785)
Advertising fund restricted assets	92,040	190,931
Unbilled rent receivable - current portion	(238,590)	(13,991)
Other current assets	-	7,091
Security deposits	30,584	(30,584)
Lease liability	(78,253)	2,838,483
Accounts payable and accrued liabilities	3,567	(1,821)
Advertising fund liabilities	(153,316)	(213,610)
Deferred revenue	215,500	(500)
Customer deposits	650,000	-
Total adjustments	668,390	(27,902)
Cash provided by operating activities	1,607,893	1,120,623
Cash flows from investing activities		
Net cash received in contribution of Cellairis SNS, LLC	43	-
Cash provided by investing activities	43	-
Cash flows from financing activities		
Proceeds from issuance of long-term debt	445,800	-
Principal payments on long-term debt	(107,777)	-
Distributions to stockholders	(2,105,465)	(1,206,740)
Cash used by financing activities	(1,767,442)	(1,206,740)
Net decrease in cash	(159,506)	(86,117)
Cash, beginning of the year	265,880	351,997
Cash, end of year	$ 106,374	$ 265,880

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2020	2019
Cash paid during the years for:		
Interest	$ 15,580	$ -

See auditors' report and accompanying notes to financial statements

Note A
Summary of Significant Accounting Policies

Nature of Operations:

Cellairis Franchise, Inc. (the "Company"), an S Corporation, was incorporated on August 9, 2005. The Company is engaged in offering and selling franchises throughout the United States for the operation of individual franchise retail locations offering an assortment of accessories and cases for wireless devices as well as repairing wireless devices. The Company's franchisees operate mall kiosk locations, full store locations, and store-in-store outlet locations.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates are used for, but not limited to, the allowance for doubtful accounts, allowance for notes receivable, accrued liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Company maintains cash balances at a financial institution that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risks on cash.

Accounts Receivable:

Accounts receivable consist of amounts due from franchisees related to royalties and franchise related fees at December 31, 2020 and 2019. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. The Company determines if receivables are past due based on days outstanding, and amounts are written off when determined to be uncollectible by management. The maximum accounting loss from the credit risk associated with accounts receivable is the amount of the receivable recorded, which is the face amount of the receivable, net of the allowance for doubtful accounts. As of December 31, 2020 and 2019, the allowance for doubtful accounts was $133,497 and $1,000, respectively.

Revenue Recognition:

The Company sells franchises that grant the right to operate individual franchise retail locations offering wireless repair services, as well as an assortment of accessories and cases for wireless devices, throughout the United States. The franchise agreements typically require the franchisee to pay an initial fee and continuing fees for royalties and advertising. Franchise fee revenues from an individual franchise sale or transfer are recognized over the franchise agreement term on a straight line basis.

Royalties and advertising fees are earned on sales by franchisees and are recognized as revenue in the month the underlying sales occur. These fees are generally calculated as the greater of a flat rate or a percentage of sales by franchisees.

Note A
Summary of Significant Accounting Policies (Continued)

Franchise system license agreement fees as described in Note G are recognized as revenue in the month the underlying transactions occur.

Below is a breakdown of the Company's revenues as of December 31,:

	Revenue Recognition	2020	2019
Royalties	Point in Time	$ 1,012,648	$ 1,365,550
Advertising Fees	Point in Time	237,147	335,451
License Fees	Point in Time	16,831	44,203
Franchise Fees	Over time	27,000	13,500
		$ 1,293,626	$ 1,758,704

Income Taxes:

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code and similar state statutes to be an S corporation. In lieu of federal corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision for income taxes has been included in the financial statements. In addition, management has assessed tax positions of the Company and determined that there is a less than 51% likelihood that a tax position will not be sustained in an examination by the applicable taxing authority resulting in a tax liability to the Company.

The Company is no longer subject to federal income tax examinations for calendar years prior to 2017.

Advertising:

Franchisees make contributions of up to 3% of gross sales to the advertising fund managed by the Company. For the year ended December 31, 2020, the Company temporarily ceased collection of advertising fund contributions beginning in March 2020, in an effort to provide relief to franchisees experiencing reduced sales resulting from COVID-19 related economic conditions. The advertising fund is intended to maximize and support general public recognition, brand identity, and patronage of Cellairis franchised locations for the benefit of all franchisees. The contributions to the advertising fund may be used to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs, and public relations activities including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Cellairis or its affiliates who offer Cellairis franchises and/or its and their franchisees, implementing any advertising within any social media platform for Cellairis or its affiliates who offer Cellairis franchises and/or its and their franchisees, surveys of advertising effectiveness and other media programs and activities, establishing and administering gift-card programs, customer loyalty programs, employing advertising agencies to assist therewith, purchasing naming rights and sponsorships for public venues, events, and other sponsorship uses to promote the “Cellairis” brand name, and providing promotional brochures, decals, and other marketing materials. Advertising costs are expensed in the period incurred.

Note A
Summary of Significant Accounting Policies (Continued)

Advertising contributions and related expenses associated with the advertising fund totaled approximately $237,000 and $335,000 for the years ended December 31, 2020 and 2019, respectively.

Fair Value of Financial Instruments:

The Company’s financial instruments, including cash, accounts receivable, advertising fund restricted assets and liabilities, notes receivable, other assets and accrued liabilities, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Notes Receivable:

Notes receivable arise from financing fees and royalties. During the year ended December 31, 2017, the Company issued a note receivable for financing of royalties due from a franchisee. The interest rate on the note is 5%, and the term is 72 months. During the year ended December 31, 2020, the Company wrote off $11,800 related to the note receivable.

During the year ended December 31, 2020, the Company issued notes receivable for financing of royalties due from a franchisee. The interest rate on the notes is 3%, and the term is 24 months. The notes receivable are collateralized by the fixtures and inventory at the franchisee's locations. The maximum accounting loss from the risk of non-payment associated with notes receivable is the amount of the receivable recorded, net of the allowance for doubtful notes. As of December 31, 2020 and 2019, there was no allowance for doubtful notes. The recorded amount represents the Company's best estimate of future collections.

Future minimum payments due under the notes receivable are as follows:

Year Ending December 31	Amount
2021	$ 10,074
2022	2,566
Total	$ 12,640

Recent Accounting Pronouncements:

The Financial Accounting Standards Board ("FASB") issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification ("ASC"). ASC 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a

Note A
Summary of Significant Accounting Policies (Continued)

customer. Collectively, the new Topic 606 and Subtopic 340-40 are referred to as the “New Guidance.”

The Company adopted the requirements of ASC 606 as of January 1, 2019, utilizing the modified retrospective method of transition. The Company applied ASC 606 using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of ASC 606 resulted in changes to the Company's accounting policies for revenue recognition.

The modified retrospective method of transition requires the Company to disclose the effect of applying ASC 606 on each item included on the 2019 financial statements. Following are the line items from the Company's balance sheet as of December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying ASC 606, and the balances reported under ASC 606:

	Amounts That Would Have Been Reported Under ASC 605	Effects Applying ASC 606	As Reported
Liabilities:			
Deferred revenue	$ (7,500)	$ (4,000)	$ (11,500)
Stockholders' Equity:			
Retained earnings	$ 457,845	$ (4,000)	$ 453,845

The Company also determined that ASC 606 requires a gross presentation on the statement of income for franchisee contributions received and related expenses for advertising. While this change materially impacted the gross amount of reported franchise revenue and expenses, the impact is an offsetting increase to both revenues and expense such that the impact on net income is not material.

Note A
Summary of Significant Accounting Policies (Continued)

The following are the line items from the statement of income and statement of cash flows for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying ASC 606, and the amounts reported under ASC 606:

	Amounts That Would Have Been Reported Under ASC 605	Effects Applying ASC 606	As Reported
Operations:			
Revenues	$ 1,427,253	$ 331,451	$ 1,758,704
Advertising fund expenses	-	335,451	335,451
Net income	1,152,525	(4,000)	1,148,525
Cash Flows:			
Net income	$ 1,152,525	$ (4,000)	$ 1,148,525
Deferred revenue	(4,500)	(4,000)	(500)

Leases:

The new lease standard requires leases to be accounted for using a right-of-use model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. The lessee recognizes a corresponding right-of-use asset related to this right.

Note B
Contribution of Cellairis SNS, LLC

On April 22, 2020 and effective April 30, 2020, the Company entered into a Bill of Sale and Assignment and Assumption Agreement with Cellairis SNS, LLC ("SNS"), an affiliate company through common ownership. On the effective date, SNS assigned substantially all assets and liabilities to the Company for no consideration.

The transaction is considered a transfer of assets between entities under common control, and has been accounted for as such, which requires, among other things, that net assets (liabilities) assumed are recognized at their carrying amounts at the date of transfer.

Note B
Contribution of Cellairis SNS, LLC (Continued)

The following table presents net assets assumed:

	2020
Cash	$ 43
Advertising fund restricted assets	2,206
Total assets transfered	2,249
Less:	
Accrued expenses	5,372
Deferred revenue	(23,500)
Advertising fund liability	(64,966)
Customer deposits	(60,384)
Total liabilities assumed	(143,478)
Net assets (liabilities) assumed	$ (141,229)

The financial statements include the operating results of SNS from the date of transfer.

Note C
Advertising Fund

The components of the advertising fund restricted assets and advertising fund liabilities are as follows as of December 31:

	2020	2019
Accounts receivable	$ 55,758	$ 145,592
Total advertising fund restricted assets	$ 55,758	$ 145,592
Accounts payable and accrued liabilities	$ 55,762	$ 18,284
Deferred revenue	-	125,829
Total advertising fund liabilities	$ 55,762	$ 144,113

Note D
Long-Term Debt

Term Loans:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "Act") was enacted. The Act provides relief resources to small businesses via U.S. Small Business Administration loans. In June 2020, the Company obtained two Economic Injury Disaster Loans ("EIDLs"). The EIDLs are payable monthly consisting of principal and interest, as defined. Payments will begin twelve months from the date of the promissory note. The EIDLs are secured by substantially all assets of the Company and consist of the following:

Loan Date	Principal	Maturity Date	Interest Rate	Balance as of December 31, 2020
June 2020	$ 150,000	June 18, 2050	3.75%	$ 153,039
July 2020	150,000	July 20, 2050	3.75%	152,543

For the year ended December 31, 2020, the Company accrued total interest of $5,582 into the principal loan balances.

Business Loan:

On March 26, 2020, the Company entered into a $135,000 business loan with a lender. The loan requires payments of $583, including implied interest of approximately 13%, due every business day until maturity on March 25, 2021. The business loan is secured by substantially all assets of the Company.

Aggregate future principal payments are as follows at December 31, 2020:

Year Ending December 31	Amount
2021	$ 41,944
2022	17,544
2023	8,667
2024	6,608
2025	6,861
Thereafter	256,399
	$ 338,023

Note E
Commitments and Contingencies

Operating Leases:

The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in a noncancellable operating lease for office space beginning in 2019. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a Right-of-Use ("RoU") asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if it is readily determinable, or otherwise the Company uses its incremental borrowing rate. The implicit rates of the Company's leases are not readily determinable and accordingly, the Company used its incremental borrowing rate based on the information available at the commencement date for all leases of 5.75%. The Company’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The RoU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability, plus summarized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the summarized balance of lease incentives received, and any impairment recognized. In April 2020, the Company received rent abatement which is accounted for as a lease modification, and the Company recalculated the RoU and lease liability as of the effective date of the modification. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The components of lease cost for the year ended December 31, are as follows:

	2020	2019
Operating lease cost	$ 382,502	$ 194,205

Amounts reported in the balance sheet as of December 31, were as follows:

Operating leases:	2020	2019
Right-of-use asset	$ 2,565,830	$ 2,827,785
Lease liability	2,760,230	2,838,483

Note E
Commitments and Contingencies (Continued)

Other information related to leases as of December 31, was as follows:

Supplemental cash flow information:	2020	2019
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flow from operating leases	$ 198,799	$ 183,507
RoU Assets obtained in exchange for lease obligations:		
Operating leases	-	2,939,561
Reductions to RoU assets resulting from reductions to lease obligations:		
Operating leases	$ 261,955	$ 111,776
Weighted average remaining lease term:		
Operating leases	8.50 years	9.50 years

Amounts disclosed for RoU assets obtained in exchange for lease obligations and reductions to RoU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of RoU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2020, are as follows:

Year Ending December 31	Amount
2021	$ 434,556
2022	408,926
2023	416,340
2024	385,659
2025	393,373
Thereafter	1,438,747
	3,477,601
Less: imputed interest	(717,371)
	$ 2,760,230

The Company subleases its office space to an affiliate lessee expiring on June 2029. The sublease income exceeds the lease cost for the term of the sublease. Therefore, there is no impairment relating to the RoU asset. Under FASB ASC 842, lessor accounting for operating leases remains the same.

Note E
Commitments and Contingencies (Continued)

The Company recognizes income on a straight-line method over the life of the sublease and has recognized unbilled rent receivable. The Company had approximately $253,000 and $14,000 unbilled rent receivable as of December 31, 2020 and 2019, respectively.

Future minimum lease payments to be received from affiliate lessee under the noncancelable operating leases are as follows:

Year Ending December 31	2020
2021	$ 480,000
2022	523,043
2023	532,739
2024	532,739
2025	514,474
Thereafter	2,019,512
	$ 4,602,507

For the years ended December 31, 2020 and 2019, the Company recognized rent income, inclusive of common area maintenance fees, totaling approximately $499,000 and $254,000, respectively.

COVID-19:

The Company’s ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption to which these events effect the Company’s business will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Note F
Franchise Agreements

At December 31, 2020, there were 142 franchised locations in operation. During the year ended December 31, 2020, 10 units were opened, 25 units were terminated, 35 units were not renewed at the end of the franchisee's term, and 19 units ceased operations for other reasons. On April 30, 2020, 71 units were transferred to the Company from SNS. See additional information at Note B.

At December 31, 2020, there were no units in operation, which were owned by Company’s affiliates.

At December 31, 2019, there were 140 franchised locations in operation. During the year ended December 31, 2019, 4 units were opened, 2 units were terminated, 10 units were not renewed at the end of the franchisee's term, and 21 units ceased operations for other reasons.

At December 31, 2019, there were no units in operation, which were owned by Company’s affiliates. During the year ended December 31, 2019, 4 units were sold to franchisees.

Note G
Related Party Transactions

Royalty Revenue:

During the years ended December 31, 2020 and 2019, the Company recognized royalty revenue from franchisees operated by related parties of $89,200 and $83,745, respectively. The balance due to the Company from the related parties at December 31, 2020 and 2019, was $12,368 and $28,605, respectively, which is included in the accounts receivable balance on the accompanying balance sheets.

Advertising Fund:

Franchisees operated by related parties make contributions to the advertising fund managed by the Company. The balance due to the Company from the related parties for the advertising fund at December 31, 2020 and 2019, was $0 and $1,378, respectively, which is included in the advertising fund restricted assets balance on the accompanying balance sheets.

Rental Income:

In July 2019, the Company entered into a sublease agreement for office space with GCI. Term of lease commenced on July 1, 2019 and expires on June 30, 2029. During the years ended December 31, 2020 and 2019, the Company recognized rental income of $498,590 and $253,991, respectively.

