FRANCHISE DISCLOSURE DOCUMENT

CLOVR™
LIFE SPA

Spa Acquisitions, LLC
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Scottsdale, AZ 85255
www sinusdayspa com
(888) 778-6747(main)
(480) 428-5454 (fax)
franchise@siriusdayspa.com

The franchisee will operate an Area Representative Business (hereinafter referred to as a "Regional Developer Business") marketing to and supporting franchisees in a specific geographic area, each of whom will operate a business offering customized aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and a meditation room as well as retail products in a safe, clean and friendly environment under the name **"CLOVR Life Spa"** (each referred to as a **"SPA Business"**)

The total investment necessary to begin operation of a new CLOVR LIFE SPA Regional Developer Business ranges from $108,775 to $281,225 These amounts include $98,275 to $244,225 that must be paid to us The estimated initial investment and amounts payable to us reflect our estimate of the total initial investment and fees payable to the Franchisor in connection with a Development Area suitable for between ten (10) and twenty-five (25) CLOVR

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

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Lyle Myers, 8377 E Hartford Drive Suite 105 Scottsdale, AZ 85255

The terms of your franchise agreement will govern your franchise relationship Do not rely on the disclosure document alone to understand your franchise agreement Read all of your franchise agreement carefully Show your franchise agreement 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 by calling 1-877-FTC-HELP or 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 August 2, 2019

STATE COVER PAGE

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

Call the state franchise administrators listed in Exhibit A of this disclosure document for information about us or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN ARIZONA OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE AND/OR LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY

4 YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	**Status**	**Effective Date**
California		
Hawaii		
Illinois		
Indiana		
New York		
Rhode Island		
Virginia		
Washington		
Wisconsin		

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

SPA ACQUISITIONS, LLC is the franchisor For ease of reference, in this disclosure document, we refer to SPA ACQUISITIONS, LLC as "CLOVR LIFE SPA" "we" "Franchisor" "us" or "our" "You" or "your" or "Franchisee" refers to the person, persons, corporation, limited liability company, partnership, or similar business entity ("Entity"), which is awarded a franchise

SPA ACQUISITIONS, LLC only does business under the names "SPA ACQUISITIONS, LLC" and "CLOVR LIFE SPA" AND "SIRIUS DAY SPA " We are a Delaware Limited Liability Company formed on February 22, 2019 Our principal place of business is 8377 East Hartford Drive, Suite 105, Scottsdale, Arizona 85255 We began offering CLOVR LIFE SPA franchises in April 2019

Our predecessor is Sirius Day Spa Franchising, LLC, an Arizona limited liability company Its principal business address is 8377 East Hartford Drive, Suite 105, Scottsdale, Arizona 85255 Sirius Day Spa Franchising, LLC offered unit and area representative franchises between January 2017 and March 2019

We have two (2) parents Our direct parent is Propr Holdings, LLC, a Delaware Limited Liability Company formed on February 22, 2019 Propr Holdings, LLC's principal business address is 6380 E Thomas, Suite 200, Scottsdale, AZ 85251 Our other parent is Brancap, LLC, a Delaware Limited Liability Company formed on February 22, 2019 Brancap, LLC's principal business address is 6380 E Thomas, Suite 200, Scottsdale, AZ 85251

Neither we nor any of our affiliates offer franchises in any other line of business However, we offer CLOVR LIFE SPA area representative franchises pursuant to a separate Franchise Disclosure Document

Our agents for service of process are listed in Exhibit B of this disclosure document We do not engage in any business not described in this Item 1

CLOVR LIFE SPAS

CLOVR LIFE SPAS are spa businesses that offer customized aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and a meditation room as well as related retail products in a safe, clean and friendly environment Spa Businesses also offer a membership program under which members, for a monthly fee, receive discounted services and are entitled to receive additional services at reduced member rates

Typically, CLOVR LIFE SPAS will be located in retail shopping centers (lifestyle, mall, and strip centers)

Our predecessor Sirius Day Spa Franchising, LLC developed and we continue to update and improve a unique system for the operation of CLOVR LIFE SPAS (the "System") The distinguishing characteristics of the System include, without limitation, our interior and exterior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality and quantity of equipment, and inventory; procedures for operations, proprietary computer software, quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for management training and assistance, advertising and promotional programs, and business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time

We identify the System by means of the "CLOVR LIFE SPA" name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, "Marks") Every detail of the System is important to you, us and our other franchisees You must develop, maintain and operate your Spa Business at the high and uniform standards of quality, operations and service established by us for the

System ("System Standards") Our System Standards are set forth in a confidential operations manual ("Confidential Operations Manual") We will loan you one copy of the Manual for the term of your franchise

Market and Competition

We are part of the spa and aesthetics industry including membership-based spa and aesthetic services The market for day spas and membership-based spa services is well developed although the market for membership-based aesthetic services is relatively new and developing Our principle targeted customers are adult woman between the ages of 30 and 70 We compete with hotels, resorts, day spas, salons, massage studios, nail salons, and other membership and non-membership-based aesthetic and beauty, professional therapeutic massage, teeth whitening, wraps, skincare, waxing, and meditation businesses

Industry Specific Regulations

There may be regulations specific to the operation of a Spa Business in your state You must, among other things, comply with all laws, rules and regulations governing the operation of your CLOVR LIFE SPA, and obtain permits and licenses necessary to operate your CLOVR LIFE SPA In addition, your state or locality may require you to obtain permits and/or licenses in order to provide day spa services Specifically, some states, counties, and cities require that spa businesses obtain special cosmetology and health department licenses and permits Your employees may also be required to have cosmetology licenses depending on the services they are providing to customers You will also be required to comply with all laws regarding the provision of massage services including registration with the appropriate massage regulatory authorities including all local and state authorities We require you to complete background checks on all therapists The rules and guidelines regarding the number and timing of required background checks are provided in the Operations Manual Because you are required to accept credit cards and gift cards, you will have to comply with any laws and regulations relating to the acceptance and processing of credit cards, loyalty cards and gift cards including the Payment Card Industry Data Security Standards Some states may classify a Spa Business as a health club In those states, you might be required to file and post a bond In addition, in those states, health club laws may regulate other aspects of your business including your agreement with your customers You will be responsible for ensuring compliance with all requirements You also will be required to comply with federal, state, and local laws applicable to businesses generally You should consider these laws and regulations when evaluating your purchase of a franchise

You should consult with your attorney and local, state, and federal government agencies before investing in a franchise to determine all of the legal requirements that you must comply with and consider their impact on you and the cost of compliance It is your responsibility to investigate, satisfy, and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time

ITEM 2
BUSINESS EXPERIENCE

John Fechter- Member of Board of Managers Mr Fechter is a Member of our Board of Managers Since December 2014, Mr Fechter has also been the Founding Partner of G2 Investments in Scottsdale, Arizona Between October 2012 and September 2015, Mr Fechter was the CEO of OpenTee/GolfSwitch in Scottsdale, Arizona

Bill Trefethen- Member of Board of Managers Mr Trefethen is a Member of our Board of Managers Since April 2010, Mr Trefethen has also been the Managing Partner of Parse Capital, LLC in Laguna Beach, California Since January 2002, Mr Trefethen has been the Managing Partner of Trefethen Advisors, LLC in Phoenix, Arizona

Frank Leonesio- Founder and Member of Board of Managers Mr Leonesio is our Founder Mr Leonesio has been a member of our Board of Managers since March 2019 Since October 2015, Mr Leonesio has been the owner and founder of Sirius Spa, Inc in Lodi, California From August 2005 through August 2013, Mr Leonesio was the Chief Executive Officer of ESIO Beverage Company, LLC and ESIO Beverage Franchising, LLC in Mesa, Arizona

Lyle Myers- President and Member of Board of Managers Mr Myers has been our President since our formation in October 2016 Mr Myers has been a member of our Board of Managers since March 2019 From January 2015 through the current date, he has been the President of Redline Athletics Franchising, LLC in Scottsdale, Arizona From April 2013 through January 2014, Mr Myers was an independent franchise management consultant

Jacqueline Wallace- Chief Financial Officer Ms Wallace has been our Chief Financial Officer since our formation in October 2016 Ms Wallace was the Chief Financial Officer of The Leonesio Group from March 2016 until December 2016 From August 2014 through March 2016, Ms Wallace was the Chief Financial Officer of Amazing Lash Studio Franchise, LLC in Scottsdale, Arizona From June 2012 through May 2014, she was the Controller of Boom Brands LLC in Gilbert, Arizona.

Ryan Cole- Co-Chief Operating Officer/Chief Information Officer Mr Cole has been our Co-Chief Operating Officer/Chief Information Officer since our formation in October 2016 From March 2016 through October 2016, he was a Vice President of The Leonesio Group, LLC in Scottsdale, Arizona From August 2014 through March 2016, he was the Chief Information Officer of Amazing Lash Studio Franchise, LLC in Scottsdale, Arizona. From April 2014 through the present, he has been the Chief Information Officer for Redline Athletics Franchising, LLC in Scottsdale, Arizona From January 2007 through April 2014, Mr Cole was the co-founder and Director of IT for Massage Envy Elements in Phoenix, Arizona

Ronny Record- Co-Chief Operating Officer/Director of Site Development Mr Record has been our Co-Chief Operating Officer/Director of Site Development since our formation in October 2016 From March 2016 through December 2016, he was the Vice President of The Leonesio Group, LLC in Scottsdale, Arizona From June 2014 through March 2016, Mr Record was the General Manager for Amazing Lash Studio Franchise LLC in Scottsdale, Arizona From April 2013 through June 2014, Mr Record was an Engineer in Training with Amec Environment and Infrastructure in Phoenix, Arizona

Andrew Nasseef- Director of Training Mr Nasseef has been our Director of Training since December 2017 From August 2014 through December 2016, he was the Director of Training/Operations of Amazing Lash Studio Franchise, LLC in Scottsdale, Arizona From October 2006 through May 2014 Mr Nasseef was with Massage Envy Franchise, LLC where he held various positions at the company's corporate office that included field training, operations manager and Manager of System Innovation.

ITEM 3
LITIGATION

Prior Actions

Austin Ventures III, LP v Frank M Leonesio, et al CV 2005-015257 (Maricopa County Sup Ct filed on 9/28/05) The plaintiffs and defendants were all shareholders in an upscale system of health clubs called Q Clubs when a dispute arose regarding a stockholder agreement and other obligations related to, and proceeds from certain litigation. Plaintiffs brought claims against defendants for breach of contract, breach of implied covenant of good faith and fair dealing, fraud in the inducement, conversion, fraudulent transfer, constructive trust, unjust enrichment, equitable lien, declaratory judgment, breach of agency agreement, breach of fiduciary duty, and punitive damages The matter was tried to a jury and on 9/10/08 the Court entered rulings regarding the claims and attorneys' fees As to Frank and Melissa Leonesio, the Court dismissed nine (9) of the claims but entered a judgment for breach of fiduciary duty in the amount of $439,580 36, for punitive damages in the amount of $1,121,958 00 and for taxable costs in the amount of $31,642 88, all of which were to be subject to post-judgment interest of 10% per year Plaintiffs then filed an appeal with the Arizona Court of Appeals, 1 CA-CV 09-0166, and Defendants filed a cross-appeal The Arizona Court of Appeals affirmed the Superior Court's decision on May 3, 2011

C P O Waters Inc v O Waters, LLC and Frank Leonesio Case No 5386 (Delaware Court of Chancery filed on March 24, 2010) CP Waters and defendants entered into a sale agreement in anticipation of a third party's ("DS Waters") acquisition of substantially all of the assets of O Waters, LLC (the "DS Waters Acquisition") The defendants paid Plaintiff $3,800,000 but the Plaintiff alleges that it was owed an additional $600,000 The defendants contended that additional payments were not yet due to C P O Waters, Inc because several outstanding issues regarding the acquisition of O Waters, LLC were not yet resolved and additional sale proceeds were not yet available to be distributed and that the money needed to stay in the company as a reserve for prospective obligations to creditors After the outstanding issues with respect to the underlying transaction were resolved, the matter was resolved on August 31, 2010 for a payment of $550,000 in proceeds from the DS Waters Acquisition.