Management Fee Expense:

Effective January 1, 2012, the Company entered into a shared services agreement with Global Cellular, Inc. ("GCI"), an affiliate company through common stockholders. Under the shared services agreement, the Company utilizes centralized services of GCI, including (i) information technology assets and related operations and (ii) general administrative and corporate level services, and related assets, in each case that are owned and operated by GCI or any of its direct or indirect subsidiaries and affiliates and which will be used to provide services with respect to business conducted by the Company. The shared services fee is based upon a percentage of the Company's revenue. The Company incurred $112,852 and $142,186 for such services during the years ended December 31, 2020 and 2019, respectively

Franchise System License Agreement Fee Revenue:

The Company entered into a system license agreement with Cellairis Franchise International, Inc. ("CFII"); Cellairis Franchise Canada, Inc. ("CFC"); and Cellairis SNS, LLC ("SNS"), affiliate companies through common ownership. Under the franchise system license agreement, the Company grants to CFII, CFC, and SNS (through the date of contribution) a non-exclusive right and franchise license to use a proprietary system, developed by the Company, in a defined territory. The Company reserves all rights in and to the system not licensed to the affiliates including, without limitation, the right to use the system itself or to authorize licensees, subsidiaries, and affiliated parties to use the system outside the defined territory. The license fee is based upon a percentage of franchise fees, royalties, commissions, and license fees collected by the affiliate companies. The Company recognized revenue of $16,831 and $44,203 for such services during the years ended December 31, 2020 and 2019, respectively.

Note Payable:

The assets of the Company were pledged as collateral for a bank note payable held by GCI. The note was scheduled to mature on December 4, 2028. The note was paid off in full in June 2019.

Note G
Related Party Transactions (Continued)

Guarantor:

The Company is a guarantor of term loans entered into by Skouras and Brown Global Realty, LLC ("SBGR"); Global Cellular, Inc. ("GCI); and Brown and Skouras Realty, LLC ("BSR"), affiliate companies through common stockholders.

SBGR entered into a term loan with a bank. The loan was secured by an assignment of leases, rents, and a building, and the Company was one of the guarantors of the loan. The loan was scheduled to mature January 2, 2023. The loan was paid off in full in June 2019.

SBGR entered into a term loan with a bank in June 2019. The loan is secured by an assignment of leases, rents, and a building, and the Company is one of the guarantors of the loan. The loan is scheduled to mature June 2044. The outstanding balance of the loan was $1,184,624 and $1,205,625 at December 31, 2020 and 2019, respectively.

BSR entered into a term loan with a bank. The loan was secured by an assignment of leases, rents, and a building, and the Company was one of the guarantors of the loan. The loan was scheduled to mature on December 4, 2028. The loan was paid off in full in June 2019.

GCI entered into a term loan with a bank. The Company, GCI's stockholders, and other affiliated companies were obligors, with their assets pledged as collateral, for borrowings associated with the loan. The loan was scheduled to mature on February 28, 2019. GCI paid off the loan in full in June 2019.

GCI entered into a term loan with a bank in June 2019. The Company, GCI's stockholders, and other affiliated companies are obligors, with their assets pledged as collateral, for borrowings associated with the loan. The loan is scheduled to mature June 2029. The outstanding balance of the loan was $2,105,614 and $2,289,409 at December 31, 2020 and 2019, respectively.

Note H
Subsequent Events

The Company evaluated subsequent events through April 14, 2021, when these financial statements were available to be issued. Other than the item noted below, management is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on the financial statements.

Effective January 1, 2021, the Company entered into an amendment to the operating lease agreement for its office space which stated rent payments would decrease by $10,000 per month for the period of January 1, 2021 to June 30, 2021 and increase by $1,007 per month for January 1, 2022, through the remainder of the lease term.

Effective January 1, 2021, the Company entered into an amendment to the sublease agreement which stated rent payments due would decrease by $10,000 per month for the period of January 1, 2021 to June 30, 2021 and increase by $1,007 per month for January 1, 2022, through the remainder of the sublease term.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM

Aprio, LLP consents to the use in the Franchise Disclosure Document issued by Cellairis Franchise, Inc. (the "Franchisor") on April 27, 2020 as it may be amended, of our report dated April 27, 2020, relating to the financial statements of Franchisor for the year ending December 31, 2019.

Aprio, LLP

Aprio, LLP
Atlanta, Georgia
April 27, 2020

CELLAIRIS FRANCHISE, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

CELLAIRIS FRANCHISE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Cellairis Franchise, Inc.

We have audited the accompanying financial statements of Cellairis Franchise, Inc. (an S corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cellairis Franchise, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A and Note C to the financial statements, Cellairis Franchise, Inc. adopted the requirements of "*Revenue from Contracts with Customers*" ("ASC 606") in 2019 and has elected to early adopt FASB ASC 842, "Accounting for Leases" ("ASC 842") as of January 1, 2019. Our opinion is not modified with respect to these matters.

Aprio, LLP

Atlanta, Georgia

April 27, 2020

CELLAIRIS FRANCHISE, INC.
BALANCE SHEETS
DECEMBER 31,

ASSETS

	2019	2018
Current assets		
Cash	$ 265,880	$ 331,926
Restricted cash	-	20,071
Accounts receivable, net	203,974	224,547
Note receivable - current	3,894	4,705
Advertising fund restricted assets	145,592	336,523
Right of use asset - current portion	232,460	-
Unbilled rent receivable	13,991	-
Other current assets	-	7,091
Total current assets	865,791	924,863
Other assets		
Note receivable, net of current portion	8,295	10,795
Security deposits	30,584	-
Right of use asset - non-current portion	2,595,325	-
Total assets	$ 3,499,995	$ 935,658

LIABILITIES AND STOCKHOLDERS' EQUITY

	2019	2018
Current liabilities		
Accounts payable and accrued liabilities	$ 7,054	$ 8,875
Advertising fund liabilities	144,113	357,723
Deferred revenue	11,500	12,000
Lease liability - current portion	211,064	-
Total current liabilities	373,731	378,598
Long-term liabilities		
Lease liability - non-current portion	2,627,419	-
Stockholders' equity		
Common stock, $1 par value, 100,000 shares authorized; 45,000 shares issued and outstanding at December 31, 2019 and 2018	45,000	45,000
Retained earnings	453,845	512,060
Stockholders' equity	498,845	557,060
Total liabilities and stockholders' equity	$ 3,499,995	$ 935,658

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018
Revenue		
Royalties	$ 1,365,550	$ 2,064,754
Franchise fees	13,500	135,500
Franchise system license agreement fees	44,203	35,948
Gain on sale of franchises	-	630,000
Advertising fund income	335,451	-
	1,758,704	2,866,202
Operating expenses		
General and administrative	501,482	899,428
Professional fees	28,721	51,868
Advertising fund expenses	335,451	-
	865,654	951,296
Other income (expense)		
Interest income	1,484	-
Rental income	253,991	-
Total other income	255,475	-
Net income	$ 1,148,525	$ 1,914,906

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Common Stock		Retained	
	Shares	Amount	Earnings	Total
Balance at January 1, 2018	45,000	$ 45,000	$ 705,418	$ 750,418
Distributions	-	-	(2,108,264)	(2,108,264)
Net income	-	-	1,914,906	1,914,906
Balance at December 31, 2018	45,000	45,000	512,060	557,060
Distributions	-	-	(1,206,740)	(1,206,740)
Net income	-	-	1,148,525	1,148,525
Balance at December 31, 2019	45,000	$ 45,000	$ 453,845	$ 498,845

See auditors' report and accompanying notes to financial statements

CELLAIRIS FRANCHISE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

Increase (Decrease) In Cash

	2019	2018
Cash flows from operating activities		
Net income	$ 1,148,525	$ 1,914,906
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in allowance for doubtful accounts	(3,936)	(55,064)
Change in operating assets and liabilities:		
Accounts receivable	24,509	287,629
Note receivable	3,311	-
Right of use asset	(2,827,785)	-
Advertising fund restricted assets	190,931	53,079
Unbilled rent receivable	(13,991)	-
Other current assets	7,091	(7,091)
Security deposits	(30,584)	-
Lease liability	2,838,483	-
Accounts payable and accrued liabilities	(1,821)	(7,438)
Advertising fund liabilities	(213,610)	(222,291)
Deferred revenue	(500)	2,000
Customer deposits	-	(8,500)
Total adjustments	(27,902)	42,324
Cash provided by operating activities	1,120,623	1,957,230
Cash flows from financing activities		
Distributions to stockholders	(1,206,740)	(2,108,264)
Cash used by financing activities	(1,206,740)	(2,108,264)
Net decrease in cash and restricted cash	(86,117)	(151,034)
Cash and restricted cash, beginning of the year	351,997	503,031
Cash and restricted cash, end of year	$ 265,880	$ 351,997

	2019	2018
Reconciliation of cash and restricted cash:		
Cash	$ 265,880	$ 331,926
Restricted cash	-	20,071
Total cash, and restricted cash shown in the statement of cash flows	$ 265,880	$ 351,997

See auditors' report and accompanying notes to financial statements

Note A
Summary of Significant Accounting Policies

Nature of Operations:

Cellairis Franchise, Inc. (the "Company"), an S Corporation, was incorporated on August 9, 2005. The Company is engaged in offering and selling franchises throughout the United States for the operation of individual franchise retail locations offering an assortment of accessories and cases for wireless devices as well as repairing wireless devices. The majority of the Company's franchisees operate mall kiosk locations.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates are used for, but not limited to, the allowance for doubtful accounts, allowance for notes receivable, accrued liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Company maintains cash balances at a financial institution that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risks on cash.

Accounts Receivable:

Accounts receivable consist of amounts due from franchisees related to royalties and franchise related fees at December 31, 2019 and 2018. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. The Company determines if receivables are past due based on days outstanding, and amounts are written off when determined to be uncollectible by management. The maximum accounting loss from the credit risk associated with accounts receivable is the amount of the receivable recorded, which is the face amount of the receivable, net of the allowance for doubtful accounts. As of December 31, 2019 and 2018, the allowance for doubtful accounts was $1,000 and $4,936, respectively.

Revenue Recognition:

The Company sells franchises that grant the right to operate individual franchise retail locations offering wireless repair services, as well as an assortment of accessories and cases for wireless devices, throughout the United States. The franchise agreements typically require the franchisee to pay an initial fee and continuing fees for royalties and advertising. Franchise fee revenues from an individual franchise sale or transfer are recognized over the franchise agreement term on a straight line basis.

Royalties and advertising fees are earned on sales by franchisees and are recognized as revenue in the month the underlying sales occur. These fees are generally calculated as the greater of a flat rate or a percentage of sales by franchisees.

Note A
Summary of Significant Accounting Policies (Continued)

Franchise system license agreement fees as described in Note E are recognized as revenue in the month the underlying transactions occur.

Below is a breakdown of the Company's revenues as of December 31, 2019:

	Revenue Recognition	Amount
Royalties	Point in Time	$ 1,364,550
Advertising Fees	Point in Time	335,451
License Fees	Point in Time	45,203
Franchise Fees	Over time	13,500
		$ 1,758,704

Income Taxes:

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code and similar state statutes to be an S corporation. In lieu of federal corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision for income taxes has been included in the financial statements. In addition, management has assessed tax positions of the Company and determined that there is a less than 51% likelihood that a tax position will not be sustained in an examination by the applicable taxing authority resulting in a tax liability to the Company.

The Company is no longer subject to federal income tax examinations for calendar years prior to 2016.

Advertising:

Franchisees make contributions of up to 3% of gross sales to the advertising fund managed by the Company. The advertising fund is intended to maximize and support general public recognition, brand identity, and patronage of Cellairis franchised locations for the benefit of all franchisees. The contributions to the advertising fund may be used to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs, and public relations activities including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Cellairis or its affiliates who offer Cellairis franchises and/or its and their franchisees, implementing any advertising within any social media platform for Cellairis or its affiliates who offer Cellairis franchises and/or its and their franchisees, surveys of advertising effectiveness and other media programs and activities, establishing and administering gift-card programs, customer loyalty programs, employing advertising agencies to assist therewith, purchasing naming rights and sponsorships for public venues, events, and other sponsorship uses to promote the “Cellairis” brand name, and providing promotional brochures, decals, and other marketing materials. Advertising costs are expensed in the period incurred.

Advertising contributions and related expenses associated with the advertising fund totaled approximately $335,000 and $988,000 for the years ended December 31, 2019 and 2018, respectively.

Note A
Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments:

The Company’s financial instruments, including cash, accounts receivable, advertising fund restricted assets and liabilities, notes receivable, other assets and accrued liabilities, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Note Receivable:

Note receivable arise from financing fees and royalties. During the year ended December 31, 2017, the Company issued a note receivable for financing of royalties due from a franchisee.The interest rate on the note is 5%, and the term is 72 months. The note receivable is collateralized by the fixtures and inventory at the franchisee's locations. The maximum accounting loss from the risk of non-payment associated with notes receivable is the amount of the receivable recorded, net of the allowance for doubtful notes. As of December 31, 2019 and 2018, there was no allowance for doubtful notes. The recorded amount represents the Company's best estimate of future collections.

Future minimum payments due under the note receivable are as follows:

Year Ending December 31	Amount
2020	$ 3,894
2021	2,628
2022	2,762
2023	2,905
Total	$ 12,189

Recent Accounting Pronouncements:

The Financial Accounting Standards Board ("FASB") issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification ("ASC"). ASC 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, the new Topic 606 and Subtopic 340-40 are referred to as the “New Guidance.”

The Company adopted the requirements of ASC 606 as of January 1, 2019, utilizing the modified retrospective method of transition. The Company applied ASC 606 using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of ASC 606 resulted in changes to the Company's accounting policies for revenue recognition.

Note A
Summary of Significant Accounting Policies (Continued)

The modified retrospective method of transition requires the Company to disclose the effect of applying ASC 606 on each item included on the 2019 financial statements. Following are the line items from the Company's balance sheet as of December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying ASC 606, and the balances reported under ASC 606:

	Amounts That Would Have Been Reported Under ASC 605	Effects Applying ASC 606	As Reported
Liabilities:			
Deferred revenue	$ (7,500)	$ (4,000)	$ (11,500)
Stockholders' Equity:			
Retained earnings	$ 457,845	$ (4,000)	$ 453,845

The Company has also determined that ASC 606 requires a gross presentation on the statement of income for franchisee contributions received and related expenses for advertising. While this change materially impacted the gross amount of reported franchise revenue and expenses, the impact is an offsetting increase to both revenues and expense such that the impact on net income is not material.

The following are the line items from the statement of income and statement of cash flows for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying ASC 606, and the amounts reported under ASC 606:

	Amounts That Would Have Been Reported Under ASC 605	Effects Applying ASC 606	As Reported
Operations:			
Revenues	$ 1,427,253	$ 331,451	$ 1,758,704
Advertising fund expenses	-	335,451	335,451
Net income	1,152,525	(4,000)	1,148,525
Cash Flows:			
Net income	$ 1,152,525	$ (4,000)	$ 1,148,525
Deferred revenue	(4,500)	(4,000)	(500)

Note A
Summary of Significant Accounting Policies (Continued)

Leases:

The new lease standard requires leases to be accounted for using a right-of-use model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. The lessee recognizes a corresponding right-of-use asset related to this right.

Note B
Advertising Fund

The components of the advertising fund restricted assets and advertising fund liabilities are as follows as of December 31:

	Amount	
	2019	2018
Restricted cash	$ -	$ 20,071
Accounts receivable	145,592	336,523
Total advertising fund restricted assets	$ 145,592	$ 356,594
Accounts payable and accrued liabilities	$ 18,284	$ 208,320
Deferred revenue	125,829	149,403
Total advertising fund liabilities	$ 144,113	$ 357,723

Note C
Commitments and Contingencies

Operating Leases:

The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in a noncancellable operating lease for office space beginning in 2019. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a Right-of-Use ("RoU") asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if it is readily determinable, or otherwise the Company uses its incremental borrowing rate. The implicit rates of the Company's leases are not readily determinable and accordingly, the Company used its incremental borrowing rate based on the information available at the commencement date for all leases of 5.75%. The Company’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The RoU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Note C
Commitments and Contingencies (Continued)

The components of lease cost for the year ended December 31, 2019, are as follows:

	Amount
Operating lease cost	$ 194,205

Amounts reported in the balance sheet as of December 31, 2019, were as follows:

Operating leases:	Amount
Right-of-use asset	$ 2,827,785
Lease liability	2,838,483

Other information related to leases as of December 31, 2019, was as follows:

Supplemental cash flow information:	Amount
Cash paid for amounts included in the measurement of lease liability:	
Operating cash flow from operating leases	$ 183,507
RoU Assets obtained in exchange for lease obligations:	
Operating leases	2,939,561
Reductions to RoU assets resulting from reductions to lease obligations:	
Operating leases	$ 111,776
Weighted average remaining lease term:	
Operating leases	9.50 years

Amounts disclosed for RoU asset obtained in exchange for lease obligations and reductions to RoU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of RoU assets resulting from new leases, lease modifications or reassessments.

Note C
Commitments and Contingencies (Continued)

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2019, are as follows:

Year Ending December 31	Amount
2020	$ 367,014
2021	367,014
2022	370,684
2023	378,097
2024	385,659
Thereafter	1,832,119
	3,700,587
Less: imputed interest	(862,104)
	$ 2,838,483

The Company subleases its office space to an affiliate lessee expiring on June 2029. The sublease income exceeds the lease cost for the term of the sublease. Therefore, there is no impairment relating to the RoU asset. Under FASB ASC 842, lessor accounting for operating leases remains the same.

The Company recognizes income on a straight-line method over the life of the sublease and has recognized unbilled rent receivable. The Company had approximately $14,000 unbilled rent receivable as of December 31, 2019.

Future minimum lease payments to be received from affiliate lessee under the noncancelable operating leases are as follows:

Year Ending December 31	Amount
2020	$ 480,000
2021	480,000
2022	484,800
2023	494,496
2024	504,386
Thereafter	2,396,143
	$ 4,839,825

For the year ended December 31, 2019, the Company recognized rent income, inclusive of common area maintenance fees, totaling approximately $254,000.

Note D
Franchise Agreements

At December 31, 2019, there were 140 franchised locations in operation. During the year ended December 31, 2019, 4 units were opened, 2 units were terminated, 10 units were not renewed at the end of the franchisee's term, and 21 units ceased operations for other reasons.

At December 31, 2019, there were no units in operation, which were owned by Company's affiliates. During the year ended December 31, 2019, 4 units were sold to franchisees.

At December 31, 2018, there were 169 franchised locations in operation. During the year ended December 31, 2018, 6 units were opened, 2 units were terminated, 18 units were not renewed at the end of the franchisee's term, 3 units were reacquired by Company's affiliates, and 152 units ceased operations for other reasons.

At December 31, 2018, there were 4 units in operation, which were owned by Company's affiliates. During the year ended December 31, 2018, 3 units were reacquired by Company's affiliates, 2 were closed, and 1 unit was sold to a franchisee.

Note E
Related Party Transactions

Royalty Revenue:

During the years ended December 31, 2019 and 2018, the Company recognized royalty revenue from franchisees operated by related parties of $83,745 and $128,791, respectively. The balance due to the Company from the related parties at December 31, 2019 and 2018, was $28,605 and $96,585, respectively, which is included in the accounts receivable balance on the accompanying balance sheets.

Advertising Fund:

Franchisees operated by related parties make contributions to the advertising fund managed by the Company. The balance due to the Company from the related parties for the advertising fund at December 31, 2019 and 2018, was $1,378 and $158,417, respectively, which is included in the advertising fund restricted assets balance on the accompanying balance sheets.

Rental Income:

In July 2019, the Company entered into a sublease agreement for office space with GCI. Term of lease commenced on July 1, 2019 and expires on June 30, 2029. During the year ended December 31, 2019, the Company recognized rental income of $253,991.

Note E
Related Party Transactions (Continued)

Management Fee Expense

Effective January 1, 2012, the Company entered into a shared services agreement with Global Cellular, Inc. ("GCI"), an affiliate company through common stockholders. Under the shared services agreement, the Company utilizes centralized services of GCI, including (i) information technology assets and related operations and (ii) general administrative and corporate level services, and related assets, in each case that are owned and operated by GCI or any of its direct or indirect subsidiaries and affiliates and which will be used to provide services with respect to business conducted by the Company. The shared services fee is based upon a percentage of the Company's revenue. The Company incurred $142,186 and $660,076 for such services during the years ended December 31, 2019 and 2018, respectively

Franchise System License Agreement Fee Revenue:

The Company entered into a system license agreement with Cellairis Franchise International, Inc. ("CFII"); Cellairis Franchise Canada, Inc. ("CFC"); and Cellairis SNS, LLC ("SNS"), affiliate companies through common ownership. Under the franchise system license agreement, the Company grants to CFII, CFC, and SNS a non-exclusive right and franchise license to use a proprietary system, developed by the Company, in a defined territory. The Company reserves all rights in and to the system not licensed to the affiliates including, without limitation, the right to use the system itself or to authorize licensees, subsidiaries, and affiliated parties to use the system outside the defined territory. The license fee is based upon a percentage of franchise fees, royalties, commissions, and license fees collected by the affiliate companies. The Company recognized revenue of $44,203 and $35,948 for such services during the years ended December 31, 2019 and 2018, respectively.

Gain on Sale of Franchises:

During 2018, GCI sold 63 franchise locations to unrelated entities. The Company was allocated a transfer fee of $10,000 per location for a total of $630,000. These fees are included in Gain on Sale of Franchises in the accompanying statement of income.

Promissory Note:

GCI had an outstanding promissory note with a bank that was established in 2013. The outstanding balance of this promissory note was $765,321 at December 31, 2015. The assets of the Company were pledged as collateral for the promissory note. The note was paid off during 2016.

Note Payable:

The assets of the Company were pledged as collateral for a bank note payable held by GCI. The note was scheduled to mature on December 4, 2028. The note was paid off in full in June 2019. The outstanding balance of the note was $411,875 at December 31, 2018.

Guarantor:

The Company is a guarantor of term loans entered into by Skouras and Brown Global Realty, LLC ("SBGR"); Global Cellular, Inc. ("GCI); and Brown and Skouras Realty, LLC ("BSR"), affiliate companies through common stockholders.

Note E
Related Party Transactions (Continued)

SBGR entered into a term loan with a bank. The loan was secured by an assignment of leases, rents, and a building, and the Company was one of the guarantors of the loan. The loan was scheduled to mature January 2, 2023. The loan was paid off in full in June 2019. The outstanding balance of the loan was $1,158,288 at December 31, 2018.

SBGR entered into a term loan with a bank in June 2019. The loan is secured by an assignment of leases, rents, and a building, and the Company is one of the guarantors of the loan. The loan is scheduled to mature June 2044. The outstanding balance of the loan was $1,205,625 at December 31, 2019.

BSR entered into a term loan with a bank. The loan was secured by an assignment of leases, rents, and a building, and the Company was one of the guarantors of the loan. The loan was scheduled to mature on December 4, 2028. The loan was paid off in full in June 2019. The outstanding balance of the loan was $904,739 at December 31, 2018.

GCI entered into a term loan with a bank. The Company, GCI's stockholders, and other affiliated companies were obligors, with their assets pledged as collateral, for borrowings associated with the loan. The loan was scheduled to mature on February 28, 2019. GCI paid off the loan in full in June 2019. The outstanding balance of the loan was $1,456,903 at December 31, 2018.

GCI entered into a term loan with a bank in June 2019. The Company, GCI's stockholders, and other affiliated companies are obligors, with their assets pledged as collateral, for borrowings associated with the loan. The loan is scheduled to mature June 2029. The outstanding balance of the loan was $2,289,409 at December 31, 2019.

Note F
Reclassification

Certain items in the 2018 financial statement presentation have been reclassified to conform to the 2019 presentation. Such reclassifications have no effect on previously reported net income.

Note G
Subsequent Events

The Company evaluated subsequent events through April 27, 2020, when these financial statements were available to be issued. Other than the items noted below, management is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on the financial statements.

On March 26, 2020, the Company entered into a $135,000 business loan with a bank. The loan requires payments of $583, including implied interest of approximately 13%, due every business day until maturity on March 25, 2021. The business loan is secured by substantially all assets of the Company.

Note G
Subsequent Events (Continued)

On April 22, 2020 and effective April 30, 2020, the Company entered into a Bill of Sale and Assignment and Assumption Agreement with Cellairis SNS, LLC (SNS), an affiliate company through common ownership. On the effective date, SNS will assign substantially all assets and liabilities to the Company for no consideration. SNS liabilities assumed by the Company primarily relate to Advertising Fund Liabilities and Deferred Revenue.

The Company's ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption within the franchisees' business will impact revenue and future cash collections. The extent to which these events effect the Company's business will depend on future developments, which are highly uncertain and cannot be predicted at this time. As of April 27, 2020, most franchise locations were closed to the public due to health concerns related to COVID-19. Management believes most of the franchise locations will reopen once it is determined appropriate.

EXHIBIT "H~~J~~"

GENERAL RELEASE

RELEASE

This RELEASE ("**Agreement**") is made this _____ day of _____, 20__ ("**Effective Date**") by and between Cellairis Franchise, Inc. ("**Company**") and __________________ ("**Franchisee**").

WHEREAS, a contract was entered into between the parties for the purchase of a Cellairis franchise on ______ day of _________, 20__; and

WHEREAS, consideration for Franchisee to enter into this Agreement, Company will either agree to allow the current Franchisee to enter into a successor franchise agreement, or allow Franchisee to transfer his/her/their/its franchise to another entity or individual(s); and

WHEREAS, the parties desire to resolve and settle in full all claims that they had, have or may have against one another arising out of or connected with their prior business relationship; and

NOW, THEREFORE, with the intent to be bound legally hereby, and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. General Release.

(a) Franchisee for itself, its personal representatives, past and present parent entities, subsidiaries, divisions, affiliated entities, partners, shareholders, members, directors, officers, successors and assigns ("**Franchisee Releasing Parties**") unconditionally and irrevocably release and discharge Company, Global Cellular, Inc., Cellairis WM, LLC, and their past and present parent entities, subsidiaries, divisions, affiliated entities, successors and assigns, owners, directors, officers, agents and attorneys ("**Company Released Parties**") from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any kind whatsoever (based upon any legal or equitable theory, whether contractual, common law, statutory, federal, state, local or otherwise) (collectively "**Claims**"), whether known or unknown, suspected or unsuspected, which Franchisee Releasing Parties ever had, now have or may have against Company Released Parties including but not limited to Claims arising out of or in any way connected to or involved with or under the business relationship between the parties, any franchise agreement executed between Franchisee and Company, any sublease or Sub-License Agreement executed between Franchisee and Global Cellular, Inc. or Cellairis WM, LLC, and any purchase of product, fixtures, rent payments, license fee or other items purchased or paid for by Franchisee from Company, Global Cellular, Inc. or any of the Company Released Parties. Franchisee Parties represent and warrant that they have not assigned, sold, or otherwise conveyed any such Claims as described without limitation in this Paragraph.

(b) The parties represent and warrant that they have not assigned, sold, or otherwise conveyed any such claims as described without limitation in this paragraph 1.

(c) For citizens of the State of California only, the following shall be included: Except as set forth herein, Franchisee Releasing Parties expressly relieve~~s~~ and relinquish~~es~~ all rights and benefits afforded by Section 1542 of the Civil Code of the State of California ("Section 1542"), and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542. Section 1542 states as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH EITHER PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AS OF THE DATE OF EXECUTION OF THIS AGREEMENT, WHICH IF KNOWN BY SUCH PARTY WOULD HAVE MATERIALLY AFFECTED THE TERMS OF THE AGREEMENT.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing the general release and discharges described in this Section 1, Franchisee Releasing Parties expressly acknowledge~~s~~ that this Agreement is intended to include in its effect without limitation, all claims described in this paragraph which Franchisee Releasing Parties do~~es~~ not know or suspect to exist in its favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

(d) For citizens of the State of Maryland only, the following shall be added to the end of the first sentence of Sub-Section 1.(a): "excluding only such Claims arising under the Maryland Franchise Registration and Disclosure Law."

(e) For citizens of the State of Minnesota only, the following shall be added to the end of the first sentence of Sub-Section 1.(a): "excluding only such claims arising under the Minnesota Franchises Law."

(f) For citizens of the State of Washington only, the following shall be added to the end of the first sentence of Sub-Section 1.(a): "excluding only such claims arising under the Washington Franchise Investment Protection Act."

2. No Admission. The making of this Agreement is not intended, and shall not be construed, as an admission by any party of any violation of any federal, state or local law, ordinance or regulation, any breach of contract, or of any wrong whatsoever, the same being expressly denied by all parties hereto.

3. Review by Counsel. The parties hereto represent and warrant that they have carefully read this Agreement in its entirety; that they have had a reasonable opportunity to consider the terms and provisions of this Agreement; that they consulted with an attorney of their choosing in connection with this Agreement; that they fully understand all of the terms and conditions of this Agreement and their significance; that they voluntarily assent to all the terms and conditions contained herein; that they are signing this Agreement voluntarily and of their own force and will; and that they will abide by the provisions of this Agreement without exception.

4. Miscellaneous.

(a) If, at any time after the date of execution of this Agreement, any provision of it shall be held to be illegal, void, or unenforceable, such provision shall be of no force and effect. This Agreement is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve Company or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law.

(b) This Agreement constitutes the complete understanding between the parties and may not be changed orally. Franchisee acknowledges that neither Company nor any of its representatives has made any representations or promises to it other than as set forth herein. Company acknowledges that neither Franchisee nor any of its representatives has made any representations or promises to it other than as set forth herein. No other promises or agreements shall be binding unless in writing and signed by the parties.

(c) This Agreement may be executed in several counterparts, each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument.

(d) This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

(e) Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or construing this Agreement shall not apply a presumption that the provisions hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared this Agreement, it being agreed that all parties have participated in the preparation of all provisions of this Agreement.

(f) The parties agree to execute any additional documents reasonably requested by another party so as to effectuate the purposes and effects of this Agreement.

(g) The signatories to this Agreement represent and warrant that each signatory have the capacity and authority to execute and deliver this Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Agreement, and each and every other agreement, document and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

(h) ~~(h)~~ This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without giving effect to any choice of law rules which may direct the application of the laws of any other jurisdiction. The parties hereby acknowledge and agree that the Georgia State Courts for Fulton County, Georgia, or if such court lacks jurisdiction, the U.S. District for the Northern District of Georgia, shall be the sole and exclusive venue and sole and exclusive proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this Agreement and the parties further agree that, in the event of litigation arising out of or in connection with this Agreement in these courts, they will not contest or challenge the jurisdiction or venue of these courts. The parties expressly consent and submit to the jurisdiction and venue of these courts, and the parties waive any defenses of lack of personal jurisdiction, improper venue and *forum non conveniens*.