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

ITEM 4
BANKRUPTCY

In re ESIO Beverage Company, LLC, ESIO Holding Company, LLC and ESIO Franchising, LLC, et al 2 13-BK-02473 (United States Bankruptcy Court, District of Arizona) This bankruptcy does not involve the Franchisor Our President Lyle Myers was an officer in ESIO Beverage Company On February 22, 2013, ESIO Beverage Company filed a petition under Chapter 11 of the United States Bankruptcy Code On August 15, 2013, the case was converted to a Chapter 7 case

Other than the matter identified above, no bankruptcy information is required to be disclosed in this Item

ITEM 5
INITIAL FEES

Initial Development Fee.

You must pay us an initial development fee ("**the Initial Development Fee**") based upon the number of CLOVR LIFE SPAS that may be opened in your Development Area The formula used to determine the Development Fee for your Development Area will be equal to twenty five percent (25%) of the result of multiplying the then-current initial franchise fee for a CLOVR LIFE SPA franchise by the number of potential CLOVR LIFE SPA franchises within the proposed Development Area

The Initial Development Fee must be paid by wire transfer, cash, or certified funds when you sign the Regional Developer Agreement The Development Fee is uniform for all Regional Developer franchises we offer through this Disclosure Document However, we reserve the right to modify the Initial Development Fee in the future to reflect the changing costs of doing business and changes in the value of a Regional Developer franchise We may also discount the Initial Development Fee (i) if a Regional Developer purchases multiple development areas, depending on the number of development areas purchased and their locations, (ii) if we are unable to locate a Regional Developer in a particular region we consider desirable, or (iii) based on other subjective factors we deem important to the System The Initial Development Fee is fully earned by us upon receipt and is nonrefundable

The Initial Development Fee is payable by certified or cashiers' check and is due in full upon your signing a Regional Developer Agreement

The Minimum Development Obligations are defined as the minimum number of CLOVR LIFE SPAS that you and we agree, prior to the execution of the Regional Developer Agreement, can be opened in your Development Area per year during the Initial Term of your Regional Developer Agreement

Technology Fee.

You will also pay us a Technology Fee of $525 ($175 per month) upon execution of the Regional Developer Agreement The Technology Fee, once paid, is not refundable

ITEM 6
OTHER FEES

Fee(1)	Amount	Due Date	Remarks
Technology Fee (2)	Currently $175 per month	Monthly	You will pay us a Technology Fee for required POS software, maintenance and support, e-mail service, intranet, and other technology services that we determine, in our sole discretion, to provide to you (See Item 11)
Regional Developer Advertising Cooperatives	Varies without limitation, based on a majority vote of the Cooperative	As required by the Cooperative	Currently, no Advertising Cooperatives have been established (see Item 11)
Termination Fee (3)	One-half of the original Development Fee for your Development Area, plus our attorneys' fees and costs	On demand	Payable by you to Franchisor if you breach the Regional Developer Agreement, or we terminate your Regional Developer Agreement, before your franchise term expires
Unpaid Insurance Expenses(4)	Unpaid Insurance premiums plus a ten percent (10%) administrative fee	On demand	Payable to Us if you fail to pay an insurance premium and we decide, in our sole discretion, to pay that premium on your behalf
Audit Expenses	Cost of audit and inspection, plus any reasonable accounting and legal expenses	On demand	Payable if 2% or more discrepancy in amounts owed, or if you fail to submit required reports
Manual Replacement Fee	Currently $500 per Manual	On demand	Payable if your Confidential Operations Manuals or RD Manual is lost, destroyed, or significantly damaged You must obtain a replacement copy at our then-applicable charge
Additional Training Fee(5)	$250 per attendee, per day, plus expenses	On demand	Payable for each person who attends any mandatory or optional additional training program or owners meeting held by us If you

Fee(1)	Amount	Due Date	Remarks
			fail to attend any of these required training courses or meetings, we may charge you a non-attendance fee of up to $500 per day You must also pay all travel and living expenses incurred by you and your employees and/or our employees during all training courses and programs
Replacement Personnel Training(5)	$250 per person, per day plus expenses	As invoiced by us	Payable for each person who attends any mandatory or optional additional training program we require You must also pay all travel and living expenses incurred by you and your employees and/or our employees during all training courses and programs
Remediation Training	$300 per day per trainer plus reasonable travel expenses	As invoiced by us	We may require you to engage and pay for on-site training if we believe that you require additional training You may also request that we provide additional on-site training to you
Transfer Fee(6)	$26,000 for the Development Area	At the time of transfer	Applies to any transfer of the Regional Developer Agreement, the franchise, or its assets, except transfers to a legal entity principally controlled by you Used to cover cost associated with transfers, including training cost
Renewal Fee(7)	$2,000 per open CLOVR LIFE SPA business in your Development Area, not to exceed 25% of the original Initial Development Fee for your Development Area	Upon renewal	Payable upon renewal of your Regional Developer Agreement
Late Reporting Fee(8)	$100 per week	10th day of the month following any month for which any required report is not timely submitted	Payable if any report or other information required to be submitted to us is received by us after the established deadline
Ongoing Development Fee(9)	$9,750 per CLOVR LIFE SPA that is sold in your Development Area		Upon your satisfaction of the Minimum Development Obligations, you will pay an ongoing Development Fee on a per store basis The Ongoing

Fee(1)	Amount	Due Date	Remarks
			Development Fee will be paid through an offset of the amounts owed to you for your share of the applicable Initial Franchise Fee instead of as a payment from you to us

NOTES

(1) Nature of Fees All fees payable to us or our affiliates may be modified by us from time to time without your approval Those fees will be no greater than the fees then being charged to new franchisees All fees in the above table are payable to us or our affiliates All fees in the above table are not refundable Generally, all fees are uniformly imposed on our Regional Developers, however, in certain unique circumstances, we may defer, reduce or waive a fee for a particular Regional Developers for a limited period of time If you are a married individual, your spouse must sign the Consent of Spouse to the Regional Developer Agreement Each person (and her spouse), corporation, partnership, limited liability company or other entity that owns, directly or indirectly, a five percent (5%) or greater equity interest in the Regional Developer entity (a "Principal") must sign an agreement, in the form of Exhibit D (the "Agreement to be Bound and to Guarantee"), in which he/she agrees to perform, and guarantees, all of Regional Developer's obligations to us and our affiliates (including the obligations under the Regional Developer Agreement), and agrees to be bound by the restrictive covenants, the confidentiality provisions and certain other provisions contained in the Regional Developer Agreement You must pay all amounts due by automatic debit You will be required to execute an ACH Authorization Form permitting us to electronically debit your designated bank account for payment of all fees payable to us as well as any amounts that you owe to us or our affiliates for the purchase of goods or services You must ensure that there are sufficient funds available in your account for withdrawal before each due date

(2) The monthly Technology Fee is currently $175/month This Technology Fee allows you to access our intranet site, including, training programs and our propriety software Your monthly Technology Fee will be payable beginning the first month after you complete your initial training. We have the right to increase this amount in the future See Item 7 and 11 for additional information regarding Computer Systems

(3) You must pay the Termination Fee, plus any costs and attorneys' fees incurred by us, if you improperly attempt to terminate or close your franchise before your term expires, or we terminate your Regional Developer Agreement for any reason set forth in the Regional Developer Agreement The Termination Fee is not our exclusive remedy and we may also recover from you any damages suffered by us (e g , lost future revenues) resulting from your improper or wrongful termination of the franchise See Item 17 for additional information.

(4) If you fail to pay the premiums for insurance required to operate your franchise, we may obtain insurance for you and you will be required to reimburse us within ten (10) days of receipt of a demand for reimbursement from us We will have the right to debit your account the amounts owed to us for such premiums if you fail to pay us within ten (10) days of our request for reimbursement

(5) Initial Training for up to three (3) people is included with your Initial Development Fee If you require additional people to attend the Regional Developer Training Program, the fee payable to us is $250 per day per additional person. Training of the additional people may or may not be held at the same time as training of the initial three (3) people, at our election. All training program attendees bear their own travel, lodging and meal expenditures in connection with attending the training program. If you fail to satisfactorily

complete our training program, in our sole discretion, we may require or permit you to attend the training program again, at your expense ($250 per day per person, plus travel, lodging and meal expenditures in connection with attending the training program) Additional training programs and refresher courses may be required upon renewal and from time to time We may elect, in our sole discretion, to charge a fee for additional training programs You will be required to bear your own travel, lodging and meal expenditures in connection with attendance In addition, you must attend, at your expense, all annual and other meetings and conference calls of franchisees that we determine are mandatory for all franchisees, or groups of franchisees (as designated by us), such as franchisees within a particular geographic region. We may impose a charge for your failure to attend those programs, courses, meetings and conference calls

(6) We have agreed to enter into a Regional Developer Agreement with you based upon your application, background and experience We are willing to allow you to transfer your Regional Developer Business to a new Regional Developer if they meet our then current standards for new Regional Developers and you comply with our requirements for transferring your Regional Developer Business One of the requirements for transferring your Regional Developer is the payment of a Transfer Fee of $26,000 If we do not approve the proposed transfer or the transfer does not occur, we will return your Transfer Fee minus our reasonable administrative costs and expenses in evaluating and administering the proposed transfer The State of Washington imposes restrictions on Transfer Fees that may change the Transfer Fee that you are obligated to pay if your Regional Developer Territory includes the State of Washington.