~~(h)~~(i) Company and Franchisee intend to have the option for either party or all parties, to enter into this Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. Company and Franchisee hereby agree that the electronic signature of Company and/or Franchisee to this Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Agreement and shall be effective to bind such party to this Agreement. Company and Franchisee agree that this Agreement, as signed by Company and Franchisee, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by Company and Franchisee to the same extent as if signed by Company and Franchisee with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between Company and Franchisee to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Company nor Franchisee shall contest the admissibility of true and accurate copies of this Agreement as signed by Company and Franchisee with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

ACKNOWLEDGED AND AGREED:	ACKNOWLEDGED AND AGREED:
COMPANY	**FRANCHISEE**
By: ________________________	By: ________________________
Title: _______________________	Title: _______________________

EXHIBIT "I~~K~~"

LIST OF FORMER FRANCHISEES

FORMER CELLAIRIS FRANCHISEES

(for fiscal year ending December 31, 2020~~19~~)

#	State	City	Location Name	Franchisee	Contact Name	Contact Number
1	AK	Anchorage	5th Avenue Mall	Seong H Lee Corporation	Seong Lee	907-250-7876
2	AL	Mobile	Bel Air Mall^	Raidant Cell LLC	Imtyaz Isani	404-429-0506
3	CA	Brea	Brea Mall	D&K Wireless, LLC	Ahmad Dara Mirarmandeh and Kasra Mahboobi	404-200-8576
4	CA	Fairfield	Solano Mall	ADS Wireless Corp	Muhammad Waheed Raza	707-416-5028
5	CA	Palmdale	Walmart Store #2950*	T-MMC LLC	Abdulla Aliyev	959-999-4444
6	CA	Pleasanton	Stoneridge Shopping Center	Cellia Mobile, LLC	Khalig Isgandarov	646-226-5339
7	CA	Santa Rosa	Santa Rosa Plaza	BD SMR, Inc.	Sazal Saha and Moshiur Rahman	631-248-1810
8	CA	West Covina	West Covina Mall	Myint, Inc.	Nyana Tun	310-467-9901
9	CO	Aurora	Walmart Store #1689*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
10	CO	Centennial	Walmart Store #3313*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
11	CO	Colorado Springs	Walmart Store #1434*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
12	CO	Denver	Walmart Store #3533*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
13	CO	Fort Collins	Walmart Store #2729*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
14	CO	Fountain	Walmart Store #1273*	JABSrepairs LLC	Shelly Martin	720-486-8033
15	CO	Littleton	Walmart Store #5049*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
16	CO	Loveland	Walmart Store #953*	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	Phillip Dean Ley Jr., Tarah Lynne Goldsmith, and Michael Chaz Allison	720-486-8033
17	CO	Pueblo	Walmart Store #842*	DNR Device Repair LLC	Donald Sullivan Jr.	719-582-0538
18	FL	Miami	Dadeland Mall	Rosario Baio	Rosario Baio	917-605-2006
19	FL	Miami	Miami International	Rosario Baio	Rosario Baio	917-605-2006
20	FL	Naples	Coastland Center	Sener Inc.	Dogan Can Sener	772-209-1822
21	FL	Ocoee	Walmart Store #942*	Rosario Baio	Rosario Baio	917-605-2006
22	FL	Pembroke Pines	Pembroke Lakes Mall	Trinacria Mobile, LLC	Vittoria Baio	845-453-4575
23	FL	Pembroke Pines	Pembroke Lakes Mall	Trinacria Mobile, LLC	Vittoria Baio	845-453-4575

#	State	City	Location Name	Franchisee	Contact Name	Contact Number
24	FL	Sunrise	Sawgrass Mills	Buckwild Wireless, Inc.	Steven Brown	954-822-1083
25	FL	Sunrise	Sawgrass Mills	Buckwild Wireless, Inc.	Steven Brown	954-257-6350
26	FL	Sunrise	Sawgrass Mills+	Buckwild Wireless, Inc.	Steven Brown	954-822-1083
27	FL	Tallahassee	Governor's Square	Uddin Family, LLC	Ala Uddin	614-687-0879
28	GA	Alpharetta	North Point Mall+	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256-468-6711
29	GA	Buford	Mall of Georgia	Mobeen Khan	Mobeen Khan	404-536-2027
30	GA	Buford	Mall of Georgia	Mobeen Khan	Mobeen Khan	404-536-2027
31	GA	Douglasville	Arbor Place	Spectrum Accessories, Inc.	Lance Jeffreys and James Griffin	256-468-6711
32	GA	Evans	Walmart Store #3570	Parklyn Investments, LLC	Jaime Gentile Burgbacher and Todd Eugene Burgbacher	941-932-0349
33	GA	Kennesaw	Town Center at Cobb	Kalpana Mobile, Inc.	Balaji Kalavapalli	404-358-1223
34	GA	Lawrenceville	Sugarloaf Mills	Mobeen Khan	Mobeen Khan	404-536-2027
35	IL	Chicago	Water Tower Place	Wireless Accessories, Inc.	Hussain Hassanali	773-715-5346
36	IN	Castleton	Castleton Square	Kanan Murad Abbasov	Kanan Murad Abbasov	818-397-6117
37	LA	Hanrahan	Walmart Store #1353*	Computer Worx 2 LLC	Charles Slack	504-884-3707
38	MA	Hyannis	Cape Cod Mall	Aze Wireless, LLC	Ali Alizada and Elnur Sadullayev	845-671-9007
39	MA	Natick	Natick Collection	Gulahmad Gulahmadzada	Gulahmad Gulahmadzada	774-319-7098
40	MA	Natick	Natick Collection	Gulahmad Gulahmadzada	Gulahmad Gulahmadzada	774-319-7098
41	MO	Springfield	Battlefield Mall	ATS Wireless LLC	Arif Tahirov	773-703-1438
42	MS	Corinth	Walmart Store #105*	GP Enterprises, LLC	Gerald Patterson	662-422-1170
43	MS	Olive Branch	Walmart Store #2846*	GP Enterprises, LLC	Gerald Patterson	662-422-1170
44	MS	Oxford	Walmart Store #699*	GP Enterprises, LLC	Gerald Patterson	662-422-1170
45	NC	Charlotte	Walmart Store #5063*	Elnur Sadullayev	Elnur Sadullayev	617-953-2584
46	NC	Durham	Streets at Southpoint	Gurban Adilov	Gurban Adilov	845-464-6229
47	NJ	Cherry Hill	Cherry Hill	SC Mobile, LLC	Bahadir Cetin	803-762-6058
48	NJ	Jersey City	Newport Center	United Golden Eagles, LLC	Kadir A. Akaydin	917-854-3336
49	NJ	Lawrence Township	Quaker Bridge Mall	Safe Mobile Accessories, LLC	Mohi Uddin	740-284-2897
50	NJ	Princeton	Walmart Store #2171*	Royal Eagle Project Management & Financial Services Corp	Isaac Inyang	848-228-0842
51	NJ	Rockaway	Rockaway Town Square	Elnur Sadullayev	Elnur Sadullayev	617-953-2584
52	NJ	Turnersville	Walmart Store #1742	BT USA Trading LLC	Tacettin Ozaydin	532-424-0839
53	NV	Las Vegas	Walmart Store #2593*	Jung (Eric) Seong	Jung (Eric) Seong	702-504-4757
54	NV	Las Vegas	Walmart Store #2838*	Jung (Eric) Seong	Jung (Eric) Seong	702-504-4757
55	NV	Las Vegas	Walmart Store #3473*	Winlock Wireless R&A LLC	Steve Arychuk	604-833-7380
56	NV	Las Vegas	Walmart Store #4356*	Jung (Eric) Seong	Jung (Eric) Seong	702-504-4757
57	NY	Columbus Circle	Columbus Circle+	Cellia Mobile, LLC	Khalig Isgandarov	646-226-5339

#	State	City	Location Name	Franchisee	Contact Name	Contact Number
58	NY	Dix Hills	Walt Whitman Mall	YNB LLC	Yusuf Basibuyuk	631-559-3469
59	OK	Tulsa	Woodland Hills Mall	Anatolia Vision LLC	Burak Tirpan and Onuralp Dursun	443-856-5974
60	OR	Portland	Clackamas Mall	Telly Mobile, LLC	Felipe Boitel	347-832-9450
61	PA	Philadelphia	Walmart Store #5130*	Sakir Sari	Sakir Sari	201-647-6604
62	RI	Providence	Providence Place Mall	Gulahmad Gulahmadzada	Gulahmad Gulahmadzada	774-319-7098
63	RI	Providence	Providence Place Mall	Gulahmad Gulahmadzada	Gulahmad Gulahmadzada	774-319-7098
64	TN	Johnson City	The Mall at Johnson City	Jking LLC	Kiberly Reedy and Joseph Reedy	423-721-5204
65	TN	Memphis	Wolfchase Galleria	Morgan and Lee Cell, Inc.	Chris Lee	901-428-8413
66	TN	Nashville	Opry Mills Mall	Elnur Sadullayev	Elnur Sadullayev	617-953-2584
67	TX	Georgetown	Walmart Store #1303*	CellMart Zone-Georgetown, Inc.	Kenan Okumus, Davud D. Koch, and Can Abiloglu	281-885-9876
68	TX	Grapevine	Grapevine Mills	New Jess, Inc.	Muhin Sohan	512-299-3066
69	TX	Houston	Houston Galleria	GNS Mobile LLC	Zeynel Abidin Gunes	551-225-9005
70	TX	Houston	Walmart Store #3297*^	DJ Cell LLC	Imtyaz Isani	404-429-0506
71	TX	Killeen	Walmart Store #6286*	CellMart Zone-Round Rock, Inc.	Kenan Okumus	281-885-9876
72	TX	Mcallen	La Plaza Mall	Wise Technology, LLC	Omer Bisen and Muhammed Kaya	737-808-6111
73	TX	Pearland	Walmart Store #3510*	Amin Lakhani	Amin Lakhani	817-264-2723
74	TX	San Antonio	Ingram Park	Cellaura Communications, Inc.	Rehan Mitha	903-330-3082
75	TX	San Antonio	Shops at La Cantera	AM CORP ATL LLC	Akash Patel	678-549-2000
76	TX	San Antonio	Shops at La Cantera+	AM CORP ATL LLC	Akash Patel	678-549-2000
77	UT	Orem	Walmart Store #1768*	Powered Pylons LLC	Chris Corbin	316-469-9343
78	VA	Mclean	Tyson's Corner	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222
79	VA	Mclean	Tyson's Corner	Wireless Bazaar LLC	Harmeet Taneja	240-491-2222
80	VA	Prince William	Potomac Mills	OZ Industries, Inc	Oz Aharon	347-251-3745
82	VA	Prince William	Potomac Mills	OZ Industries, Inc	Oz Aharon	347-251-3745
83	VA	Prince William	Potomac Mills	OZ Industries, Inc	Oz Aharon	347-251-3745
84	VA	Virginia Bch	Lynnhaven Mall	Cell Tech GreenBrier Inc.	Ebrahim Ahmadi	757-358-4942
85	VA	Virginia Bch	Lynnhaven Mall	Cell Tech GreenBrier Inc.	Ebrahim Ahmadi	757-358-4942

#	State	City	Location Name	Franchisee	Contact Name	Contact Number

EXHIBIT "J~~L~~"

CHASE PAYMENTECH MERCHANT APPLICATION AGREEMENT

CHASE Paymentech™

Merchant Application and Agreement

Please print clearly. If you make any corrections to your information in the Application, you MUST initial each change.

THIS SECTION IS FOR INTERNAL USE ONLY	*Rev. NAPSTAND 01/2015*
Application ID:	Sales Rep:
Rep Fax:	Rep Phone:

1. Merchant Business (Federal regulations require us to collect and retain information verifying a merchant's identity.)

A "Doing Business As" (DBA) Information

Merchant DBA Name			Date Business Started (MM/YYYY) /
Address (No PO Box or Paid Mail Box)			Telephone #
City	State	Zip Code	Fax #
Name of Primary Contact	Merchant DBA Email Address		

B Legal Information (If you are an Individual/Sole Proprietor, fill in this section with your personal information)

Merchant Legal Name	State of Formation	Federal Tax ID/EIN (sole prop use SSN)

Business Type

☐ Individual / Sole Proprietor ☐ Private Corporation ☐ Limited Liability Company ☐ Partnership ☐ Public Corporation

☐ Government Agency ☐ Non-Profit

Complete this section if different from DBA Information.

Address (No PO Box or Paid Mail Box)			Telephone #
City	State	Zip Code	Fax #
Legal Email Address			

C Taxpayer Information (For help, please consult the Instructions for IRS Form W-9, which are available upon request or online at www.irs.gov)

Taxpayer Name (as shown on Merchant's income tax return) ➡	Federal Tax ID/EIN (sole prop use SSN)
Business Name / disregarded entity name, if different from above	

Federal tax classification

☐ Individual / Sole Proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited Liability Company. Enter the tax classification (C=C Corporation, S=S Corporation, P=Partnership)

☐ Other

Exemptions (if any):

Exempt payee code

Exemption from FATCA reporting code

Address			Requester's name and address Paymentech, LLC 14221 Dallas Parkway Dallas, Texas 75254
City	State	Zip Code	

Application continues on next page

If you make any corrections to the Application, you MUST initial each change. *Rev. NAPSTAND 01/2015*

2. Merchant Profile

Is your business home-based? ☐ Yes ☐ No	
If "Yes" above, where is the inventory located?	
What merchandise do you sell or services do you provide?	
Is your business seasonal? ☐ Yes ☐ No	
Has business ever been in bankruptcy? ☐ Yes ☐ No	

What is your business industry type?

☐ Retail ☐ Restaurant ☐ Lodging
☐ Auto Rental ☐ Cash Advance ☐ Convenience Store/Gas
☐ Other:
☐ Internet - list all websites on which you accept payments and provide a customer service email address:

www.

Customer Service Email Address:

3. Customer Identification (how you do business)

Do you have locations, sell goods or services, or have vendors or suppliers in countries sanctioned by the U.S.? (Cuba, Iran, North Korea, Sudan, Syria)

☐ Yes (explain below) ☐ No

Who are your customers? (select all that apply)

☐ Individuals ☐ Manufacturers ☐ Charitable Organizations ☐ Retail Business ☐ Wholesalers ☐ Non-Profits

☐ Service Providers ☐ Government Entities ☐ Other (explain)

Do you have any major customers (>10% of sales) outside of the U.S.?

☐ Yes (explain below and list countries) ☐ No

Who are your suppliers / vendors? (select all that apply)

☐ Retailers ☐ Wholesalers ☐ Manufacturers ☐ Import Services ☐ Other (explain)

Do you have any major suppliers or vendors (>10% of merchandise) outside of the U.S.?

☐ Yes (explain below and list countries) ☐ No

Total Business Revenue - The total amount of your company's annual sales and other sources of income (US and foreign combined)

Total Business Revenue	As of Fiscal Year Ending

Source of Revenue (select all that apply)

☐ Sale of goods ☐ Sale of assets ☐ Grants/donations
☐ Sale of services ☐ Legal settlement ☐ Other (explain)

Total Business Assets - The sum of all cash, investments, receivables, etc. owned by the business (US and foreign combined)

Total Assets Value	As Of Date

Select Primary Country of Assets

☐ US ☐ Other Country (name)

4. Reporting, Statements, Chargeback Requests, and Retrieval Requests

Reporting and Statements – you may access transaction history and monthly statements online via Resource Online, or have your monthly statements emailed to you.

☐ **Resource Online.** Set up a Resource Online account and use the following email address as the user login:

☐ **Email Statements** to the:
☐ Legal email address
☐ DBA email address

Chargeback and Retrieval Requests

Mail Chargeback and Retrieval Requests to
☐ Legal address
☐ DBA address

Application continues on next page

5. Sales Information

What is the estimated annual breakdown (in %) of your annual Payment Card Transactions?

0 %	Via mail or phone order
0 %	Payments accepted on your website
0 %	Card is swiped
0 %	Card is present but keyed
100 %	**Total**

Do you ever charge a Customer on a recurring basis? ☐ Yes ☐ No

If "Yes" above, how often will you charge?

☐ 30 Days ☐ 60 Days ☐ 90 Days ☐ Annually

☐ Other:

If Customers are required to pay a deposit, what % of total sale? %

6. Ownership Information

If your business is privately owned by one or more individuals (e.g. LLC, Sole Prop, Partnership, or Private Corporation),

- ➡ Complete sections A and B for the owners with the greatest % of ownership.
- ➡ All owners listed below must sign the Application and Agreement in Section 12 and 13.

If your business is a non-profit organization, publicly owned corporation, or government entity,

- ➡ Complete section C only

If a parent company owns your business,

- ➡ Enter the name of the legal entity(ies) in section A or A and B
- ➡ Provide the name of an Authorized Representative in Section C.
- ➡ Substitute the parent company's Federal Tax ID for the Social Security #.

A Name of Individual/Sole Proprietor or Parent Company	Percentage of Ownership: %		Social Security #
Street Address (Individual/Sole Proprietor use home address) (No PO Box or paid mailbox)			Date of Birth
City	State	Zip Code	Telephone #
B Name of Individual/Sole Proprietor or Parent Company	Percentage of Ownership: %		Social Security #
Street Address (Individual/Sole Proprietor use home address) (No PO Box or paid mailbox)			Date of Birth
City	State	Zip Code	Telephone #
C Name of Authorized Representative		Title	

Do you have any additional owners (not listed above) that have 10% or greater ownership? ☐ Yes ☐ No

Is there anyone not listed above who has the authority to make financial decisions or control company policy on behalf of your business? ☐ Yes ☐ No

7. Funding and Account Information

The Merchant must own the bank account provided below and it shall be used by Merchant solely for business purposes and shall not be used for personal, family or household purposes. In accordance with the terms of the Agreement, Chase Paymentech may:

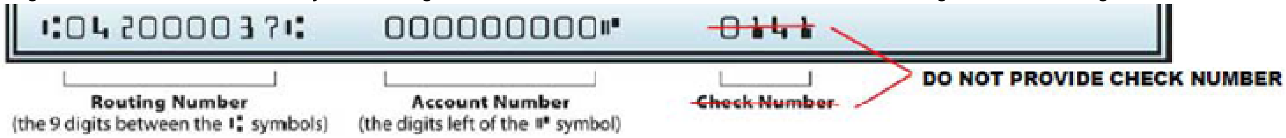
- deposit into this account amounts owed to Merchant by Chase Paymentech, such as proceeds from Merchant's Payment Card Transactions
- debit this account for amounts Merchant owes to Chase Paymentech associated with its Merchant account, such as fees for processing Merchant's Payment Card Transactions
- debit this account for any negative amounts presented, such as refunds, returns or Chargebacks

Merchant's Bank Account	
Name of Financial Institution	Designating this bank account for the purposes outlined above must not violate any of Merchant's organizational documents or any agreement to which the Merchant is a party.
Routing Number (always consists of 9 digits)	Account Number (number of digits will vary)

Application continues on next page

If you make any corrections to the Application, you MUST initial each change. ***Rev. NAPSTAND 01/2015***

The image below shows where to find your Routing and Account Numbers. Do not use the internal routing number that begins with a 5.



8. Payment and Processing Information

If you have previously accepted payment cards, please include your three (3) most recent monthly processing statements.

Please check all payment methods you wish to accept: ☐ Visa ☐ MasterCard ☐ Discover/JCB ☐ American Express ☐ Voyager ☐ Wright Express ☐ PIN Debit	Estimated Annual Visa/MC/Discover Sales Volume $
	Estimated Annual PIN Debit Sales Volume $
Current Payment Processor:	Estimated Average Ticket Amount (for all card types) $
Has Merchant ever had a breach involving lost card data or received a notification for any violation of the Payment Brand Rules? ☐Yes ☐ No	Highest Transaction Amount $

9. American Express®

A	**If your American Express annual processing volume is greater than $500,000.00**, please review and complete this Section A only. ➡ If you know your American Express SE #, please provide it here: ➡ If you do not know your American Express SE #, or you would like to apply for one, please contact American Express directly at (855) 894 - 6570.

B	**If your American Express annual processing volume is, or is expected to be, $500,000.00 or less**, and you would like Chase Paymentech to request an American Express SE # on your behalf, please complete and review the information under "Information about American Express Rates and Fees" and sign the American Express Authorization.

Information about American Express rates and fees.

Estimated Annual Sales Volume for American Express		$	
American Express Discount Rate*	%	American Express Prepaid Discount Rate+	1.95 %
***Discount Rate.** Based on Merchant's MCC, an additional per transaction fee of no more than $0.15 may be assessed. For Merchants with a Retail, Restaurant or Travel Agency MCC, an additional 0.30% downgrade will be charged by American Express for transactions whenever a CNP or Card Not Present charge occurs.		**+Prepaid Discount Rate.** Based on Merchant's MCC, an additional per transaction fee of no more than $0.30 may be assessed. Fast Food Restaurants, Independent Gas Stations, Mail Order & Internet, Restaurant and Supermarket MCCs will be assessed a Prepaid/Gift Card rate + Transaction Fee of [2.15% + $0.05], [1.30% + $0.12], [2.25% + $0.20], [2.15% + $0.05] and [0.45% + $0.20], respectively, in lieu of the 1.95% + variable discount rate described above.	

All American Express fees are set by American Express and are subject to change by American Express. The fees set forth herein are only quotes, based upon the then-current American Express pricing guidelines, which may be modified from time to time.

If Merchant operates an internet/physical delivery, mail order/telephone order, or home-based business, Merchant will not be charged the American Express Discount Rate. Instead, Merchant will be charged a flat monthly fee of $7.95. If Merchant is charged a flat monthly fee, for any reason, that fee will continue until Merchant's American Express volume exceeds $4,999 in a 12-month period. At such time American Express will begin charging Merchant the applicable industry-specific American Express Discount Rate.

Except for Education merchants within MCC 7032, 8211, 8220 and 8351, an Inbound fee of 0.40% will be applied to any charge made using an American Express Card, including a Prepaid Card, issued by an issuer located outside of the United States.

Application continues on next page

If you make any corrections to the Application, you MUST initial each change. ***Rev. NAPSTAND 01/2015***

American Express Authorization

By signing below, I represent that I have read and am authorized to sign and submit this application for the above entity which agrees to be bound by the American Express® Card Acceptance Agreement ("American Express Agreement"), and that all information provided herein is true, complete and accurate. I authorize Paymentech and American Express Travel Related Services Company, Inc. ("American Express") and American Express's agents and Affiliates to verify the information in this application and receive and exchange information about me personally, including by requesting reports from consumer reporting agencies, from time to time, and disclose such information to their agents, subcontractors, Affiliates, and other parties for any purpose permitted by law. I authorize and direct Chase Paymentech and American Express and American Express's agents and Affiliates to inform me directly, or inform the entity above, about the contents of reports about me that they have requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. I also authorize American Express to use the reports on me from consumer reporting agencies for marketing and administrative purposes. I am able to read and understand the English language. Please read the American Express Privacy Statement at http://www.americanexpress.com/privacy to learn more about how American Express protects your privacy and how American Express uses your information. I understand that I may opt out of marketing communications by visiting this website or contacting American Express at 1-(800)-528-5200. I understand that in the event I decline to receive marketing communications from American Express, I may continue to receive messages from American Express regarding American Express Services.

I understand that upon American Express' approval of the application, the entity will be provided with the American Express Agreement and materials welcoming it either to American Express' program for Chase Paymentech to perform services for American Express or to American Express' standard Card acceptance program which has different servicing terms (e.g. different speeds of pay). I understand that if the entity does not qualify for the Chase Paymentech servicing program that the entity may be enrolled in American Express' standard Card acceptance program, and the entity may terminate the American Express Agreement. By accepting the American Express Card for the purchase of goods and/or services, or otherwise indicating its intention to be bound, the entity agrees to be bound by the American Express Agreement.

X

Signature	Print Name	Title	Date

10. Site Visit

If your business is selected for a site visit, Chase Paymentech, or a third party representing Chase Paymentech, will contact you at the number provided. You **MUST** assist with the site visit and Chase Paymentech **MUST** approve the results of the site visit.

The site visit includes, but is not limited to,

- an interview with you regarding the nature of your business, **and**
- photographs of your business operation.

If the site visit is not completed or the results of the site visit are not approved, Chase Paymentech may,

- decline your application for a merchant account
- withhold your funds, **or**
- terminate your Agreement with Chase Paymentech **and** close your Merchant account.

To help expedite the process, we **require** the following information:

Best phone # to contact you:	Preferred language: ☐ English ☐ Spanish
Best time to reach you:	☐ Other:

11. IRS Certification

Under penalty of perjury, I certify that:

1. **The number shown on this form (Section 1C) is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and**
2. **I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest in dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and**
3. **I am a U.S. citizen or other U.S. person (defined in the instructions), and**
4. **The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.**

Certification Instructions

You must cross out and initial #2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. IRS Form W-9 instructions are available upon request.

Application continues on next page

12. Authorized Representative(s)

The first five pages of this document are the Merchant's Application to establish a Merchant account with Paymentech, LLC ("Chase Paymentech") and JPMorgan Chase Bank, N.A. ("Member"). Once submitted, the Application belongs to Chase Paymentech and Member. Any application or set up fee paid by Merchant is non-refundable. The Application is subject to approval by Chase Paymentech and Member. If the Application is approved, Chase Paymentech will establish one or more Merchant account(s). All Merchant accounts will be governed by the entire Agreement, which includes: the Application, the Terms and Conditions, Schedule A (pricing), and any amendments, supplements or modifications provided to you.

I, the undersigned, certify:

- that I am an owner, partner, officer or other authorized representative of the Merchant ("Authorized Representative"); and
- that I am duly authorized to enter into agreements on behalf of Merchant and to legally bind Merchant to such agreements.

Furthermore, by signing below I authorize Chase Paymentech, Member, or their designees to:

- investigate and verify personal credit and financial information about me; and
- obtain and use consumer credit reports on me from time to time in connection with establishing Merchant's account and maintaining the Agreement.

By submitting this Application and Agreement, Merchant, through the undersigned Authorized Representative:

- represents and warrants that the person submitting this Application is duly authorized to enter into agreements on behalf of Merchant and to legally bind Merchant to such agreements;
- represents and warrants that all information contained within the Application as well as any information submitted in conjunction with the Application is true, complete, and not misleading;
- represents and warrants that it owns the bank account provided in Section 7 and the account is being maintained solely for business purposes and not for personal, family or household purposes;
- represents and warrants that it has received a complete copy of the Agreement, including the Terms and Conditions for Merchant Agreement and Schedule A and agrees to be legally bound by the Agreement;
- understands that any unilateral changes to the pre-printed text of any part of the Agreement may result in Chase Paymentech declining Merchant's Application or terminating the Agreement
- agrees that Chase Paymentech, Member, or their designees, may:
  - investigate and verify the credit and financial information of Merchant; and
  - obtain credit reports on Merchant from time to time and use them in connection with establishing Merchant's account and maintaining the Agreement; and
- agrees that Member and Chase Paymentech may share credit, financial information about Merchant and Chase Paymentech.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding. (See Section 11 above).

Owner / Authorized Representative: Signer's name must appear in Section 6

X ______________________ ______________________ ______________

Signature | Print Name | Date

Owner / Authorized Representative: Signer's name must appear in Section 6

X ______________________ ______________________ ______________

Signature | Print Name | Date

13. Individual Guarantor(s)

The person(s) acting as individual guarantor(s) must have an ownership interest in Merchant and must be listed in Section 6 of this Application. As an individual(s) who agrees to be personally responsible for Merchant's account with Chase Paymentech (a "Guarantor"), I

- certify I have received and reviewed a complete copy of the Agreement, including the Application, Terms and Conditions, and Schedule A
- certify I have read the Agreement, including, without limitation, the "Personal Guaranty" section at the end of the Terms and Conditions
- agree to be bound as a Guarantor of the Merchant's obligations under the Agreement in accordance with the "Personal Guaranty" section of the Terms and Conditions
- certify that I have an ownership interest in Merchant
- agree that Chase Paymentech, Member, or their designees, may investigate and verify the credit and financial information about me and may obtain consumer credit reports on me from time to time
- agree that Chase Paymentech, Member, or their designees, may use such consumer credit reports in connection with establishing and maintaining the Merchant's account and Agreement
- agree that all business references, including financial institutions, may share my credit and financial information with Chase Paymentech

Guarantor:

X ______________________ ______________________ ______________

Signature | Print Name | Date

Guarantor:

X ______________________ ______________________ ______________

Signature | Print Name | Date

If any of the information provided in this Merchant Application and Agreement changes, you must promptly notify Chase Paymentech of such change(s).

Internal Use Only: Approved by Paymentech, LLC for itself and on behalf of JPMorgan Chase Bank, N.A.

______________________ ______________________ ______________

Signature | Title | Date

EXHIBIT "K~~M~~"

CONFIDENTIALITY AGREEMENT FOR CELLAIRIS CONFIDENTIAL OPERATIONS MANUAL

**CONFIDENTIALITY AGREEMENT FOR
CELLAIRIS CONFIDENTIAL OPERATIONS MANUAL**

As an inducement to Cellairis Franchise, Inc. (**"Cellairis"**) to disclose to the undersigned the confidential operations manual used by franchisees under the Cellairis® franchise system (**"Manual"**), the undersigned agrees: (i) to hold all information contained in the Manual in strict confidence as a valued trade secret and property right of Cellairis; (ii) not to disclose such information to any other person or entity unless such person or entity is subject to a confidentiality agreement with Cellairis for its or any other person's or entity's benefit except in connection with the operation of a business licensed to the undersigned by Cellairis; and (iv) to immediately return all documents, including notes and copies, containing any information disclosed to the undersigned in the Manual. Nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. The undersigned cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information as long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal.

The undersigned acknowledges that Cellairis may exercise all legal and equitable remedies available to it in enforcing this Agreement. The undersigned also acknowledges that a violation of the terms of this Agreement will cause irreparable injury to Cellairis, for which no adequate remedy at law may be available, and that Cellairis may, among other things, seek the issuance of an injunction prohibiting any conduct by the undersigned in violation of the terms of this Agreement. The undersigned agrees to pay all costs and expenses, including reasonable attorney's fees, incurred by Cellairis in enforcing this Agreement.

Name: ___________________________________

Date: ____________, 20____

EXHIBIT "L~~N~~"

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FOR OPERATIONS MANUAL
AND REPAIR MANUAL

Operational Manual

Repair Manual

EXHIBIT "M~~O~~"

Equipment Purchase Agreement
and License Agreement

EQUIPMENT PURCHASE AND SOFTWARE LICENSE AGREEMENT

This EQUIPMENT PURCHASE AND SOFTWARE LICENSE AGREEMENT ("**Agreement**") is made as of ________________, (the "**Effective Date**") by and between **Global Cellular, Inc.**, having its principal place of business at 6485 Shiloh Rd. Bldg #100, Alpharetta, GA 30005 ("**GCI**"), and __________________________ a ______(type of entity)__________ organized under the laws of the State of ___________, having its principal place of business at _______________________________________ (the "**Customer**").

This Agreement sets forth the terms and conditions under which GCI will: (a) sell to Customer one custom printing press, serial number: ___________ ("**Press**"), and (b) provide Customer with a limited license to use the software referred to by GCI as the Custom Shout!® Print Process software (the "**Software**") for use in connection with the Equipment.

1. EQUIPMENT PURCHASE. GCI hereby sells, conveys and transfers to Customer the Press and equipment indicated on **Exhibit A** (collectively, the "**Equipment**") (and related supplies), for the purchase price set forth on **Exhibit A**, and Customer hereby purchases and accepts such Equipment. GCI shall deliver, at Customer's expense, the Equipment to Customer at the Location designated by Customer on **Exhibit A**. Risk of loss and damage relating to the Equipment shall pass from GCI to Customer upon delivery of the Equipment to the common carrier. Legal and equitable title to the Equipment will pass from GCI to Customer upon the later of delivery of the Equipment, and receipt by GCI of the amount due from Customer to GCI pursuant to **Exhibit A**. Until title to the Equipment has passed to Customer, Customer will: (a) hold the Equipment as fiduciary agent and bailee of GCI; (b) ensure that the Equipment are easily identifiable as belonging to GCI; (c) not deface, destroy, alter or obscure any identifying mark on the Equipment or their packaging; and (d) ensure that no charge, lien or other encumbrance is created over the Equipment. GCI shall be entitled, without further notice, to inspect or recover possession of any Equipment to which it retains title; and Customer grants to GCI and its employees and agents an irrevocable license to enter at any time any premises where the Equipment are or may be situated for the purpose of inspection or removing any such Equipment the title in which has remained with GCI. Customer will be responsible for and shall pay all costs of transportation, insurance, export and import fees, customs brokerage expenses and similar charges; and Customer, at its expense, and will make and negotiate any claims against any carrier, insurer, customs broker, freight forwarder, or customs collector. If Customer chooses to purchase its own hardware to be used in conjunction with the Equipment, or does not follow recommended guidelines provided by GCI as to hardware or Equipment and hardware installation, and there is any system malfunction due to improper installation of the Equipment and/or hardware, then the Customer shall be responsible for all costs to repair.