(7) The initial Term of the Regional Developer Agreement is ten (10) years At the expiration of the Term, and 1st Renewal Term, you may with our approval and consent, which will not be unreasonably withheld, renew the Regional Developer Agreement for up to two (2) additional ten (10) year terms (each a **"Renewal Term"**) To renew the Regional Developer Agreement at the end of the term and/or first Renewal Term, you must comply with our renewal requirements One of our renewal requirements is the payment of a renewal fee Your renewal fee will be $2,000 per open CLOVR LIFE SPA in your Development Area at the time that you renew your Regional Developer Agreement

(8) If you fail to deliver or provide to us any statement, report or other document or information required to be delivered (for example, sales reports, certificates of insurance and financial statements), by the applicable deadline, you will be assessed a late charge of $100 per week, or part thereof (until that statement, document or other information has been delivered or provided), which amount may be increased by us from time to time

(9) The Ongoing Development Fee will be paid through an offset of the amounts owed to you for your share of applicable Initial Franchise Fees (as such term is defined in the applicable Franchise Agreement) instead of as a payment from you to us

ITEM 7
ESTIMATED INITIAL INVESTMENT

The Estimated Initial Investment for a CLOVR LIFE SPA Development Area is

YOUR ESTIMATED INITIAL INVESTMENT[1]					
(Column 1) Type of Expenditure	**(Column 2) Amount**		**(Column 3) Method of Payment**	**(Column 4) When Due**	**(Column 5) To Whom Payment is Made**
	Low	High			
Development Fee[2]	$97,750	$243,750	Lump sum	Upon signing the Regional Developer Agreement	Us
Real Property-Rental including Lease Security Deposit (3 Months) [3]	$0	$4,000	As required by landlord	As arranged	Landlord
Construction Costs, Equipment And Fixtures[4]	$0	$5,000	As arranged	As arranged	Suppliers and contractors
Insurance[5]	$1,000	$6,500	As arranged	As incurred	Insurance company
Travel And Living Expenses During Initial Training (Per Person) [6]	$1,000	$1,500	As arranged	As incurred	Third parties
Utility Deposits	$0	$500	As arranged	As incurred	Utility companies
Vehicle (3 Months)[7]	$0	$1,200	As arranged	As incurred	Supplier
Professional Service Fees[8]	$500	$5,000	As arranged	As incurred	Professionals
State Registration Fees[9]	$0	$750	As arranged	As incurred	State authority
Franchise Sales Advertising (3 Months) [10]	$1,500	$4,500	As incurred	As incurred	Print advertisers
Computer System[11]	$1,500	$3,000	As arranged	As incurred	Suppliers
Technology, Software License and Support Fees (3 Months)[12]	$525	$525	Automatic debit	Monthly	Us
Additional Funds (3 Months)[13]	$5,000	$5,000	As arranged	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT[14]	$108,775	$281,225			

NOTES

(1) **Estimates Only** These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Regional Developer franchise Our estimates are based on our experience and the current requirements for Regional Developers The actual investment you make in developing and opening your franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions Your costs will also depend on factors such as how well you follow our methods and procedures, your management skills, your business experience and capabilities, local economic

conditions, the local market for our products and services, the prevailing wage rates, competition, and sales levels reached during your initial phase of business operations

(2) **Initial Development Fees** The Development Fee will be calculated utilizing the formula provided in Item 5 We estimate that the average Minimum Development Obligations will include between 10 and 25 CLOVR LIFE SPAS The range of Development Fees above reflects our estimate of the Development Fee associated with a geographic area suitable for 10 and 25 CLOVR LIFE SPAS <u>If you and we agree on a larger Development Obligation, the Development Fee and estimated initial investment may be greater than the range described above</u> The Development Fee includes the training expenses for two (2) individuals as well as the Initial Franchise Fee for one CLOVR LIFE SPA in the Development Area. <u>The Initial Development Fee is non-refundable</u>

(3) **Real Property Expenses Including Security Deposit** You are not required to secure a separate office for your Regional Developer Business if you possess suitable space to perform your obligations under the Regional Developer Agreement If you do not possess adequate office space for you to perform your obligations under the Regional Developer Agreement, you may be required to secure separate office space adequate to perform such obligations This amount includes estimated costs of furniture, furnishings, installations, equipment, trade fixtures, and certain other items for your Regional Developer Business, the amount and specific items of which will vary depending upon the location, size and condition of your office location

(4) **Construction Costs, Equipment and Fixtures** This is an estimate of the costs that you will incur in purchasing equipment and fixtures and constructing an (optional) office for operation of your Regional Developer business

(5) **Initial Insurance Premiums** This is an estimated down payment against your annual premiums to acquire the insurance required under the Regional Developer Agreement The estimate is only for commercial general liability, property, professional liability, business interruption, and workers' comp insurance We may, periodically, specify and change the types and amounts of coverage required, including an additional liability insurance umbrella policy You should consult with your insurance broker and legal advisor to determine your insurance needs You must provide liability insurance equal to or greater than the following minimum insurance You must provide us with a copy of each insurance policy upon issuance and after each renewal Each insurance policy must name us, our affiliates and our and their respective officers and owners as additional named insured and must require 30 days prior written notice to us before being modified, cancelled, or terminated and 30 days prior written notice to us before the policy expires

(6) **Travel Expenses While Training** You must pay all travel and living expenses incurred by you and your employees while attending all training courses and programs The amount of these expenses will depend on the distance you must travel, mode of transportation, type of accommodations, number of your employees attending training and their wages

(7) **Vehicle Expenses** You may be required to purchase or lease a vehicle to conduct franchise sales activities If you decide not to utilize your own vehicle, we estimate it will cost you approximately $400 per month to cover the cost of your vehicle, tax, title, and licensing

(8) **Professional Services** You should retain the services of an attorney, accountant and other consultants to assist you in forming your business entity and in purchasing and establishing your CLOVR LIFE SPA Regional Developer Business The cost of these services will vary depending on the different services providers This is an estimate of the professional fees you will incur in connection with the review and negotiation of the Regional Developer Agreement

(9) **State Registration Fees** If the laws within your Development Area require you to be registered prior to undertaking your franchise development activities, there may be certain costs associated with this registration, including registrations fees Registration fees vary from state to state

(10) **Advertising Expenses** We require you to spend at least $75 per franchise license that you purchased from us but have not sold to a franchisee in your Development Area each month to advertise the sale of CLOVR LIFE SPAS in your Development Area The precise amount will be determined by the population of your Development Area after consultation with, and consent by, us Advertising expenditures must be documented to us upon our request This includes the cost of sales and marketing materials

(11) **Computer System** You will need to purchase certain personal computers and/or mobile devices to utilize in conjunction with the operation of your CLOVR LIFE SPA Regional Developer Business This is an estimate of the costs associated with purchasing the required hardware and software

(12) **Technology, Software Licensing, and Support Fee** You must pay us, a monthly Technology, Software Licensing and Support Fee (the "Technology Fee") The Technology Fee provides you access, maintenance and support for required POS software, e-mail service, intranet, and other technology services that we determine, in our sole discretion, to provide to you The monthly Technology Fee is currently $175/month This is an estimate of the Technology Fees you will pay us during you first three (3) months of operation. We have the right to increase this amount in the future upon thirty (30) days written notice to you See Item 7 and 11 for additional information regarding Computer Systems

(13) **Additional Funds** Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business The range shown estimates your expenses during the first three months of operation. These expenses include an estimate of payroll costs for your initial therapists (which are detailed in the Operations Manual and will vary depending upon the size of your CLOVR LIFE SPA), other miscellaneous expenses and working capital but excludes any wage or salary paid to you We cannot guarantee that you will not have additional expenses starting the business Your costs will depend on a number of factors, including how closely you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our product, the prevailing wage rate, competition, and the sales level achieved during the initial period The amount required for additional funds was formulated based upon our years of experience as a franchisor and our Affiliate's years of experience operating company stores in addition to information provided by other franchisees

(14) Note that we make no representation or warranty regarding the period within which your business will break even and/or have positive cash flow We relied upon our experience and our affiliates' experience to compile these figures Franchisor and its affiliates will not finance all or a part of the initial investment

(15) Unless otherwise specified, payments or fees to Franchisor or its affiliates are nonrefundable

(16) You must, directly or through an Affiliate, own and operate one or more CLOVR LIFE SPAS in your Development Area within 12 months of the effective date of your Regional Developer Agreement Estimates regarding the initial investment of a CLOVR LIFE SPA are included in the unit specific disclosure document

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure that the highest degree of quality and service is maintained at all CLOVR LIFE SPAS, you must operate your Regional Developer Business and insure that franchisees in your Development Area are operating their CLOVR LIFE SPAS in accordance with the System including the System Standards We have developed the System Standards based upon our experience and the experience of our franchisees We disclose the System Standards to you in the Confidential Operations Manual (See Exhibit G), on our Intranet site and/or otherwise in writing

We may negotiate special pricing arrangements or discounts with some of our suppliers The arrangements may include special contract pricing, volume discounts, and specific discounts from regular wholesale prices These discounts are typically passed on to our franchisees and/or contributed to our Advertising Fund once established We do not provide any other material special benefits to franchisees based on their purchase of particular approved supplies or their use of particular approved suppliers

We and our affiliates, from time to time, may receive payments from suppliers or vendors (including Designated Suppliers and/or Approved Suppliers) on account of such suppliers' dealings with you and other CLOVR LIFE SPA franchisees, and we may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate We may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for any group of CLOVR LIFE SPAS or any other group of businesses franchised or operated by us or our affiliates

The Regional Developer Agreement requires that all equipment, furniture, fixtures, décor, signs, computer equipment, supplies and other products, services and materials which you will use in the operation of your Regional Developer Business meet our standards and be purchased only from approved suppliers as indicated in detail in the Confidential Operations Manual and related documents provided to you You may use any operational service providers, such as exterminators, refrigeration services companies, refuse removal companies, and similar service providers that you desire as long as such use complies with your Lease, if applicable, and local laws We are an approved supplier of certain uniforms and other logo items that may be utilized in your CLOVR LIFE SPA Regional Developer Business but there are other approved suppliers who are not affiliated with us for each of the items you will purchase to operate your Regional Developer Business We will provide you with a list of approved suppliers for your market area as part of the Confidential Operations Manual You can expect that the items you will purchase in accordance with our specifications will represent 10%-20% of the total purchases you will make to begin operations and 20%-25% of your annual operating expenses for raw materials, products and supplies

All requests for approving new or alternative suppliers must be submitted in writing by you and/or the supplier to us Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing Our criteria for approving suppliers is available to franchisees upon written request to us A charge equal to the reasonable cost of the inspection and the actual cost of the test not to exceed $5,000 must be paid to us either by you or by the proposed supplier If approved, in our sole reasonable discretion, we will notify you and/or the supplier in writing within 60 days of our receipt of an approval request You must not offer for sale or sell any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier We may, at our option, re-inspect the facilities and products of any approved supplier and revoke its approval upon the supplier's failure to meet any of our then current minimum standards and specifications If you receive a written notice of revocation from us, you must stop selling disapproved products and stop purchasing from the disapproved supplier

Franchisor provides all specifications and standards to Regional Developers and franchisees in the Confidential Operations Manual (See Exhibit G) We may modify the specifications and standards from time to time by providing franchisees and Regional Developers with modification or supplemental inserts to the Confidential Operations Manual, by providing notices or bulletins, or by amending the Confidential Operations Manual The Confidential Operations Manual is part of your Regional Developer Agreement with us

We or our affiliates may also receive rebates and/or allowances from certain suppliers on purchases made by Regional Developers and/or Franchisees The rebates and/or allowances are generally based upon a percentage of franchisee purchases We intend to utilize any rebates or allowances received for marketing, advertising, franchisee seminars and conferences, and the handling of inquiries and complaints from our franchisees' customers That being said, we reserve the right to modify this policy and we may use rebate and allowance funds received from our suppliers to benefit the CLOVR LIFE SPA System in our sole and absolute discretion Franchisor or its affiliates received total rebates and/or allowances of $0 during 2018

We estimate your purchases from us will be between 0% and 5% of your total annual purchases

We have not arranged any purchasing or distribution cooperatives among our franchisees No Franchisor officer owns an interest in any supplier

We may from time to time provide referral incentives to franchisees, employees and others for qualified referrals of prospective franchisees We may pay membership fees to public, quasi-public and private service providers who refer potential franchisees from identified groups (veterans or military personnel planning to leave the service) Any referral fees paid may reduce your share of Initial Franchise Fees or other fees payable to you pursuant to the Regional Developer Agreement

We may vary the terms of our franchise agreements or Regional Developer Agreements in connection with testing new marketing, branding, research and development of new services or products, and/or operational programs These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees or Regional Developers We reserve the right to sell some of the products associated with the CLOVR LIFE SPA brand to different retail outlets such as department stores, grocery stores, internet retailers, and/or membership-based retailers

You will need to purchase personal computers and/or mobile devices to utilize in conjunction with the operation of your CLOVR LIFE SPA Regional Developer Business

You may not maintain an internet site, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Regional Developer Business without our prior written approval We must approve any social media efforts (including Instagram, Twitter, Facebook, etc) You will be required to comply with our social media guidelines in your management of any such social media efforts

Although not bound to do so, we may conduct, from time to time, additional research and development with regard to the specifications and standards of the System The criteria for evaluating any changes in these specifications will be whether such changes in the specifications will improve quality, be more efficient and have greater customer appeal, thus enhancing the CLOVR LIFE SPA brand name and image

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	Séction in Regional Developer Agreement	Disclosure Document Item
a Site selection and acquisition/lease	4(c)	8, 11, 12
b Pre-opening purchases/leases	3(g), 3(j)	8, 11
c Site development and other pre-opening requirements	3(g), 3(j)	5, 8, 11
d Initial and ongoing training	3(a), 3(i), 3(j), 3(q), 3(r)	11
e Opening	3(g), 3(j)	8, 11
f Fees	6, 7	5, 6, 7, 8
g Compliance with standards and policies/operating manual	3, 4	8, 11, 12, 13, 16
h Trademarks and proprietary information	8, 11	13, 14
i Restrictions on products/services offered	4(g)	8, 11
j Warranty and customer service requirements	3(f)-3(k), 3(n), 3(o)	8, 11
k. Territorial development and sales quotas	4(h), 6, Exhibit 3	12
l Ongoing product/service purchases	Not applicable	8, 11, 16
m Maintenance, appearance, and remodeling requirements	N/A	11
n Insurance	3(v)	7
o Advertising	4(g)	6, 8, 11
p Indemnification	10	6, 13, 14
q Owner's participation/management/staffing	3(a), 3(q),	15
r Records and reports	3(k), 3(jj), 9	7
s Inspections and audits	9	6
t Transfer	12	6, 11
u Renewal	13	6, 11
v Post-termination obligations	15	13, 14
w Non-competition covenants	11(c), 11(d)	13, 14, 17
x Dispute resolution	29	17

ITEM 10
FINANCING

We do not offer any direct or indirect financing We do not guaranty your note, lease, or other obligation

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

Except as disclosed below, Franchisor is not required to provide you with any assistance.

Before you open your Regional Developer Business, we will provide the following assistance to you

1 We grant Regional Developer the right to use the CLOVR LIFE SPA trade names, trademarks, service marks and logos solely in connection with and in strict compliance with the terms and conditions of the Regional Developer Agreement (See Exhibit C Regional Developer Agreement, Sections 3 and 4)

2 The Company's initial training program is available to a three (3) people on behalf of each Regional Developer Before opening for business, the Regional Developer owner must attend and complete the training program to the satisfaction of the Company We provide this initial training free of charge to you, however, you must pay the wages, food, lodging and travel expenses for all of your attendees The initial training program will last approximately two (2) days and will be conducted by us or our designee at our corporate headquarters in Scottsdale, Arizona or another location we designate All persons who participate in our initial training program must complete it to our satisfaction. (See Exhibit C Regional Developer Agreement, Section 3)

Our instructors have been adequately trained in the ownership and operation of a CLOVR LIFE SPA franchise The people in charge of the Regional Developer specific portions of the training program are Lyle Myers and Ryan Cole Mr Myers has been with Franchisor since its inception and has been involved in the development of and support of established and developing franchise and Regional Developer franchises for over 4 years and will focus on sales, development, and operations Mr Cole has been with Franchisor since its inception and has been involved in the technology aspects of franchising for 13 years and will focus on the use of our technology systems The minimum level of experience acceptable for our training staff is currently 4 years of relevant experience although we reserve the right to modify this minimum amount in the future

In-store training will be taught in a CLOVR LIFE SPA using the following instructional materials CLOVR LIFE SPA Confidential Operations Manual Certain portions of the RD Training Program may be altered or eliminated based upon your skill sets Further, substitute instructors may handle certain portions of the Regional Developer Training Program.

RD TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, Introduction, and RD Responsibilities	0 50		Corporate Office
Franchise Sales Process and Legal Issues	1 00		Corporate Office
FDD and Franchise Agreement	1 00		Corporate Office
Developing a Compliance System	1 00		Corporate Office
Profiles and Evaluation of Franchise	0 75		Corporate Office

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Marketing, Selling, and Closing the CLOVR LIFE SPA Franchise	1 00		Corporate Office
Lead Tracking System	0 75		Corporate Office
Demographics, Site Selection and Project Development Program	1 00		Corporate Office
Human Resources, System Standards and Ongoing Assistance	1 00		Corporate Office
Marketing and Advertising	1 50		Corporate Office
Equipment Ordering	1 00		Corporate Office
Online Scheduling Software	1 00	6 00	Corporate Office
Regional Sales Plan		1 00	Corporate Office
Unit Pro-forma		1 00	Corporate Office
Core Business Review		1 00	Corporate Office
Total Hours	11 50	9 00	
	20 50		

3 The classroom portion of the RD Training Program will be held in Scottsdale, Arizona for each new Regional Developer promptly upon a Regional Developer's execution of the Regional Developer Agreement The RD Training Program will occur as needed for new Regional Developers and will take place as soon as possible after you sign your Regional Developer Agreement and must occur at least one (1) day before you begin operations of your CLOVR LIFE SPA Regional Developer business You will need to arrange for transportation, food, and lodging for you and your designated attendee The costs you incur will depend on the distance you must travel and the type of accommodations you choose See Items 6 and 7 of this Disclosure Document for a discussion of costs and expenses associated with the Regional Developer Training Program

4 In connection with the Regional Developer's training, we will provide Regional Developer with our Confidential Operations Manual and RD Manual and associated documents and written guidelines that contain mandatory and suggested System specifications, standards, and procedures for all franchisees The Confidential Operations Manual is confidential and remains our property

5 We will provide Regional Developer with one complete sample set of sales materials, forms, and a copy of this Disclosure Document to use in connection with the Regional Developer Agreement

6 We will make available during normal business hours our management personnel to consult with Regional Developer either in person at Franchisor's office in Arizona or by telephone regarding any issues regarding selling, construction, training, opening, operating and/or supporting a CLOVR LIFE SPA

7 You are not required to secure a separate office location (although we recommend it) for your CLOVR LIFE SPA Regional Developer Business although you will be required to have adequate office space somewhere (whether at home, an office location, or if commercially reasonable at your CLOVR LIFE SPA) to operate your CLOVR LIFE SPA Regional Developer Business

8 The typical length of time between the signing of the regional development agreement and the opening of the Regional Developer business is 90 days The factors that may impact the opening of your CLOVR LIFE SPA Regional Developer Business are your ability to establish business operations in your

Development Area, your identification of personnel to assist you, and your completion of our training program

During the operation of your CLOVR LIFE SPA Regional Developer Business

1 We will maintain a continuing advisory relationship with you, including consulting with you in marketing, merchandising and general business operations that may help you in improving and developing your Regional Developer Business (See Exhibit C Regional Developer Agreement, Section 3(l))

2 We will continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance and service at all CLOVR LIFE SPAS in the System, including making periodic inspections and quality service checks of your CLOVR LIFE SPA (See Exhibit C Regional Developer Agreement, Section 3(j))

3 Upon your request, we will reasonably assist you in resolving operating problems you may encounter with franchisees in your Development Area (See Exhibit C Regional Developer Agreement, Section 3(l))

4 We will prepare and/or register any disclosure documents or other documentation that must be prepared, amended, or registered for you to fulfill your responsibilities to solicit, recruit, and screen prospective franchisees in your Development Area You must provide us with any documentation or information we may need to prepare or register the applicable disclosure documents, and will be responsible for all costs, if any, you incur to third parties in providing us with the required documentation and information. You must review and become fully familiar with all disclosure documents related to franchises sold in your Development Area Before soliciting a prospective franchisee, you must take reasonable steps to confirm that the information contained in the disclosur0e documents or other materials related to the offer or sale of CLOVR LIFE SPAS is true, correct, not misleading, and in compliance with applicable state law related to registration of the disclosure documents (See Exhibit C Regional Developer Agreement, Section 5)

5 All advertising by you in any medium must be conducted in a professional manner, must conform to the standards and requirements in our Confidential Operations Manual, and must display our proprietary marks only in those forms approved by us You will submit samples to us (through e-mail, return receipt requested) and obtain our prior approval (except with respect to the cost of the advertising) of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us If you do not receive our written disapproval within 15 days from the date of receipt by us of such materials, we will be deemed to have given the required approval We may make available to you, from time to time, approved advertising, promotional plans and materials for purchase You will not be obligated to accept or purchase any such advertising, promotional plans and materials offered to you by us (See Exhibit C Regional Developer Agreement, Section 4)

a You may not maintain a presence or advertise on the Internet or any other public computer network in connection with your Regional Developer Business without our prior written approval (See Exhibit C Regional Developer Agreement, Section 4)

b Neither you nor we will prevent the formation of franchisee cooperatives in your Development Area Currently, there are no regional or national marketing cooperatives for CLOVR LIFE SPA franchisees We encourage our franchisees to form and operate voluntary franchisee cooperative regional advertising associations (each a "Cooperative") If a Cooperative is formed in your Development Area, you must manage, administer, and lead the Cooperative The membership of the Cooperative will be defined by us according to designated marketing areas ("DMAs") We reserve the right at any time, in our sole discretion, to form, change, dissolve, or merge Cooperatives (See Exhibit C Regional Developer Agreement, Section 3) c Currently, there is no advertising council composed of CLOVR LIFE SPA franchisees or CLOVR LIFE SPA Regional Developers that advises us on advertising policies although we reserve the right to establish such council in our sole discretion

6 At the expiration of the Initial Term, and 1st Renewal Term, you may with our approval and consent, which will not be unreasonably withheld, renew the Regional Developer Agreement for up to two additional ten (10) year term(s) (each a "**Renewal Term**") To renew the Regional Developer Agreement at the end of the Initial Term and/or first Renewal Term, you must comply with our renewal requirements including execution of our form of Regional Developer Agreement being used at the time of your renewal and pay us the applicable Renewal Fee (See Exhibit C Regional Developer Agreement, Section 13)

7 You must purchase (i) a computer, and (ii) a laptop or tablet (as specified by us) each of which that connect to the Internet to (A) prepare and submit reports to us via the internet, (B) assist you in supporting franchisees in your Development Area, (C) so that we can communicate by email, (D) use available extranet services, and (E) receive other electronic information we send (See Exhibit C Regional Developer Agreement, Sections 3(j) and 9)

8 We will from time to time notify you of any required software We may require you to upgrade the hardware and software as reasonably necessary to provide reports and information required by us We may revise our computer specifications If we do so, we may require you to upgrade or update your computer There is no contractual limitation on the frequency and cost of this obligation. There may be comparable equivalents on the market for the computer we require, but we have not yet tested or approved any comparable computer, however, we may do so in the future You also must, at your cost maintain an active email account (See Exhibit C Regional Developer Agreement, Sections 3(j) and 9)

9 Franchisor may provide ongoing Regional Developer training programs (whether mandatory or optional) These ongoing training programs may include franchise meetings, regional developer meetings, regional training programs, and other training programs that we determine, in our sole discretion, to provide Franchisor may debit a fee for these programs ("Ongoing Training Fees") from your bank account at any time prior to such meeting Ongoing Training Fees shall be payable regardless of whether Regional Developer actually attends the training program

10 Franchisor does not maintain a Regional Developer advertising fund and therefore did not expend any Regional Developer advertising fund dollars in 2018 No Regional Developer advertising fund dollars will be expended to solicit new franchisees

11 The computer and laptop (or tablet) must, at a minimum, be a Windows based computer with a dual core hard drive and 2GB RAM The estimated cost of the required computer system is between $1,500 and $2,500 There is no contractual obligation associated with your maintenance and upgrading of your computer system

12 There are no grand opening requirements for Regional Developers

13 The monthly Technology Fee is currently $175/month This Technology Fee allows you to access our intranet site, including, training programs and our propriety software Your monthly Technology Fee will be payable beginning the first month after you complete your initial training We have the right to increase this amount in the future

We will have independent access to the information generated and stored in the required computer system using the required software There are no contractual limitations to Franchisor's access to your information.