2. LICENSES AND RESTRICTIONS.

2.1 Software. Subject to the terms and conditions of this Agreement, GCI grants Customer, during the Term (as defined below), a limited, personal, non-exclusive, non-transferable license (without the right to grant sublicenses) to run the Software on the Press at the location set forth on **Exhibit A** (the "**Location**"). All use of the Software will be in executable code form, and, unless otherwise agreed upon in writing by GCI, solely for use in connection with the Equipment for either (i) the printing of case designs provided to Customer by GCI; or (ii) the printing of cases with Uploaded Images as defined below and may not be disclosed, demonstrated to or otherwise shared with any third party that is not an employee of Customer.

2.2 Restrictions. The Software and its structure, organization and source code, and the functionality of the Equipment and the interaction of the Software and Equipment, constitute and contain valuable Intellectual Property Rights (as hereinafter defined) of GCI. Accordingly, except as expressly provided in Section 2.1, Customer will not and will not permit or allow any third party to: (a) modify, adapt, alter, translate, port or create derivative works of or from the Software; (b) merge the Software with other software; (c) sublicense, distribute, sell, lease, rent, loan, or otherwise transfer the Software; (d) disclose to any third party any proprietary information or trade secrets relating to the Software or the Equipment; (e) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code for or any other proprietary information or trade secrets from the Software or Equipment; (f) remove, alter, or obscure any proprietary notices (including, without limitation, any copyright or trademark notices) of GCI from the Software or Equipment; (g) use the Equipment or Software to develop or enhance any product that competes with the Software, Equipment or any products from GCI; or (h) otherwise utilize the Software in any manner, except as expressly permitted under Section 2.1.

3. OWNERSHIP. The Software, as well as any documentation which may be furnished by GCI to Customer in connection with the Software (the "**Documentation**"), and all derivatives, modifications or enhancements thereof or thereto, and all Intellectual Property Rights (as defined below) therein and relating thereto, are and will remain the exclusive property of GCI. Any rights not expressly granted to Customer hereunder are reserved by GCI, and except as expressly granted in this Agreement, GCI grants no rights or licenses to Customer, by implication, estoppel, or otherwise, in or to the Software or any Intellectual Property Rights therein. For purposes of this Agreement, "**Intellectual Property Rights**" means any and all known or hereafter existing worldwide intellectual property and proprietary rights, including, without limitation, all copyrights, trademarks, service marks, trade secrets, patents, patent applications, know-how, moral rights, contract rights, and other proprietary rights, and all registrations, applications, renewals, extensions, and combinations of the foregoing.

4. CONFIDENTIAL INFORMATION AND TRADE SECRETS

4.1 "**Affiliate**" shall mean (a) any person or entity that is directly or indirectly controlled by, controlling or under common control with a party, and (b) any officer, director or management employee of any such person or entity.

4.2 "**Confidential Information**" shall mean all financial, business, technical and other information, including all copies thereof (including, without limitation, all agreements, files, books, logs, charts, records, studies, reports, surveys, schedules, plans, statistical information, computer code, programs, software source documents, know-how, inventions, documentation, financial information, mall data, business plans, franchisee names and information, kiosk locations, cart locations, inline locations, full store locations, other business units that operate under any trademarks owned or licensed to GCI, order history, pricing information, shipping information, payment information, customer names and information, supplier names and information, policies, procedures, and product information) which may be or already has been furnished or disclosed to Customer by GCI, or acquired by Customer directly or indirectly from GCI or its Affiliates, including as a result of an inspection of any facility of GCI, its Affiliates, or any of their agents, representatives, suppliers or customers. Such term shall also include all notes, reports, summaries, excerpts, and documents relating to Confidential Information, all copies and extracts of Confidential Information and all computer-generated studies and data containing Confidential Information prepared by or for the benefit of Customer. Failure to include a confidentiality notice on any materials disclosed to Customer shall not give rise to an inference that the information disclosed is not confidential.

4.3 "**Trade Secrets**" shall mean any information including, but not limited to, a formula, pattern, compilation, program, device, method, technique, or process that (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Trade Secrets" also include all other property, things or information which would be considered trade secrets under the Georgia Trade Secrets Act of 1990 and under any amendments thereto, and other applicable law which Act, amendments and other applicable law, if any, are specifically incorporated herein by reference and made a part hereof, or under any other applicable statute, rule or regulation. Information that does not meet the definition of Trade Secret shall nevertheless be considered Confidential Information to the extent it is within the definition of Confidential Information under Section 4.2.

4.4 **Confidential Information and Trade Secrets**. Except as herein otherwise provided: (a) Customer shall receive all Confidential Information and Trade Secrets of GCI in strict confidence and shall take all necessary steps to maintain the confidentiality and secrecy of such information; (b) Customer may use such information only for the furtherance of this Agreement and may not use the Confidential Information or Trade Secrets for any other purpose and Customer may disclose such information only to those employees of Customer who (a) are assigned to participate in the furtherance of the Agreement and (b) have a "need to know" such Confidential Information and Trade Secrets to enable them to perform their responsibilities relating to this Agreement. Nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. Customer cannot and will not be held criminally or civilly liable under any federal or state trade secret law for disclosing otherwise protected trade secrets and/or confidential or proprietary information as long as the disclosure is made in (i) confidence to a federal, state, or local government official, directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) a complaint or other document filed in a lawsuit or other proceeding, as long as such filing is made under seal.

4.5 **Term**. The terms of this Agreement shall apply to Trade Secrets and Confidential Information for so long as they remain within the definition of Trade Secrets and Confidential Information. The terms of this Agreement shall become applicable upon the first disclosure by GCI, even if that disclosure has preceded the execution of this Agreement.

4.6 Exceptions. This Agreement shall not apply to any Confidential Information or Trade Secrets which: (a) at the time of disclosure or sometime thereafter, is or becomes publicly available and known other than as a result of the fault or breach of Customer; (b) was rightfully in the possession of Customer prior to receipt of such Confidential Information or Trade Secrets, directly or indirectly, from GCI or its Affiliates; or (c) can be shown by overwhelming documentary evidence to have been developed by Customer without reference to or using the Confidential Information or the Trade Secrets of GCI.

4.7 Legally Required Disclosure. Notwithstanding the foregoing, Customer may disclose Confidential Information and Trade Secrets of GCI to the extent legally required by a final order of any court or administrative agency having competent jurisdiction, provided that Customer first promptly notifies GCI and cooperates to protect the confidentiality thereof by all means reasonably available.

4.8 Return of Materials. Customer shall return and deliver, or cause to be retuned or delivered, to GCI, all documentation, materials, media, source code, programming materials, objects and other tangible items that contain Confidential Information or Trade Secrets of GCI immediately upon the termination or expiration of this Agreement, or otherwise immediately upon the written request of GCI. Upon the request of GCI, Customer agrees to certify in writing it has completed such requested action within a reasonable period, which shall not exceed the term of 10 days, following the date Customer was notified of the request of GCI. Notwithstanding of the issuance of such certificate, Customer commits to itself to destroy immediately any records kept and/or received by GCI and certify, that it does not maintain any further copies of any of the documents received under this Agreement.

4.9 Ownership. Customer agrees not to make any claim to or challenge any rights (including Intellectual Property Rights) of or claimed by GCI or its Affiliates in or to its Confidential Information or Trade Secrets. No right or license in or to any Confidential Information or Trade Secrets is hereby granted except as expressly stated herein.

5. MAINTENANCE AND SUPPORT SERVICES; TRAINING.

5.1 Support Services. GCI will provide telephone support services Monday through Friday, between the hours of 9:00 AM and 5:00 PM Eastern Standard Time. Additionally, GCI will provide email based support and will provide commercially reasonable efforts to respond in a timely manner. GCI will use commercially reasonable efforts to remedy any failure of the Software which causes the Software to be inoperable or to materially fail to perform as intended (each, an "**Error**"). Any Error resulting from Customer's negligence or use of the Software or the Equipment not in accordance with the instructions and guidelines provided by GCI, breach by Customer of this Agreement, modifications or damages to the Software or the Equipment by Customer or viruses affecting the Software (each, an "**Outside Error**"), will not be considered an Error for which GCI will provide any corrective efforts. All services that GCI provides to remedy an Error shall be provided to Customer on a cost pass-through basis. Customer shall reimburse GCI for any and all expenses incurred by Customer related to any services provided by GCI under this Section 5 upon receipt of a written invoice from GCI.

5.2 Updates and Upgrades. Subject to the terms of the Agreement, GCI may from time to time during the Term make available certain minor releases of the Software, including, for example, bug fixes, error corrections and minor enhancements of and to the Software (collectively, "**Updates**"). GCI may also from time to time during the Term release new versions of the Software having enhancements in features, performance or functionality (collectively, "**Upgrades**"). GCI will determine, in its sole discretion, whether any subsequent version of the Software is an Upgrade or an Update. GCI will make available to Customer, without charge, all Updates (but not Upgrades) that GCI makes generally available to other customers of GCI.

5.3 Training. GCI shall provide online tutorials regarding the use of the Equipment and Software. In the event Customer desires to have on-site training, then Customer shall reimburse GCI for all costs and expenses related to the provision of such training, including without limitation, costs for airfare, hotel and a per diem amount.

6. INSTALLATION AND TRAINING. Unless consultation services are being provided as part of this Agreement (which must be indicated on **Exhibit A**), GCI will not be responsible for providing installation of, or any training with respect to, the Software or the Equipment.

7. FEES. Customer shall pay GCI the fees (the "**Fees**") set forth on **Exhibit A** at the times set forth in **Exhibit A**. The Fees exclude all applicable sales, use, and other taxes, fees, duties and similar charges ("**Taxes**"), and Customer will be responsible for payment of all such Taxes (other than taxes based on GCI's income) and any penalties or charges that accrue with respect to the non-payment of any Taxes.

8. LIMITED WARRANTY; DISCLAIMER.

8.1 Warranty Period. The warranty period for the Press shall commence upon the Effective Date and shall expire 12 months after such date (the "**Warranty Period**"). If the Press, or any part thereof, is or becomes defective within the Warranty Period, then GCI, at its expense shall repair or replace any defective part. Additionally, GCI shall pass through to Customer any warranties provided by the original equipment manufacturer of the Press. The warranty for any new or repaired parts, or any repairs made to the Press pursuant to a warranty claim, shall expire upon the later of (a) the date generally applicable for expiration of the Warranty Period as provided in this Section 8.1, or (b) the date of expiration of any applicable manufacturer's warranty period. The GCI Warranty applies only to Customer and is not transferable. GCI makes no warranties or representations to end users regarding the Equipment and Customer is solely responsible for any warranty it provides to end users.

8.2 Exclusions from Warranty. GCI assumes no responsibility for improper operation of the Equipment or Software, or any modification, installation, repairs or maintenance of performed materially contrary to the operating manual, other written procedures delivered by GCI or the original equipment manufacturer, or well-known and accepted good engineering practices as to which Customer's failure to be aware of and adhere to would be unreasonable.

8.3 Warranty Disclaimer. EXCEPT AS OTHERWISE PROVIDED IN SECTION 8.1, THE EQUIPMENT, SOFTWARE, AND DOCUMENTATION ARE SOLD OR LICENSED, AS APPLICABLE, ON AN “AS IS” AND “AS PROVIDED” BASIS, AND GCI MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS, IMPLIED OR STATUTORY, REGARDING THE EQUIPMENT, SOFTWARE, DOCUMENTATION, OR ANY OTHER SERVICES PROVIDED BY GCI HEREUNDER. GCI SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGMENT, AND FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OR TRADE. ANY WARRANTIES PROVIDED TO CUSTOMER HEREUNDER SHALL BE AUTOMATICALLY VOID IN THE EVENT CUSTOMER FAILS TO DO REGULAR EQUIPMENT MAINTENANCE AND SERVICE AS RECOMMENDED BY THE ORIGINAL EQUIPMENT MANUFACTURER.

9. LIMITATION OF LIABILITY. GCI SHALL NOT BE LIABLE UNDER A CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, EVEN IF GCI HAS BEEN ADVISED BY CUSTOMER OF THE POSSIBILITY OF SUCH DAMAGES: (A) FOR ANY AMOUNTS IN EXCESS OF THE AGGREGATE OF THE FEES PAID TO GCI HEREUNDER; (B) FOR ANY COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY, SERVICES OR RIGHTS; (C) FOR INTERRUPTION OF USE OR LOSS OR CORRUPTION OF DATA; OR (D) FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOST PROFITS OR REVENUES OF ANY NATURE. CUSTOMER ACKNOWLEDGES THAT THE FEES REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT GCI WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS ON ITS LIABILITY.

10. INDEMNIFICATION.

10.1 Indemnification by GCI. GCI shall indemnify, protect, defend and hold harmless Customer from, against, and with respect to any claim, liability, obligation, loss, damage, cost or expense, whether or not involving a third party, in any manner arising out of, relating to, or in connection with a claim by a third party that the Software violates the patent, copyright, trademark or trade secret rights of any such third party (including, without limitation, reasonable attorneys' fees and costs and expenses incurred any litigation or claim), except to the extent caused by Customer's breach of this Agreement, negligence or intentional misconduct.

10.2 Indemnification by Customer. Customer shall indemnify, protect, defend and hold harmless GCI from, against, and with respect to any claim, liability, obligation, loss, damage, cost or expense (collectively **“Claims”**), whether or not involving a third-party, in any manner arising out of, relating to, or in connection with this Agreement, the Equipment or the Software and use thereof (including, without limitation, any litigation or claim involving a third party, Customer's insurer, any individual personal injury claims, reasonable attorneys' fees and costs and expenses incurred in investigating, preparing, defending against or prosecuting any litigation or claim), unless directly caused by GCI's breach of this Agreement, gross negligence or intentional misconduct. Customer further agrees, at its sole expense, to defend, indemnify and hold harmless GCI from all Claims resulting from the breach of any Customer promise, representation or warranty contained in this Agreement. Customer further agrees, at its sole cost and expense, to defend, indemnify and hold harmless GCI from intellectual property claims asserted with respect to the Uploaded Images (as defined below) to the fullest extent permitted by contract and by law.

11. TERM AND TERMINATION.

11.1 Term. This Agreement will commence on the Effective Date and will continue for a period of twelve (12) months (the "**Term**"). This Agreement shall be automatically renewed for successive additional one (1) year periods, unless sooner terminated by either party by providing written notice of termination to the other party at least thirty (30) calendar days prior to the initial or any subsequent termination date, or unless sooner terminated by either party as otherwise provided for in Section 11.2. Any such renewal shall constitute a full waiver by Customer of any and all claims and damages which may have arisen in any prior term of this Agreement. The number of renewals notwithstanding, this Agreement is and shall always be interpreted as a fixed term agreement and not as an indefinite term agreement.

11.2 Termination. Notwithstanding the above, this Agreement may be terminated at any time by GCI, with or without cause, upon not less than thirty (30) calendar days prior written notice to Customer. Either party may terminate this Agreement if the other party breaches any material provision of this Agreement and does not cure such breach (provided that such breach is capable of cure) within thirty (30) days after being provided with written notice thereof. Further, GCI may terminate this Agreement upon any default by Customer, or any Affiliate of Customer, under this Agreement, or any other agreement with GCI or its Affiliates (including, without limitation, any agreements in connection with the Franchise Agreement entered into by Customer and GCI's affiliate), if Customer does not cure such breach (provided that such breach is capable of cure) within thirty (30) days after being provided with written notice thereof.

11.3 Effects of Termination. Except as otherwise set forth herein, immediately upon the termination of this Agreement, all of Customer's rights granted under this Agreement will cease to exist, and Customer will cease all use of the Software and Documentation. Customer will return to GCI or, at GCI's sole discretion, destroy, the Software, Documentation, and all copies thereof and certify in writing Customer's compliance with this Section 11.3 within 15 days of the termination.

11.4 Survival. Sections 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14 and 15 will survive the termination of this Agreement for any reason.

12. ALTERNATIVE DISPUTE RESOLUTION.

12.1 The parties desire not to engage in court proceedings, but rather to have disputes resolved through face-to-face meetings, mediation and, if necessary, legal proceedings. The parties view non-binding mediation as often being the most cost effective way of resolving disputes. The parties believe that it is important to resolve all disputes efficiently and professionally and to return to business as soon as possible.

12.2 First any claim relating to an alleged breach of this Agreement must be discussed in a face-to-face meeting held at GCI's office within twenty (20) days after either party gives written notice to the other proposing such a meeting. In the event that the non-proposing party does not appear at the face-to-face meeting, then the proposing party may skip the mediation requirement detailed below and proceed to court as detailed in Section 13.3.

12.3 Second, if the face-to-face meeting does not resolve the dispute between the parties, then the parties shall submit to mediation for a minimum of eight hours and which shall take place within twenty days after the face-to-face meeting (to the extent a meeting occurs) in Georgia before a mediator of GCI's choice. The mediator shall be a neutral person. Each party shall pay 50% of the costs of any mediation (though each party will be solely responsible for its respective attorney's fees and costs). The parties jointly agree that no mediation will be required to extend beyond eight hours. Any party may be represented by lawyers and may, with permission of the mediator, bring persons appropriate to resolving the claim. In the event that the non-proposing party does not appear at the mediation, then the proposing party may immediately proceed to court as detailed in Section 13.3.

13. JURISDICTION, VENUE, AND GOVERNING LAW.

13.1 This Agreement shall become valid on the Effective Date. GCI and Customer agree that it shall be deemed made and entered into in the State of Georgia and shall be governed and construed under and in accordance with the laws of the State of Georgia, United States of America, without giving effect to any choice of law rules which may direct the application of the laws of any other jurisdiction.

13.2 This Agreement and the rights and obligations contemplated by this Agreement shall not be subject to or governed by the U.N. Convention on Contracts for the International Sale of Goods. **All terms and conditions which purport to limit liability of Customer contained on any form previously or hereinafter provided by Customer are rejected and of no effect whatsoever as a result of the Agreement.**

13.3 In the event that (a) mediation fails to achieve a mutually acceptable resolution to the dispute; or (b) the non-proposing party fails to show up to the face-to-face meeting; or (c) the non-proposing party fails to attend the mediation; or (d) or in the event a party seeks injunctive relief (whereby Section 12 would not be a condition precedent for going to Court), GCI and Customer acknowledge and agree that that the Georgia Superior Courts for Fulton County, Georgia, or if such court lacks jurisdiction, the U.S. District for the Northern District of Georgia, shall be the sole and exclusive venue and sole and exclusive proper forum in which to adjudicate any case or controversy arising either, directly or indirectly, under or in connection with this Agreement and GCI and Customer further agree that, in the event of litigation arising out of or in connection with this Agreement in these courts, they will not contest or challenge the jurisdiction or venue of these courts. GCI and Customer expressly consent and submit to the jurisdiction and venue of these courts, and Customer waives any defenses of lack of personal jurisdiction, improper venue and *forum non conveniens*. Additionally, Customer agrees that service of process can be affected upon it by registered or certified mail sent to the address set forth at the beginning of this Agreement.

13.4 This Agreement and any variations or amendments hereto shall be governed in accordance with the laws and procedures of the jurisdiction of the state of Georgia. Excepting the requirement for mediation herein, the parties agree to submit to the exclusive jurisdiction of the State and/or Federal Courts in Atlanta, Georgia in connection with resolving any dispute (regarding the Products, Goods, and/or this Agreement).

14. FORCE MAJEURE.

14.1 GCI will not be liable to Customer or any third party for any delay or failure to perform due to any cause beyond its reasonable control and/or is considered an act of God or force majeure pursuant to applicable law. Such causes include but are not limited to, war, hostilities, revolution, civil commotion, compliance with any laws, regulations or orders, acts or omissions of Customer, strikes, lockouts, slowdowns and other labor disturbances, acts of God, interruptions or transportation or inability to obtain necessary labor, materials or facilities, or default of any supplier, or for any other cause, whether similar or dissimilar to those enumerated, that is beyond the reasonable control and without the fault or negligence of GCI. The delivery schedule will be considered extended by a period of time equal to the time lost because of any excusable delay. Either party wishing to claim relief under this Section shall, without delay, notify the other party in writing accordingly.

14.2 All deliveries by GCI shall be contingent on GCI receiving timely shipment of necessary equipment, materials and components related to the Equipment, and GCI may not only delay, but reduce or cancel deliveries to Customer to the extent that deliveries are affected by delay, reduction or cancellation of shipments of necessary equipment and materials to GCI.

14.3 In the event GCI is unable to wholly or partially perform for a period greater than two (2) months due to any cause beyond its reasonable control, either party may cancel any delayed order without liability.

15. GENERAL PROVISIONS.

15.1 **Representations and Warranties**. Each party represents and warrants to the other that (i) it is duly organized and in good standing in the jurisdiction of its organization or incorporation; and (ii) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with its terms. The signatories to this Agreement represent and warrant that each signatory has the capacity and authority to execute and deliver this Agreement, to perform hereunder, and to consummate the transactions contemplated hereby without the necessity of any act or consent of any other person, entity, or governmental authority. This Agreement, and each and every other agreement, document and instrument to be executed and delivered by the signatories in connection herewith, constitute or will, when executed and delivered, constitute the valid and binding obligation of each respective party, enforceable against each respective party in accordance with its terms.

15.2 **Compliance with Laws**. Customer will comply with all applicable laws concerning its use of the Software and the Equipment. Customer will not use, acquire, ship, transport, export or re-export the Software, directly or indirectly, into any country in violation of any applicable law (including, but not limited to, the United States Export Administration Act and the regulations promulgated there under).

15.3 Assignment. Customer may not assign, delegate or transfer, including by operation of law, change of control, sale of assets, merger or other similar transaction, this Agreement or any of its rights or obligations (in whole or in part) under this Agreement to any third party without GCI's prior written consent. Nothing in this Agreement confers or is intended to confer, expressly or by implication, any rights or remedies upon any person or entity not a party to this Agreement.

15.4 Notices. Any notices must be in writing, shall be delivered either in person, by overnight courier or by certified or registered mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt if delivered in person; (b) one Business Day after having been delivered to a courier for overnight delivery; or (c) three Business Days after having been deposited in the mails as certified or registered mail, return receipt requested, all fees prepaid, directed to the Parties or their assignees at the following address (or at such other address as shall be given in writing by a party hereto):

If to GCI: Jason S. Adler, Esq.
6485 Shiloh Road
Building B, Unit 100
Alpharetta, GA 30005

If to Customer: ____________________
Attn: ______________
____
____

As used in this Section 15.4 and elsewhere in this Agreement, the term **"Business Day"** shall mean any day that is not a Saturday, a Sunday or a public holiday on which banks are closed in Atlanta, Georgia, United States of America.

15.5 Waivers. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

15.6 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this Agreement will continue in full force and effect.

15.7 No Agency Relationships. The parties hereto are independent contractors, and neither party is an agent, representative or partner of the other party. This Agreement will not be interpreted to be construed to create an association, agency, joint venture or partnership between the parties or to impose any liability attributable to such relationship on either party. Customer shall not impose or create any obligation or liability of any kind, express or implied, or make any promises, representations or warranties on behalf of or in the name of GCI, other than as expressly provided herein.

15.8 Complete Agreement. This Agreement is the complete and exclusive statement of the agreement between the parties and supersedes any proposal or prior agreement, oral or written, and any other communications between the parties in relation to the subject matter of this Agreement. This Agreement may not be amended or modified in any way, nor may noncompliance with its terms be waived, except pursuant to a written instrument signed by both parties. All Software, Equipment and services provided by GCI to Customer will be governed by the terms of this Agreement.

15.9 Audit. Customer agrees to keep true, accurate, and complete records of its business pursuant to generally accepted accounting principles and to furnish GCI with such information as GCI may reasonably request. In addition, Customer shall retain for a period of at least twenty-four (24) months and upon request submit to GCI copies of all records relating to use of the Equipment and such other records as GCI may reasonably request from time to time. Customer agrees that GCI or its representatives, at GCI's expense, shall, at all reasonable times, have the right to examine or audit the books, records, state, county, or local sales tax returns or accounts of Customer, and any reports or records regarding Customer's utilization of the Equipment and Software (including any records related to design work and printing of finished products) for the purpose of determining Customer's compliance with this Agreement.

15.10 Uploaded Images. Customer shall have the right to allow end users to supply his or her own images to be placed onto the appropriate wireless device cover utilizing the Equipment and Software that is the subject of this Agreement (**"Uploaded Images"**). Customer will use its best efforts to monitor and detect Uploaded Images that infringe or violate any intellectual property or other proprietary rights, including without limitation: any utility or design patent, trademark, service mark, trade dress, trade name, copyright, trade secret, right of privacy, publicity or moral right, of any third party, and to prevent the production of products that contain any such infringing Uploaded Images. Customer shall ensure that a "click-through" agreement in a form expressly approved in writing by GCI is presented to the end-customer that is required for the end-customer to accept prior to uploading an Uploaded Image. Such agreement shall require the end-customer to represent and warrant that the Uploaded Image he/she is uploading is owned by the end-customer, the end-customer has secured the permission of any individuals who are portrayed in the image to use their image and likeness in this manner, and that the Uploaded Image does not infringe or violate any intellectual property or other proprietary rights, including without limitation: any utility or design patent, trademark, service mark, trade dress, trade name, copyright, trade secret, right of privacy, publicity or moral right, of any third party.

15.11 Counterparts. This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original. GCI and Customer intend to have the option for either party or all parties, to enter into this Agreement with electronic signatures or with signatures signed, scanned to Portable Document Format (**"PDF"**) and delivered via email and, if so, each party hereby consents to the other party entering into this Agreement with electronic signatures or with signatures signed, scanned to PDF and delivered via email. GCI and Customer hereby agree that the electronic signature of GCI and/or Customer to this Agreement or with signatures signed, scanned to PDF, and delivered via email shall be as valid as an original handwritten signature of such party to this Agreement and shall be effective to bind such party to this Agreement. GCI and Customer agree that this Agreement, as signed by GCI and Customer, with electronic signatures or with signatures signed, scanned to PDF, and delivered via email (being optional for either or all parties), shall be deemed (i) to be "written" or "in writing," (ii) to the extent either party signs electronically or with signatures signed, scanned to PDF, and delivered via email, shall have been signed by GCI and Customer to the same extent as if signed by GCI and Customer with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing one or more electronic signatures or with signatures signed, scanned to PDF, and delivered via email. Such paper copies or "printouts" of this Agreement as signed with electronic signatures or with signatures signed, scanned to PDF, and delivered via email, if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, will be admissible as between GCI and Customer to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither GCI nor Customer shall contest the admissibility of true and accurate copies of this Agreement as signed by GCI and Customer with electronic signatures or with signatures signed, scanned to PDF, and delivered via email on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date by their duly authorized representatives.

GLOBAL CELLULAR, INC.	**CUSTOMER**
By: ______________________________	**By:** _________________________
Printed Name: ____________________	**Printed Name:** ________________
Title: ____________________________	**Title:** _________________________
Date: ____________________________	**Date:** _________________________

EXHIBIT A

EQUIPMENT AND SOFTWARE

Equipment/Software	Fees and Payment Terms
Custom Shout! Print Process Equipment and Software	$2,500
Ancillary Supplies (ex: paper, and blanks) (*as needed for use of the Equipment*)	$20 USD per 100 sheets, as modified from time to time Blanks are sold at various prices depending on the phone model and type of blank being purchased

Location of Press/Software: [INSERT CUSTOMER'S ADDRESS]

EXHIBIT “N”

Merchant Enrollment Agreement

Merchant Enrollment Agreement

This Merchant Enrollment Agreement ("Agreement") is entered and is effective as of the last signature date (the "Effective Date") as between Acima, LLC ("Acima") and [FRANCHISEE LOCATION] ("Merchant").

WHEREAS, Acima is a provider of Lease Purchase Services ("Services") to consumers and Merchant wishes to offer the Services to eligible customers of Merchant and Merchant wishes to allow its customers the option of utilizing the Services.

THEREFORE, the parties are entering into this Agreement and agree to be bound by the terms thereof for good and valuable consideration, the sufficiency of which is hereby acknowledged. The parties agree as follows:

1. **Services and Support**. Acima agrees to provide the Services for Merchant's selected customers and agrees to provide the Services to eligible customers. Eligibility requirements shall be determined solely by Acima and are subject to change at any time. Acima shall provide customer support for Merchant in matters associated with the Services.

2. **New Merchandise**. Merchant agrees to provide only new merchandise to be the subject of any Lease Purchase Agreement unless Merchant fully and adequately discloses in the Lease Purchase Agreement whether the subject merchandise is in "used" condition or has been previously leased. If Acima becomes aware of any improper disclosure regarding the new versus "used" or previously leased condition of the merchandise, Acima reserves the right to recall funding already paid to Merchant for that transaction.

3. **Training and Marketing**. Acima agrees to provide training to Merchant in relation to the Services. Training may be provided in person or via virtual means but will be sufficient for Merchant and Merchant's employees to correctly present and submit applications for approval by Acima. Acima agrees to provide Merchant (without cost to Merchant) with marketing and promotional materials as may be deemed beneficial by the parties for the promotion of the Services, and Acima will ensure that all such materials comply with all applicable laws and regulations. Merchant agrees to provide advanced copies and notice of any marketing materials utilized by Merchant to market Acima products and services. Merchant further agrees not to alter any marketing material provided by Acima to Merchant without prior written consent. Merchant shall not use any marketing or promotional materials approved by Acima for any purpose other than fulfilling the terms of this Agreement.

4. **Delivery**. Merchant agrees to either deliver or make readily available any property (in full) subject to a Lease Purchase transaction within seven days of executing the Lease Purchase transaction or as quickly as is reasonably practicable. Failure to adhere to any portion of this provision permits Acima, in its discretion, to withhold funding or recall funding if already paid to Merchant for that transaction.

5. **Processing and Approval of Applications**. Acima will process all applications submitted by Merchant within a reasonable time and as quickly as is reasonably practicable. Applications for the Services will be evaluated on criteria established by Acima and the decision to approve or deny any given application for Services will be at the sole discretion of Acima. Acima further reserves the right to modify or adjust approval criteria at any time as it may see fit.

6. **Funding/Due Diligence**. Acima will purchase the property in full from Merchant by providing funds to Merchant for the amount of the approved Lease Purchase transaction, minus any agreed upon Merchant Fee or discount and any applicable initial payment (see Section 9), within two business days of the receipt of the complete funding package or after customer's receipt of the leased property, whichever is later. Acima agrees that all Leases/Purchases are non-recourse to Merchant. All funding will take place through electronic transfers from Acima to Merchant's designated account. To receive funding, Merchant must provide Acima with the bank account number and routing number of Merchant's designated account, along with any other information that may be required to complete the funding transfer. No funds will be transferred in any event until all funding conditions, including application approval, have been met. Merchant agrees that prior to any funding, Acima may perform its own due diligence on any transaction, which may include without limitation, ensuring customer's receipt of the property, and verifying any of customer's information stated in its application. It will be the sole responsibility of Merchant to ensure that its bank account information remains up-to-date. If there are any changes to Merchant's bank account, or if Merchant wishes to designate a different bank account, Merchant must notify Acima in writing of any such change. Notwithstanding anything to the contrary in this Agreement, Acima may withhold or recall funding at any time in the event that any fraud is detected or assumed.