Franchisor's Confidential Operations Manual is attached hereto as Exhibit G The current Confidential Operations Manual has 85 pages

ITEM 12
TERRITORY

Development Area

During the term of your Regional Developer Agreement, if applicable and so long as you and/or your Affiliate(s) are not in default of the Regional Developer Agreement or any franchise agreements or other regional developer agreement you may have with Franchisor, you will be granted a Development Area in which to operate as our representative and provide certain support services to CLOVR LIFE SPA franchisees that are sold and opened after the Effective Date of your Regional Developer Agreement The Development Area shall be agreed upon before you sign the Regional Developer Agreement The Development Area will be a defined geographic region and its boundaries will be identified as either (i) political subdivisions, such as counties, cities, or states, (ii) natural geographic boundaries, such as rivers or mountains, (iii) by zip code, (iv) or by an approved map Once you have satisfied your Minimum Development Obligations, you will have no additional development obligations to maintain your Development Area

We may terminate the Regional Developer Agreement in the event you fail to meet the Minimum Development Obligations as detailed in Exhibit 3 to the Regional Developer Agreement We retain the right to promote and establish CLOVR LIFE SPA franchises within your Development Area subject to your rights as a Regional Developer to earn and receive a portion of the revenues generated from the franchisees in the Development Area that are sold and opened after the Effective Date of your Regional Developer Agreement For so long as your Regional Developer Agreement is in force, we will not sell another Regional Developer Agreement for CLOVR LIFE SPAS within your Development Area Notwithstanding the grant of a Development Area, we reserve the right to (1) operate (and license others to operate) any type of business other than a CLOVR LIFE SPA Regional Developer Business at any location inside or outside the Development Area, (2) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from CLOVR LIFE SPAS, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the Internet or similar electronic media) both inside and outside the Development Area, (3) operate (and license others to operate) CLOVR LIFE SPAS and/or CLOVR LIFE SPA Regional Developer Businesses located anywhere outside your Development Area regardless of proximity to your Development Area with no compensation to you, (4) acquire the assets and/or ownership interests of one or more "Competing Businesses" (which are defined as businesses that offer customized aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and/or a meditation room as well as related retail products) and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area) with no compensation to you, (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises and/or licenses Competing Businesses in the Development Area, and (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective franchisees located, within the Development Area provided that such franchisees will not permitted to open or operate CLOVR LIFE SPAS in your Development Area without your involvement and participation, and (7) open or allow others to open CLOVR LIFE SPAS in Special Locations without Regional Developer's participation inside or outside the Development Area Nothing contained in this Section 12 should be construed to limit the operation of CLOVR LIFE SPAS that are under construction or in operation in the Development Area.

For purposes of this Disclosure Document and Regional Developer Agreement, a "Special Location" means a unique or non-traditional marketplace (such as an airport, train station, hotel, or casino), as designated by us (a "Special Location")

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own in the future or from other channels of distribution or competitive brands that we control

You may not operate the Regional Developer Business at any location outside the Development Area and you may not relocate your Regional Developer Business without our prior written consent That being said, you may solicit and/or accept orders from prospective franchisees outside the Development Area provided that the applicable CLOVR LIFE SPA Business is to be located inside the Development Area

Neither Franchisor nor any of its affiliates currently operate or intend to operate a franchise business under a different trademark that will sell goods and services that are the same or similar to those offered by CLOVR LIFE SPA franchisees

In order to maintain your rights under the Regional Developer Agreement, you must satisfy certain annual development obligations (the "Minimum Development Obligations") The Minimum Development Obligations will be vary depending upon the location ad size of your Development Area and will be agreed upon prior to your execution of a Development Agreement The agreed upon annual development obligations are detailed in Exhibit 3 to the Regional Developer Agreement We may modify or terminate your rights in the Development Area if you do not satisfy the Minimum Development Obligations in Exhibit 3 to your Regional Developer Agreement

Franchisor does not grant any options, rights of first refusal, or similar rights to acquire additional franchise rights to Regional Developer

You may not market or offer franchises using other channels of distribution except as approved by the Franchisor in writing You may solicit prospective franchisees outside your Development Area provided that those franchisees may only open CLOVR LIFE SPAS in your Development Area Franchisor is not obligated to pay Regional Developer any compensation for soliciting or accepting prospective franchisees from inside your Development Area provided that such requests related to opening a CLOVR LIFE SPA outside your Development Area

ITEM 13
TRADEMARKS

In the Regional Developer Agreement, we grant you the right to operate the Regional Developer Business under the name "CLOVR" and "CLOVR Life Spa" and to use our other current or future Marks that we designate in the operation of your Regional Developer Business We have the exclusive right to use and permit our franchisees to use the name and mark "CLOVR" and "CLOVR Life Spa" in addition to certain related trademarks, service marks and other commercial symbols in the development and support of franchises throughout the United States

The following principal Marks are registered with the United States Patent and Trademark Office ("PTO") on the Principal Register

None.

The following principal Marks are pending before the PTO on the Principal Register

Mark	International Classes	Serial No	Application Date
CLOVR	003 and 044	88386106	April 15, 2019

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state There are no effective determinations of the PTO, of the Trademark Trial and Appeal Board, or of the trademark administrator of any state or court Neither are there any pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks that are relevant to their use Other than as described above, there are no agreements currently in effect that significantly limit our rights within the United States, to use, or license the use, of the above mentioned Marks in any manner material to the franchise

You will follow our rules when you use the Marks You may not use any Mark as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you) You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. In the event of an infringement, challenge, or claim, you may not communicate with any person other than our attorneys, your attorneys, and us We may take the action we deem appropriate and control exclusively any litigation, PTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You will sign any documents and take any action that, in the opinion of our attorneys, protects and maintains our interests in any litigation or PTO or other proceeding

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we will reimburse you for all damages you suffer in any trademark infringement proceeding from your authorized use of any Mark, and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named a party We may, at our option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice We will reimburse you for your reasonable direct expenses of changing trademarked items However, we need not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

You may not use the Marks on any Internet domain name, e-mail address or in the operation of any Internet website without our prior written consent We may grant or withhold our consent in our sole discretion and may condition our consent on such requirements as we deem appropriate, including, among other things, that you obtain our prior written approval of (1) any and all Internet domain names and home page addresses related to the SPA Business, (2) the proposed form and content (including any visible and non-visible content such as meta-tags) of any website related to the SPA Business, (3) your use of any hyperlinks or other links, (4) your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest, and (5) any proposed modification of your website We may designate the form and content of your website and/or require that any such website be hosted by us or a third party designated by us, using one or more websites that we own and/or control In addition, we may require you to establish hyperlinks to our website or another website designated by us We may charge you a fee for developing, reviewing and approving your website and/or for hosting the website

You will follow our rules when you use the Marks You may not use any Mark as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you) You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. In the event of an infringement, challenge, or claim, you may not communicate with any person other than our attorneys, your attorneys, and us We may take the action we deem appropriate and control exclusively any litigation, PTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark You will sign any documents and take any action that, in the opinion of our attorneys, protects and maintains our interests in any litigation or PTO or other proceeding

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we will reimburse you for all damages you suffer in any trademark infringement proceeding from your authorized use of any Mark, and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named a party We may, at our option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice We will reimburse you for your reasonable direct expenses of changing trademarked items However, we need not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

You may not use the Marks on any Internet domain name, e-mail address, or in the operation of any Internet website without our prior written consent We may grant or withhold our consent in our sole discretion and may condition our consent on such requirements as we deem appropriate, including, among other things, that you obtain our prior written approval of (1) any and all Internet domain names and home page addresses related to the SPA Business, (2) the proposed form and content (including any visible and non-visible content such as meta-tags) of any website related to the SPA Business, (3) your use of any hyperlinks or other links, (4) your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest, and (5) any proposed modification of your website We may designate the form and content of your website and/or require that any such website be hosted by us or a third party designated by us, using one or more websites that we own and/or control In addition, we may require you to establish hyperlinks to our website or another website designated by us We may charge you a fee for developing, reviewing and approving your website and/or for hosting the website

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to your SPA Business or the System We claim trade secret and copyright protection for our Confidential Operations Manual, and certain business forms, architectural, engineering and construction plans, advertising materials, product specifications, computer programs, newsletters, training materials and operations and accounting materials We have not registered those materials with the United States Registrar of Copyrights You may use these items only in the way we specify and only while operating your SPA Business

The Confidential Operations Manual and these other materials contain the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a CLOVR LIFE SPA and information on your other obligations under the Franchise Agreement The Confidential Operations Manual and other materials also contain Confidential Information (as defined below) including the instructions, methods, and techniques used in the key management areas of CLOVR LIFE SPAS including marketing and promotion, daily operations, personnel, and financial management We may modify the Confidential Operations Manual periodically to reflect changes in System Standards The contents of the Confidential Operations Manual are confidential and you may not disclose the Confidential Operations Manual to any person other than employees of the SPA Business who need to know its contents You may not at any time copy, duplicate, record, or otherwise reproduce any part of The Confidential Operations Manual If your copy of the Confidential Operations Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy from us, for which we may charge you a replacement fee

We possess certain confidential information, some of which constitutes trade secrets under applicable law ("Confidential Information"), relating to the development and operation of CLOVR LIFE SPAS The Confidential Information includes, among other things site selection criteria, service techniques, beauty product formulas, marketing techniques, management and operation systems and other products, systems, services, training and operations materials and manuals, and marketing and advertising programs You do not acquire any interest in the Confidential Information, other than the right to use the Confidential Information as we specify in operating the SPA Business during the term of the Franchise Agreement The Confidential Information is proprietary to us You cannot use the Confidential Information in any unauthorized manner or disclose it to any third person, except as we permit If we permit you to disclose any Confidential Information to a third party we can require that the third party sign a confidentiality and nondisclosure agreement, in the form we specify

There are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials, Trade Dress, Confidential Operations Manual or Confidential Information. We do not have any copyright licenses that are material to the franchise We do not actually know of any infringing uses that could materially affect your use of these materials in any state

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

Regional Developer Businesses are, by their very nature, based upon the competency, abilities, skillset, management and leadership of individuals operating the Regional Developer Business It is our intention to select as CLOVR LIFE SPA Regional Developers only individuals or entities controlled by individuals who agree to actively participate in the direct operation and daily affairs of the CLOVR LIFE SPA Regional Developer Business Each of your shareholders, partners, or members of your business organization will be required to sign the Form of Agreement to be Bound and to Guarantee in the form of Exhibit D to this Franchise Disclosure Document The Regional Developer Business must be personally managed and directly operated by you or another partner, shareholder or member of your business organization, who meets our criteria and who has successfully completed the RD Training Program specified in Section 3 of the Regional Developer Agreement (the "**Operating Principal**") We are not seeking to license you to be a CLOVR LIFE SPA Regional Developer if you and your principals are merely seeking a passive investment Your Operating Principal must devote his or her entire time during normal business hours to the management, operation and development of your Regional Developer Business and the development and support obligations associated therewith Each of your principals and employees must maintain the confidentiality of the trade secrets described in Item 14 above, and conform with the covenants not to compete summarized in Item 17 below and Sections 9 and 14 of the Regional Developer Agreement Every employee is required to sign an Employee's Confidentiality & Non-Disclosure Agreement included in the Confidential Operations Manual