7. **Merchant Programs**. Merchants may choose from a number of program options that may alter the Merchant Fee and Initial Payment charged on each lease. Merchants can also select a program that fixes the Merchant Fee and Initial Payment for each transaction. Program selection may be addressed with Acima at any time.

8. **Initial Payment**. The initial payment required from each customer is variable depending on selections made by Merchant and the customer throughout the underwriting and approval process. Once an initial payment has been determined, a customer may elect to pay the initial payment directly to Acima using a credit or debit card, or may make the payment in cash directly to Merchant. When the customer makes the payment directly to Acima, the amount funded to Merchant will be the full Merchant invoice amount, less any agreed upon merchant fees or discounts. If Merchant accepts the initial payment in cash, Merchant agrees that Acima shall be entitled to withhold the initial payment (which must be paid independently of the lease amount), and an additional Merchant Fee equal to 2% of the total Merchant Invoice amount. If Merchant elects to accept cash, the amount funded to Merchant will be the merchant invoice amount less the initial payment, less the 2% Merchant Fee, and less any additional agreed upon Merchant Fees or discounts. At Merchant's discretion, the ability to receive cash payments (and thus incur the 2% Merchant Fee) may be disabled by contacting Acima.

9. **Rebate.** Acima agrees to pay Merchant a rebate according to the following schedule:

Funded Lease Count	Rebate Percentage
2240 – 3500	0.5%
3501 – 4250	1.0%
4250 +	2.0%

*All rebates will be paid on the aggregate net funded amount (i.e., net of any Merchant Fees, discounts, returns, or offsets accrued under Section 6 or Section 10, or as a result of Acima Prime pricing reflected within Merchant Portal), at the highest tier reached, of all leases produced by Merchant during the calendar month. Rebates will be paid 50% to the location having earned the rebate, meaning the franchised location and 50% to the corporate Merchant entity, meaning the franchisor, Cellairis Franchise, Inc., each month.

The agreed upon rebate is contingent upon (1) Acima receiving the sole and exclusive right to be the Lease-to-Own provider in any financing/credit/leasing waterfall application or service utilized by Merchant in any store whether owned or controlled via franchise by Merchant ("Exclusivity"); and (2) Acima receiving the first opportunity to review an application in any scenario wherein a consumer expresses an interest in Lease-to-Own services (the "First Look"). Acima reserves the right to evaluate the merchant via any means, including secret shopper programs, to determine whether Merchant is providing Acima with First Look and Exclusivity as described in this Section 9. Should Merchant fail to provide First Look or Exclusivity to Acima on each Lease-to-Own transaction processed by Merchant in each of its stores, Acima shall have the right and sole discretion to deduct an amount equal to the rebate paid to Merchant from funds owed to Merchant, only after having provided notice and evidence of the default to Merchant. Acima is further allowed to retain the entire Merchant rebate earned during the first three calendar months beginning on the first day of the first month following the Effective Date of this Agreement (the "Rebate Release Date"); however in the event Acima retains such amounts, then the rebate amount that is earned during this time shall be paid within 20 days after the expiration of the three month period. For purposes of an example only, in the event this Agreement is signed on April 10, then the rebates earned for the months of May, June, and July would be paid on or before August 20. This concept of retaining the first three months of rebates only applies to those Merchants that sign this Agreement in the first three months, as new franchisees join the program, the rebate will not be withheld. Rebate details will be revaluated by the parties after the Rebate Release Date.

10. **Merchant Fee**. Merchant Fees are variable and determined by the selections made by Merchant during the underwriting and approval process. During each transaction, Merchant will have the opportunity to select a Merchant Fee appropriate under the circumstances. The Merchant Fee selected will be deducted from the funding amount before all other discounts, deductions, or fees are applied.

11. **Independence of Parties**. The parties are in no way acting as agents of one another, nor is this Agreement to be construed as granting employment or agency status.

12. **Term and Termination**. This Agreement shall remain in effect until terminated by either party. Either party may terminate this Agreement for any reason at any time upon thirty (30) days written notice. Upon receipt of any notice for

termination by either party, Acima will process any applications that were submitted prior to the notice of termination. There will be no penalty for termination under this Agreement.

13. **Indemnification**. Merchant agrees to hold Acima harmless and to indemnify the same for any injury to any person or property that occurs because of or from the leased merchandise. Likewise, Merchant agrees to indemnify Acima for any actions or inactions of Merchant that give rise to any liability. Acima agrees to indemnify Merchant for any actions or inactions of Acima that give rise to any liability, including, but not limited to any state or federal laws or any other rules or regulations that govern or apply to the transactions contemplated within this Agreement, to the extent the violation is the result of Acima's negligence.

14. **Breach of Security, Fraud, and Data Security.** Acima and Merchant will maintain data security in compliance with applicable law and consistent with industry standards for the consumer finance industry. Acima and Merchant will immediately investigate and take action with respect to a potential breach of security or fraud related to the Services or this Agreement. The Parties will notify each other within 24 hours of any event suspected of having compromised consumer data. In the event a Party becomes aware of any unauthorized use, modification, destruction or disclosure of, or access to, consumer data in such Party's possession or under such Party's control or its systems (containing such consumer data) used in connection with this Agreement (any of the foregoing events or circumstances, a "Security Incident"), the applicable Party suffering such unauthorized use, modification or access shall immediately notify the other Party and shall cooperate with each such other Party upon reasonable request by any such other Party or as required by applicable law, (x) to assess the nature and scope of the Security Incident, (y) to contain and control the Security Incident to prevent further unauthorized access to or use of consumer data, and (z) to provide prompt notice (which notice shall be subject to approval by the other Parties, which approval shall not be unreasonably withheld, conditioned or delayed) to affected consumers (and other persons) to the extent required by applicable law.

15. **General, Force Majeure**. Neither party shall be liable for, nor shall either party be considered in breach of this Agreement due to any failure to perform its obligation under this Agreement as a result of a cause beyond its control, including any act of God or a public enemy, act of any military, civil, governmental, or regulatory authority, terrorism, change in any law or regulation, strike, fire, flood, earthquake, storm or other like event, disruption or outage of communications, Internet, power or other utility, or other cause which could not have been prevented with reasonable care.

16. **Governing Law; Venue; Compliance**. This Agreement and all matters arising out of or relating to this Agreement shall be governed by the laws of the State of Utah, excluding its conflict of law provisions. The exclusive venue for any disputes arising out of this Agreement shall be the federal and state courts of Utah. Additionally, each party agrees to adhere to all applicable laws and regulations applicable to it with respect to Lease Purchase transactions; provided that Acima shall notify Merchant in writing of any such obligations that may be applicable to Merchant by law and regulation. Acima has and shall maintain in effect all licenses, permits, registrations and approvals necessary for its business. Acima will carry out its obligations hereunder and will administer each Lease Purchase transaction in compliance with applicable laws.

17. **Severability**. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect.

18. **Use of Name**. Neither party shall use the other party's name, logo, slogans, or any adaptation thereof without such party's prior written consent for marketing, advertising, or account acquisition purposes. No Credit Needed marketing material must be reviewed by Acima prior to first use.

19. **Entire Agreement/Amendments**. This Agreement constitutes the complete agreement between the parties and supersedes all prior or contemporaneous agreements or representations, written or oral, between the parties regarding the subject matter hereof, and this Agreement may only be amended in writing, signed by both parties hereto.

20. **Counterparts and Miscellaneous**. (a) **Counterparts and Facsimile**. This Agreement may be executed in counterparts, and may be exchanged by electronic or facsimile transmission, each of which shall be deemed an original for all purposes and together shall be deemed one document. A fully executed facsimile of this Agreement shall be binding upon the parties. (b) **Binding and Modification**. By signing below, the parties agree to be bound by the terms of this Agreement as of the Effective Date. This Agreement may be modified only in writing, signed by the parties hereto.

(c) **Confidentiality**. Acima shall maintain the confidentiality of all nonpublic information concerning Merchant's customers.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year first written above.

[FRANCHISEE LOCATION]	ACIMA, LLC
_____________________________	_____________________________
By/Signature	By/Signature
_____________________________	Aaron Allred, C.R.O.
Name, Title	Name, Title
Date: _____________	Date: _____________

EXHIBIT “O~~P~~”

Franchisee Disclosure Questionnaire

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Cellairis Franchise, Inc. (“we”, “us” or “our”) and you are preparing to enter into a Franchise Agreement for the operation of a Cellairis® franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question.

If you answer “No” to any of questions 1 through 16, please explain your answer on the last page of this questionnaire. If more space is needed please attach additional pages.

Yes__ No__ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to them?

Yes__ No__ 2. Have you received and personally reviewed the Franchise Disclosure Document (“Disclosure Document”) we provided?

Yes__ No__ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes__ No__ 4. Are you aware that you can review the Disclosure Document and the Franchise Agreement, as well as the benefits and risks of operating a franchisee with a lawyer, accountant or other professional advisor?

Yes__ No__ 5. Did you have the opportunity to discuss the benefits and risks of developing and operating a Cellairis franchise with existing Cellairis franchisees?

Yes__ No__ 6. Do you understand the risks of developing and operating a Cellairis franchise?

Yes__ No__ 7. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease/license terms and the marketplace?

Yes__ No__ 8. Do you understand that you are not granted any territorial protection and that another Cellairis franchise or company Cellairis Business Unit may open anywhere?

Yes__ No__ 9. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the production, distribution and sale of the products and services, that are the same or similar to the products and services that will be sold from your Cellairis Business Unit, under the Cellairis name or other mark, at any location, and by any method of distribution, and these other methods of distribution may compete with your Cellairis Business Unit and adversely affect its sales?

Yes__ No__ 10. Do you understand that our affiliate, Global Cellular, Inc., is currently a supplier of Products and Services, and may be the sole supplier of, or one of the approved suppliers for the Products and Services you will carry and sell at your Cellairis Business Unit, and that you are strictly prohibited from carrying or offering any products that are not purchased by you from Global Cellular, Inc. or another approved supplier?

Yes__ No__ 11. Do you understand that most disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated in the courts of the State of Georgia or arbitrated in Atlanta, Georgia?

Yes__ No__ 12. Do you understand that you (and your manager if you will employ one full-time) must satisfactorily complete our initial training course before we will allow your Cellairis Business Unit to open?

Yes__ No__ 13. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for the Cellairis Business Unit, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes__ No__ 14. Do you acknowledge and represent to us that (a) you or the entity that you form to be a franchisee will be the employer of all of your employees and will have sole discretion and authority to hire, fire, discipline, compensate and schedule working hours for, all of your employees; and (b) we and our affiliates will have no control, or right to control, any of the employment actions or decisions in your business? *We recommend that you retain employment law counsel to advise you with your employment issues and questions.*

Yes__ No__ 15. Do you understand that if and when your lease for the Cellairis Business Unit ends or is terminated, then the Franchise Agreement will end and terminate?

Yes__ No__ 16. Do you understand that you have no rights, guaranties, or warranties that the Franchise Agreement or the Occupancy Agreement will be renewed or extended at the expiration or termination of either?

If you answer "Yes" to any of questions 17 through 20, please explain your answer on the last page of this questionnaire. If more space is needed please attach additional pages.

Yes__ No__ 17. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Cellairis franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes__ No__ 18. Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in the Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes__ No__ 19. Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Cellairis franchise will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes__ No__ 20. Has any employee, broker, or other person speaking on our behalf besides the indivduals on the Item 23 Receipt made any statement regarding the sales process to you?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________
______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated ______________________	Dated ______________________

Special note for residents of the State of Maryland and franchised businesses located in Maryland: Nothing in this Franchisee Disclosure Questionnaire shall act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXPLANATION OF ANY RESPONSES [REFER TO QUESTION NUMBER AND USE ADDITIONAL PAPER IF NECESSARY]:

____
____
____
____
____
____
____
____

EXHIBIT "P~~Q~~"

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:~~The effective dates of registration of this Disclosure Document or exemption in the states listed below are:~~

California	Pending
~~Connecticut~~	~~April 2, 2008~~
Florida	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
~~Kentucky~~	~~May 19, 2006~~
Maryland	Pending
Michigan	Pending
Minnesota	Pending
~~Nebraska~~	~~May 16, 2006~~
New York	Pending
North Dakota	Pending
Rhode Island	Pending
~~South Carolina~~	~~April 11, 2008~~
South Dakota	Pending
~~Texas~~	~~June 5, 2006~~
Utah	Pending ~~April 30, 2020~~
Virginia	Pending
Washington	Pending
Wisconsin	Pending ~~April 30, 2020~~

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.~~In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 27, 2020.~~

EXHIBIT "Q~~R~~"

RECEIPTS

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cellairis offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first.

If Cellairis does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit B.

~~THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.~~

~~IF CELLAIRIS OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.~~

~~NEW YORK AND RHODE ISLAND REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP.~~

~~MICHIGAN AND WISCONSIN REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.~~

~~IF CELLAIRIS DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE AGENCIES LISTED IN EXHIBIT B.~~

Cellairis' sales agent for this offering is

	Name	Principal business address	Phone number
	Mary Naylor	6485 Shiloh Rd. Bldg. B # 100, Alpharetta GA 30005	678-513-4020
	Jaime Brown	6485 Shiloh Rd. Bldg. B # 100, Alpharetta GA 30005	678-513-4020
	^Imtyaz Isani	5161 Brook Hollow Pky, Unit #205, Norcross GA 30071	404-429-0506
	^Salim Samani	5161 Brook Hollow Pky, Unit #205, Norcross GA 30071	678-764-2005

^ These sales agents represent Cellairis only with respect to offers for franchised locations of Store-in-Store Outlets within Walmart.

The issuance date of this Franchise Disclosure Document is April 16~~27~~, 2021~~0~~.

We authorize the agents listed in Exhibit C to receive service of process for us.

I have received a disclosure document with an Issuance Date of April 16~~27~~, 2021~~0~~. This disclosure document included the following Exhibits:

A State-Specific Addendum
B State Administrators
C Agents For Service of Process
D Franchise Agreement
E Sub-License Agreements
~~F Personal Guaranty and Subordination Agreement~~
~~G Conditional Lease Assignment Agreement~~
F~~H~~ Cellairis Franchised Stores
G~~I~~ Audited Financial Statements
H~~J~~ General Release
I~~K~~ Lists of Former Franchises
J~~L~~ Chase Paymentech Merchant Application and Agreement
K~~M~~ Confidentiality Agreement for Cellairis Confidential Operations Manual
L~~N~~ Table of Contents for Operational and Repair Manuals
M~~O~~ Equipment Purchase Agreement and License Agreement
N Merchant Enrollment Agreement
O~~P~~ Franchisee Disclosure Questionnaire
P~~Q~~ State Effective Dates
Q~~R~~ Receipt

Date FDD Received: ________________

(**Do not leave blank**)

PROSPECTIVE FRANCHISEE:

If an individual: ______________________________
Signature

____
Print Name

If a business entity: ______________________________
Name of Business Entity

By______________________________

Its______________________________
Title

____
Print Name

KEEP THIS COPY FOR YOUR RECORDS

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cellairis offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first.

If Cellairis does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit B.

~~THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.~~

~~IF CELLAIRIS OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.~~

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O~~P~~ Franchisee Disclosure Questionnaire
P~~Q~~ State Effective Dates
Q~~R~~ Receipt

Date FDD Received: ________________
(**Do not leave blank**)

PROSPECTIVE FRANCHISEE:

If an individual: ____________________________________
Signature

____
Print Name

If a business entity: ____________________________________
Name of Business Entity

By___________________________________

Its___________________________________
Title

____
Print Name

Please sign this copy of the receipt, fill in the date you received the FDD, and return it to Cellairis Franchise, Inc., 6485 Shiloh Road, Building B, Unit # 100, Alpharetta, Georgia 30005.

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~~Z:\Legal\Cellairis\7191-001\Renewal 2021\FDD\Version.2.red.docx~~