In the interest of safe and efficient job performance, business operation and public health and safety, you must maintain employees at all times, while working, who are able to read and understand our written materials and communicate with your employees and customers in the English language Your Operating Principal must also read and understand our written materials and communicate with your employees in the English language This requirement will not restrict the Operating Principal or your employees from speaking in any other language with you, other employees or customers, and shall not apply to any employee while on personal time or breaks

We may require that any owner of a 5% or more interest in the Franchisee sign a personal guaranty undertaking to be bound by the provisions of the Development Agreement The form of guaranty that your owners must sign is included in Exhibit D to the Disclosure Document Your spouse will be required to sign a personal guaranty (or acknowledge and consent to your execution of a personal guaranty)

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that your business is solely that of a CLOVR LIFE SPA Regional Developer Business, and you may not conduct any other business or activity without our prior written approval You must provide all of the services, support, marketing, and franchisee assistance required in the Regional Developer Agreement, Confidential Operations Manual and RD Manual subject to change from time to time in our sole discretion. We have the right to require you to provide additional services from time to time that we believe are important to the success of the CLOVR LIFE SPA franchisees in your Development Area You will be obligated to offer those new services and to participate in all local, regional, seasonal and promotional programs, initiatives and campaigns adopted by us with no additional compensation to you We reserve the right to require you and/or franchisees in your Development Area to participate in new product or service tests, new or modified product or service offerings and other programs and initiatives that we may periodically develop If we designate you or franchisees in your Development Area for participation in any such program, initiative or campaign, you must participate when and as required by us There are no limits on our right to require you to participate in those programs, initiatives and campaigns

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Regional Developer Agreement	Summary
a Length of the Term of the Franchise	13(a)	The initial term of the Regional Developer Agreement is ten (10) years
b Renewal or extension of the Term	13(a)	Subject to your compliance with the terms of Section 13(a), you may renew the Regional Developer Agreement for up to two (2) terms of ten (10) years each
c Requirements for you to renew or extend	13(a)	(i) Payment of a renewal fee equal to $2,000 per open CLOVR LIFE SPA in your Development Area, (ii) Regional Developer (and its Principals, officers and employees) must not be in breach of its (or their) obligations under, or related to, the Regional Developer Agreement or any Franchise Agreement between Franchisor and Regional Developer or its Affiliates, (iii) Regional Developer (and her Principals, officers and employees) must not have a history of repeated breaches of her (or their) obligations under, or related to, the Regional Developer Agreement or any Franchise Agreement between Franchisor and Regional Developer or her Affiliates, (iv) Regional Developer must have been in substantial compliance with the Business Plan(s) during the term of the Regional Developer Agreement, (v) Regional Developer must sign a general release of Franchisor and its Affiliates, in the form that Franchisor may require, (vi) Regional Developer must notify Franchisor in writing of its intention to renew at least one year (but not more than 18 months) before the end of each then current term (initial or renewal), (vii) Regional Developer must sign the form of Regional Developer Agreement then being signed by new Regional Developers and will be subject to the terms of that Regional Developer Agreement (other than (A) the term, which will be the renewal term set forth the Regional Developer Agreement and (B) Exhibit A, which will be identical to Exhibit A to the Regional Developer Agreement, (ix) Regional Developer must, at its expense, attend such training programs or refresher courses as Franchisor may request and (x) Franchisor has not notified Regional Developer

Provision	Section in Regional Developer Agreement	Summary
		in writing that Franchisor objects to the renewal and returns the renewal fee to Regional Developer, because in Franchisor's sole discretion, Regional Developer (or if Regional Developer is a corporation, partnership, limited liability company or other entity, a Principal) is not a good fit within the CLOVR LIFE SPA system, Regional Developer did not satisfy development, revenue, or other defined goals included in the Business Plan during the Initial Term, or Regional Developer may adversely affect the goodwill or reputation of Franchisor, the Marks and/or for other reasons Regional developer may be asked to sign an agreement with materially different terms and conditions from the original franchise agreement
d Termination by you	N/A	
e Termination by us without cause	N/A	
f Termination by us with cause	14	We may terminate the franchise agreement without an opportunity to cure (Section 14(a)) or with an opportunity to cure (Section 14(b)) upon an Event of Default
g "Cause" defined—defaults that can be cured	14(b)	(i) Regional Developer (or her Principals) fails to pay any monies owed to Franchisor or any of its Affiliates under the Regional Developer Agreement, or any other agreement between Franchisor and Regional Developer or her Affiliates, and that failure has not been cured within 30 days after Franchisor has provided notice of that failure to Regional Developer Termination will be effective upon the expiration of the 30th day after Franchisor has provided notice of that failure to Regional Developer (ii) Regional Developer (or her Principals, officers or employees) breaches any of her obligations (other than the payment of monies owed to Franchisor or any of its Affiliates) under the Regional Developer Agreement, or any other agreement between Franchisor and Regional Developer (or her Principals, officers or employees) or her Affiliates, (iii) Regional Developer fails to meet the operational requirements set forth in Section 3, and that failure has not been cured within 30 days after Franchisor provides Regional Developer written notice of that failure (iv) Regional Developer fails to transfer her rights under the Regional Developer Agreement in accordance with Section 12(h) of the Regional Developer Agreement Termination will be effective upon the

Provision	Section in Regional Developer Agreement	Summary
		expiration of the 90-day period referred to in Section 12(f), (v) Regional Developer fails to promptly cooperate with Franchisor in connection with obtaining any licensing, registration or permit necessary in connection with Regional Developer's activities under the Regional Developer Agreement, or if Regional Developer loses, or fails to maintain, any licensing, registration or permit necessary in connection with Regional Developer's activities under the Regional Developer Agreement, (vi) Regional Developer fails to deliver to Franchisor, within 30 days after the signing of the Regional Developer Agreement (and thereafter, within 10 days after Franchisor's request), information and documents requested by Franchisor in connection with updating or supplementing the Franchise Disclosure Document with respect to Regional Developer, (vii) Regional Developer conducts her business in a manner that may adversely affect the goodwill or reputation of Franchisor, its products or the Marks, (viii) Regional Developer attempts to transfer, or transfers, by operation of law or otherwise, her rights under the Regional Developer Agreement, without the prior written consent of Franchisor, or otherwise in violation of the Regional Developer Agreement, (ix) Regional Developer violates any health, safety or sanitation law, rule, regulation or ordinance and fails to begin to correct such noncompliance or violation immediately or fails to completely correct such noncompliance or violation within 24 hours after Franchisor has provided notice of such noncompliance or violation to Franchisee, (x) the number of Franchise Agreements set forth in Exhibit 3 for each year of the Term are not sold by each anniversary of the Regional Developer Agreement, Regional Developer will have 30 days after written notice is provided by Franchisor to Regional Developer to cure such failure to satisfy the Minimum Development Obligations set forth in Exhibit 3 (xi) the number of CLOVR LIFE SPAS set forth in Exhibit 3 for each year of the Term are not opened by each anniversary of the Regional Developer Agreement Regional Developer will have 30 days after written notice is provided by Franchisor to Regional Developer to cure such failure to satisfy the Minimum Development Expectations

Provision	Section in Regional Developer Agreement	Summary
h "Cause" defined—defaults that cannot be cured	14(a)	(i) Regional Developer (or her Principals, officers or employees) repeatedly (three or more times) fails to pay any monies owed to Franchisor or any of its Affiliates or perform any obligation, or repeated Events of Default occur (either one obligation and/or Event of Default three times, three obligations and/or Events of Default one time or any such combination) under the Regional Developer Agreement, or any other agreement between Regional Developer or her Affiliates and Franchisor or its Affiliates, (ii) Regional Developer or any of the Principals files a petition for bankruptcy or is placed in involuntary bankruptcy, (iii) Regional Developer or any of the Principals becomes insolvent (defined as the inability to pay her debts in the ordinary course of business and/or the excess of liabilities (current or long term) over assets (current or long term), (iv) Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, the Operating Principal or General Manager) fails to satisfactorily complete the Franchisee Training Program and/or the Regional Developer Training Program, in the sole discretion of Franchisor, within 30 days after the Effective Date, (v) one or more of the Regional Developer Agreements or any Franchise Agreement between Regional Developer or her Affiliates and Franchisor are terminated by Franchisor for cause, (vi) Regional Developer misrepresents, or commits fraud in connection with, any information contained in her application for Regional Developer rights, or in any other oral or written information communicated to Franchisor, (vii) Regional Developer or any Principal is (or has been) convicted by a trial court of, or has plead guilty or no contest to, a felony or other crime or offense that may adversely affect the goodwill or reputation of Franchisor, its products or the Marks, or if Regional Developer or any Principal engages in (or has engaged in) any conduct that may adversely affect the goodwill or reputation of Franchisor or the Marks, (viii) Regional Developer or any Principal engages in any conduct that violates any law, regulation or ordinance or commits an act of moral turpitude
i Your obligations on termination/non-renewal	6 (post-termination payments)	(i) Regional Developer will forfeit to Franchisor all fees paid by Regional Developer to Franchisor, (ii) All goodwill associated with Regional Developer's

Provision	Section in Regional Developer Agreement	Summary
	7 (Regional Developer Compensation) 15	operations is, and will be, the property of Franchisor, and Regional Developer will receive no payment therefor, (iii) Regional Developer must promptly return to Franchisor Franchisor's Confidential Operating Manual(s), all training materials and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, or the Proprietary Information), other than documents and materials provided under any Regional Developer Agreement between Franchisor and Regional Developer that is then in effect (iv) Regional Developer must immediately refrain from marketing Franchises and acting on Franchisor's behalf in connection with her communications with Franchisees and all other persons, (v) Regional Developer will receive no further payments pursuant to Section 7, (vi) Regional Developer must pay to Franchisor, within 10 days of expiration or termination of the Regional Developer Agreement, all amounts outstanding to Franchisor or its Affiliates from Regional Developer or her Affiliates
j Assignment of contract by us	12(a)	We may assign or transfer our rights under the Regional Developer Agreement, in whole or in part, without Franchisee's consent, to any person, or legal entity that agrees to assume Franchisor's obligations
k. "Transfer" by you—definition	12(b)	Any transfer of an equity interest in Regional Developer, by operation of law or otherwise, and any merger or consolidation of Regional Developer (if a corporation, partnership, limited liability company or other entity)
l Our approval of transfer by franchise owner	12(b)	Regional Developer may not assign, delegate or otherwise transfer, by operation of law or otherwise, any right or obligation of Regional Developer under the Regional Developer Agreement, without the prior written consent of Franchisor, which consent may be withheld by Franchisor, in its sole discretion for one or more of the following (i) Regional Developer (or her Principals, Affiliates, officers or employees) is in breach of, or default under, the Regional Developer Agreement or any other agreement with Franchisor or its Affiliates is reasonable, (ii) the prospective transferee (the "Transferee") is, in Franchisor's sole discretion, not an individual who possesses sufficient managerial and business experience and aptitude and financial resources to perform Regional Developer's

Provision	Section in Regional Developer Agreement	Summary
		obligations under the Regional Developer Agreement, (iii) the Transferee otherwise fails to meet Franchisor's then applicable criteria for Regional Developers, (iv) the financial or other terms of the transfer may have an adverse impact upon the Transferee's operations or ability to conduct her business under the Regional Developer Agreement and (v) the Transferee will not, immediately following the transfer, own and operate a CLOVR LIFE SPA
m Conditions for our approval of transfer	12(e)	
n. Our right of first refusal to acquire your business	12(c)	Within 30 days after Franchisor's receipt of all of the Required Materials, Franchisor will notify Regional Developer that (i) Franchisor desires to purchase Regional Developer's rights under this Agreement, upon the same terms and conditions as are offered by the Transferee, (ii) the transfer is approved or (iii) the transfer is disapproved, at Franchisor's election. If the transferee is disapproved, the Transfer Fee, less all out-of-pocket expenses incurred by Franchisor relating to the proposed transfer, will be refunded to Regional Developer If Regional Developer proposes an alternate transferee within 90 days after Franchisor's notice that the transfer is disapproved, the Transfer Fee will be applied to that application to transfer
o Our option to purchase your business	12(c)	We have no right to require you to sell your business to us We have a right of first refusal if you desire to transfer your franchised business to a third party
p Your death or disability	12(f)(iii)	In the case of an individual Regional Developer, any attempt to transfer any right granted under the Regional Developer Agreement upon Regional Developer's death, permanent and total disability or dissolution of marriage (if Regional Developer's rights under the Regional Developer Agreement, or a majority interest therein, will be transferred to Regional Developer's spouse upon dissolution of marriage) will be subject to the restrictions on transfer contained in Section 12, provided, however, that Franchisor will not have the right of first refusal
q Non-competition covenants during the term of the franchise	11(c), 11(d)	(i) Regional Developer may not, during the term of the Regional Developer Agreement and for the one-year period after the expiration or termination of the Regional Developer Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant,

Provision	Section in Regional Developer Agreement	Summary
		shareholder, representative, agent, lender or otherwise), be engaged in a business that offers or sells franchises or operates a Regional Developer Business offering franchise sales and support services (a "Competing Regional Developer Business") to franchisees operating one or more franchised businesses at (i) at any location in the United States of America, or (ii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the state or states where Regional Developer's Regional Developer Businesses located, or (iii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the Regional Developer's Development Area, (ii) Regional Developer may not, during the term of the Regional Developer Agreement and for the one-year period after the expiration or termination of the Regional Developer Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business that operates a businesses that provide aesthetic, professional therapeutic massage and body services, nail and waxing services as well as retail products related to aesthetic, professional therapeutic massage and body services or nail and waxing services (a "Competing Business") at (i) the location of Regional Developer's or its Affiliate's CLOVR LIFE SPA, (ii) at any location within Regional Developer's Development Area, and (iii) within a (A) 15-mile radius, or (B) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 7 mile radius, or (C) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 5 mile radius, or (D) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 3 mile radius of (I) any CLOVR LIFE SPA previously or presently owned, in whole or in part, by Franchisor, Franchisor's affiliates, or an existing CLOVR LIFE SPA franchisee, or (II) any location with respect to which Franchisor or any of Franchisor's affiliates has entered into a contract (including a Franchise Agreement) for the future operation of a CLOVR LIFE SPA

Provision	Section in Regional Developer Agreement	Summary
r Non-competition covenants after the Regional Developer Agreement is terminated or expires	11(c), 11(d)	See description above
s Modification of the Agreement	23(a)	If Regional Developer or any of her Affiliates signs a Regional Developer Agreement with Franchisor or any of its Affiliates after the Effective Date, the terms of any previously signed Regional Developer Agreement (and/or the documents signed in connection with the Regional Developer Agreement and any previously signed Regional Developer Agreement) (as the Regional Developer Agreement and any previously signed Regional Developer Agreement, and/or such other documents may be or have been amended) will be automatically amended to be identical to the terms of that subsequent Regional Developer Agreement (and/or the documents signed in connection with that subsequent Regional Developer Agreement), provided, however, that the term of Regional Developer's Regional Developer rights under, and Exhibit A to the Regional Developer Agreement and the previously signed Regional Developer Agreements will not be amended and the renewal fee will be the renewal fee under the Regional Developer Agreement (or previously signed Regional Developer Agreements, as the case may be) In addition, the terms of the Regional Developer Agreement (and the terms of the documents signed in connection with the Regional Developer Agreement) will automatically amend the terms of Regional Developer Agreements (and those other documents) previously signed by Regional Developer or any of her Affiliates to the effect that such previously signed Regional Developer Agreements (and those other documents) will be identical to the terms of the Regional Developer Agreement (and the other documents signed in connection with the Regional Developer Agreement), provided, however, that the term of the previously-signed Regional Developer Agreements and Exhibit A to the previously signed Regional Developer Agreements will not be amended and the renewal fee contained in the previously-signed Regional Developer Agreements will be the renewal fee for those Regional Developer Agreements
t Integration/ merger clause	23(b)	Only the terms of the Franchise Agreement and other related written agreements are binding

Provision	Section in Regional Developer Agreement	Summary
		(subject to applicable state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	29	Subject to Section 29(c), any controversy or dispute that arises between the parties related in any way to the Regional Developer Agreement or the relationship between the parties must be submitted to non-binding mediation before an action may be brought in a court of competent jurisdiction or in arbitration
v Choice of forum	28	Courts located in Maricopa County, Arizona (subject to applicable state law)
w Choice of law	28	Arizona law to govern (subject to applicable state law)

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote the CLOVR LIFE SPA System

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 Lyle Myers, President, 8377 E Hartford Drive Suite 105 Scottsdale, AZ 85255, 480-787-5667 (main), the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO 1
Systemwide Regional Developer Outlet Summary
For years 2016 to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	0	0	0
	2017	0	19	+19
	2018	19	29	+10
Company-Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Total Outlets	2016	0	0	0
	2017	0	19	+19
	2018	19	29	+10

TABLE NO 2
Transfers of Regional Developer Outlets from Regional Developers to New Owners (other than the Franchisor)
For years 2016 to 2018

State	Year	Number of Transfers
All states	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

TABLE NO 3
Status of Regional Developer Outlets
For years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
AL	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
AZ	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
CA	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	2	0	0	0	0	3
CO	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
FL	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
GA	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
IL	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
KS	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
LA	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
MI	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
MD	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
MN	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
MO	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
MS	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
NC	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
NE	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
NJ	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
NV	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
OK	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
PA	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
SC	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
TN	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
TX	2016	0	0	0	0	0	0	0
	2017	0	3	0	0	0	0	3
	2018	3	0	0	0	0	0	3
WA	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
TOTAL	2016	0	0	0	0	0	0	0
	2017	0	19	0	0	0	0	19
	2018	19	10	0	0	0	0	29

TABLE NO 4
Status of Company Owned Outlets
For years 2016 to 2018

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Arizona	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Totals	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

TABLE NO 5
Projected Regional Developer Openings as Of December 31, 2018

State	Regional Developer Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	0	30	0
MO	0	15	0
NM	0	10	0
NY	0	20	0
OH	0	30	0
OR	0	15	0
UT	0	10	0
WI	0	20	0
Total	0	150	0

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 may be required to sign provisions restricting their ability to speak openly about their experience with the CLOVR LIFE SPA system

Since our inception, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system

If you are purchasing a company-owned outlet from one of our affiliates that was previously owned by a franchisee but is now owned and operated by our Affiliate, or us we will provide you with an addendum to this Disclosure Document disclosing additional information for that outlet

There are no trademark-specific franchisee organizations associated with the franchise system being offered under this Disclosure Document that have been created, sponsored or endorsed by us

Attached hereto as Exhibit K is the contact information for all current CLOVR LIFE SPA Regional Developers and every Regional Developer (if any) who ceased to do business under the Development Agreement or had an outlet terminated, canceled, not renewed, transferred within the last fiscal year, or who has not communicated with the franchisor within 10 weeks of the issuance date

ITEM 21
FINANCIAL STATEMENTS

The franchisor has not been in business for three years or more and cannot include all the financial statements required by the Rule Exhibit F includes an Audited Opening Balance Sheet for Spa Acquisitions, LLC as of March 13, 2019

ITEM 22
CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following and identified as Exhibits

Exhibit	**Agreement**
C	Regional Developer Agreement
D	Agreement to Be Bound and to Guarantee
E	Preauthorization to Permit Franchisor to Draw Drafts on Regional Developer's Account
F	General Release
H	State Specific Addenda
J	Franchisee Questionnaire
K	Receipt Page

ITEM 23
RECEIPTS

Exhibit L to this Disclosure Document is a detachable receipt You are to keep one copy and return the other copy to us

DIRECTORY OF FRANCHISE REGULATORS, STATE ADMINISTRATORS, AND AGENTS FOR SERVICE OF PROCESS

Federal Franchise Regulators
Federal Trade Commission
Division of Marketing Practices
Seventh and Pennsylvania Avenues, N W , Room 238
Washington, DC 20580
202-326-2970

LIST OF STATE ADMINISTRATORS

CALIFORNIA
Department of Business Oversight
1-866-275-2677
Los Angeles
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500
Sacramento
1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205
San Diego
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233
San Francisco
One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

HAWAII
Commissioner of Securities
Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

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

INDIANA
Securities Commissioner
Securities Division, Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

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

MICHIGAN
Kathryn Barron
Franchise Administrator Antitrust and Franchise Unit, Consumer Protection Division, Department of Attorney General
670 Law Building, 525 W Ottawa Street, Lansing, MI 48913
(517) 373-7117

MINNESOTA
Commissioner
Department of Commerce
85 7th Place East, Suite 280
St Paul, MN 55101
(651) 539-1600

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005-1495
212-416-8236

NORTH DAKOTA
North Dakota Securities Department
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

OREGON
Div of Finance & Corp Securities
Department of Consumer & Business Services, Room 410350 Winter Street, NE Salem, OR 97301-3881
(503) 378-4140

RHODE ISLAND
Department of Business Regulation Securities Division
Bldg. 69, First Floor, John O Pasture Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9585

SOUTH DAKOTA
Franchise Administrator
Division of Insurance, Security Regulation, 124 South Euclid, Suite 104, Pierre, SD 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities & Retail Franchising, 1300 East Main Street, 9th Floor, Richmond, VA 23219
(804) 371-9051

WASHINGTON
Securities Division
Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN
Division of Securities
Bureau of Regulation & Enforcement, Department of Financial Institutions, 4th Floor
345 W Washington Avenue
Madison, WI 53703

Exhibit B
List of Agents for Service of Process

ARIZONA
Gallagher & Kennedy Service Corporation
2575 E Camelback Road, Suite 100
Phoenix, Arizona 85016

CALIFORNIA
Commissioner of
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, CA 95814

HAWAII
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, IL 62706

INDIANA
Securities Commissioner
Indiana Secretary of State
201 State House
Indianapolis, IN 46204

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

MICHIGAN
Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

MINNESOTA
Minnesota Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

NEW YORK
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA
Securities Commissioner of North Dakota
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505

OREGON
Director of the Department of Consumer and
Business Services
350 Winter Street NE, Room 410
Salem, OR 97301-3881

RHODE ISLAND
Director of Department of Business Regulation
Securities Division
John O Pastore Center, Bldg 69, 1st Floor
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9585

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

VIRGINIA
Clerk, Virginia State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219
(804) 371 9733

WASHINGTON
Director, Securities Division
Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501

WISCONSIN
Wisconsin Commissioner of Securities
Department of Financial Institutions, 4th Floor
345 W Washington Avenue
Madison, WI 53703

TABLE OF CONTENTS

REGIONAL DEVELOPER AGREEMENT

This REGIONAL DEVELOPER AGREEMENT, dated as of the date set forth on the last page of this Agreement (the "**Effective Date**"), by and between **SPA ACQUISITIONS, LLC, an Arizona Limited Liability Company**, whose principal business address is 8377 E Hartford Drive Suite 105, Scottsdale, Arizona 85260 and the Regional Developer identified on the last page of this Agreement ("Regional Developer"), whose address, phone number and fax number are set forth on the last page of this Agreement

RECITALS

A. WHEREAS, we and our affiliates have invested considerable time, effort, and money to develop a unique system ("System") for the operation of a spa business under the name "CLOVR Life Spa" that offers customized aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and/or a meditation room as well as related retail products in a safe, clean and friendly environment ("CLOVR LIFE SPA")

B WHEREAS, the distinguishing characteristics of the System include, without limitation, our interior and exterior design, special décor elements, layout, furnishings, fixtures, color schemes, display units, graphics and designs, signs, quality and quantity of equipment, and inventory, procedures for operations, proprietary computer software, proprietary skin and aesthetic products, quality and uniformity of services and products offered, staff and customer recruitment and retention programs, local, regional and national events, procedures for management training and assistance, advertising and promotional programs, and business formats, methods, procedures, designs, layouts, standards, and specifications, which we may change, improve and further develop from time to time

C WHEREAS, we identify the System by the "**CLOVR**" and "**CLOVR LIFE SPA**" names and marks and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, "Marks"), which we have designated, or may in the future designate, for use with the System

D WHEREAS, Franchisor has established substantial goodwill and business value in its Marks, expertise, and System,

E WHEREAS, Regional Developer acknowledge the importance of the System Standards and the necessity of developing and operating all CLOVR LIFE SPAS in strict conformity with this Agreement, CLOVR LIFE SPA Franchise Agreements, the System Standards and the CLOVR LIFE SPA Operations Manual ("Confidential Operations Manual")

F WHEREAS, Franchisor is in the business of selling franchise rights to individual franchisees, authorizing such franchisees to use the System and Marks in establishing and operating CLOVR LIFE SPA franchises,

G WHEREAS, Regional Developer acknowledges and agrees that the System and Franchisor's related materials contains significant proprietary and confidential information and that the System is unique in its final form and as a whole, and that the combined methods, information, procedures and theories that make up the total System or are contained in the relevant manuals are proprietary and confidential, and

H. WHEREAS, Regional Developer or her Affiliate has signed that certain Franchise Agreement ("Regional Developer's Franchise Agreement") with Franchisor for the right to use the System and Marks for operating a SPA Business within the Development Area, and to obtain the benefits and knowledge of the System (the "Franchise"), at the location contemplated by Regional Developer's Franchise Agreement,

I WHEREAS, subject to the terms and conditions of this Agreement, Franchisor desires to appoint Regional Developer as Franchisor's representative for the development, management, support, mentoring and supervision of persons or entities to be approved by Franchisor to own and operate CLOVR LIFE SPAS in the Development Area (as defined below), including Regional Developer with respect to her SPA Business (each of whom are referred to as a "**Franchisee**" and collectively as "**Franchisees**"), and

J Regional Developer desires to be so appointed

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency, of which is hereby mutually acknowledged, the parties, intending to be legally bound, do hereby agree as follows

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows

1 **GRANT OF REGIONAL DEVELOPER RIGHTS** Subject to and in accordance with the terms of this Agreement, Franchisor grants to Regional Developer, and Regional Developer accepts, the right to solicit, refer, service, support and supervise Franchisees within the geographic area set forth in Exhibit B to this Agreement (the "Development Area")

2 **TERRITORIAL RIGHTS** Subject to Franchisor's rights to terminate this Agreement, Franchisor will not, directly or indirectly, operate an Regional Developer Business or appoint another person as a Regional Developer to identify, refer, manage, service, support and supervise Franchisees within the Development Area for the term of this Agreement Notwithstanding anything contained in this Agreement to the contrary, Franchisor may, directly or indirectly

(a) Solicit prospective franchisees and grant Franchises to persons who will own and/or operate CLOVR LIFE SPAS within and outside of the Development Area, on the terms and conditions that Franchisor deems appropriate,

(b) Own and/or operate CLOVR LIFE SPAS at locations outside of the Development Area,

(c) Own and/or operate CLOVR LIFE SPAS within the Development Area,

(d) Merge with, acquire, and/or be acquired by any other business, or acquire and convert any business, including businesses operated by competitors, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and

(e) Implement multi-area marketing programs that may allow Franchisor or others to solicit or sell to customers anywhere Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs

(f) open or allow others to open CLOVR LIFE SPAS in Special Locations without Regional Developer's participation inside or outside the Development Area For purposes of this Disclosure Document and Regional Developer Agreement, a Special Location means a unique or non-traditional marketplace (such as an airport, train station, hotel, or casino), as designated by us (a "Special Location")

(g) The limited exclusivity in the Development Area does not limit the operation of CLOVR LIFE SPAS that are under construction or in operation in the Development Area on or before the Effective Date of this Agreement

3 OBLIGATIONS OF REGIONAL DEVELOPER GENERALLY

(a) Regional Developer or, if Regional Developer is a corporation, partnership, limited liability company or other entity, a Principal selected by Regional Developer and approved by Franchisor (the "Operating Principal") or a manager selected by Regional Developer and approved by Franchisor (the "General Manager")

(i) Must satisfactorily complete the Franchisee Training Program and the Regional Developer Training Program (as those terms are defined below),

(ii) Must devote her best efforts to the development, servicing and supervision of Franchisees and CLOVR LIFE SPAS (each SPA Business at a separate location within the Development Area is referred to as a "CLOVR LIFE SPA") operated by Franchisees in the Development Area, and the operation of Regional Developer's CLOVR LIFE SPA,

(iii) May not engage in any other Competing Regional Developer Business or Competing Business (as such terms are defined in Sections 11(c) and 11(d)) activity during the term of this Agreement without the prior written consent of Franchisor,

(iv) For purposes of this Agreement, a "Competing Regional Developer Business" shall be a business offering franchise sales and support services to prospective franchisees or franchisees operating one or more Competing Businesses (as defined in Section 11(c)),

(b) Regional Developer must provide Franchisor with assistance, guidance, and recommendations concerning the adaptation of CLOVR LIFE SPAS for use in the Development Area, including compliance with local customs, business practices, norms, ordinances, requirements, laws, and other regulations impacting CLOVR LIFE SPAS provided that no such adaptations will be made without Franchisor's prior written consent

(c) Regional Developer must provide assistance to Franchisees within the Development Area with respect to identification, selection, and lease or sublease of a location for Franchisees' CLOVR LIFE SPAS , in accordance with Franchisor's policies,

(d) To the extent required by Franchisor, Regional Developer must provide assistance in the securing of financing for Franchisees

(e) Regional Developer must consult with Franchisees by telephone, at times reasonably requested by Franchisees, with respect to all aspects of starting and operating their CLOVR LIFE SPAS

(f) Regional Developer must provide Franchisees pre-opening assistance required by Franchisees' franchise agreement and/or as requested by Franchisee for their CLOVR LIFE SPAS within the Development Area

(g) Regional Developer must provide on-site consultation to Franchisees at Franchisees' CLOVR LIFE SPA, at no cost or expense to Franchisees, as reasonably requested by Franchisees

(h) Regional Developer must provide Franchisees on-site training at each Franchisee's CLOVR LIFE SPAS as specified by Franchisor

(i) Except as explicitly assumed by Franchisor, Regional Developer must provide to Franchisees the pre-opening and continuing operating assistance described in Franchisees' Franchise Agreements, franchise disclosure documents, Franchisor's Confidential Operations Manual and Franchisor's policies and procedures, as they may exist from time to time, provided, however, that Franchisor will provide the classroom and Franchisor-based on-the-job training for Franchisees contemplated by Franchisees' Franchise Agreement(s)

(j) Regional Developer

(i) must communicate with each CLOVR LIFE SPA Franchisee in the Development Area at least once every month,

(ii) must conduct at least one field evaluation per quarter of each CLOVR LIFE SPA in the Development Area to verify compliance with the terms and conditions of Franchisees' Franchise Agreement(s), Franchisor's Confidential Operations Manual and Franchisor's policies and procedures, as they may exist from time to time, to confirm whether the CLOVR LIFE SPA is being maintained in accordance with Franchisor's requirements Regional Developer must provide written reports of those evaluations, containing the information required by Franchisor, to Franchisor within 5 days after each field evaluation. Regional Developer must promptly notify each Franchisee of any deficiencies, and must send a copy of that notice to Franchisor

(iii) acknowledges that Regional Developer's evaluations, notices and reports are advisory only, and that Franchisor will have (i) all rights to evaluate and ascertain compliance as if this Agreement were not in effect, (ii) the sole right to send notices of default to Franchisees, (iii) the sole right to terminate a Franchise Agreement, and (iv) the sole right to take any legal action with respect to any breach of, or default under, a Franchise Agreement

(k) If Regional Developer believes that any Franchisee has breached, or is in default under its Franchise Agreement, Regional Developer must promptly provide written notice to Franchisor of all facts relating to that breach or default If, as a result of receiving that notice, Franchisor elects to investigate that breach or default and/or determines that a breach or default has occurred, Franchisor may, in its sole discretion, take such action as it deems appropriate

(l) Franchisor will assist and advise Regional Developer with respect to Regional Developer's responsibilities under this Agreement, including advice, direction, and requirements with respect to problems detected by Franchisor or Regional Developer in the Development Area and/or other issues of concern to Franchisor and/or Regional Developer Regional Developer must comply with Franchisor's advice, direction, and requirements, use her best efforts to resolve those problems in the manner advised, directed and required by Franchisor and periodically report to Franchisor with respect to such matters that Franchisor may from time to time require

(m) Regional Developer must plan, organize and conduct seminars for, and meetings of, Franchisees in the Development Area and provide instruction and assistance to Franchisees, in connection with the introduction of new services and marketing and business techniques that Franchisor sponsors or approves for Franchisees

(n) Regional Developer must assist Franchisor and Franchisees in implementing advertising and marketing programs within the Development Area Regional Developer must, if established, participate in Regional Developer advertising cooperatives

(o) Regional Developer must use her best efforts to cause Franchisees to keep payments to Franchisor current and, if requested by Franchisor, assist in the enforcement of Franchisor's rights under

Franchisees' Franchise Agreement(s) and Franchisor's Confidential Operations Manual, policies, procedures and specifications, including the collection of delinquent payments from Franchisees Regional Developer may not modify or amend Franchisor's Confidential Operations Manual, policies, procedures or specifications without Franchisor's written consent

(p) (i) Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, the Operating Principal) must satisfactorily complete the entire training, if any, provided by Franchisor for franchisees (the "Franchisee Training Program") Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, a Principal) must also attend and satisfactorily complete the entire training program, if any, provided by Franchisor for Regional Developers (the "Regional Developer Training Program") If more than one person signs this Agreement, both or all must attend and satisfactorily complete the Franchisee Training Program and the Regional Developer Training Program In addition, all of Regional Developer's employees from time to time must attend and satisfactorily complete training programs required by Franchisor although these training programs may be presented by Regional Developer Expenses, such as travel, lodging and meal expenditures, in connection with Regional Developer and her employees attending the Franchisee Training Program and the Regional Developer Training Program will be borne by Regional Developer

(ii) Regional Developer acknowledges that Regional Developer may be evaluated upon, among other things, whether Regional Developer is competent, in Franchisor's sole judgment, in performing the skills necessary to be a Franchisee and/or an Regional Developer, whether Regional Developer has an aptitude for being a Franchisee and/or an Regional Developer, whether Regional Developer is, in Franchisor's sole judgment, a good fit within the CLOVR LIFE SPA System and whether Regional Developer's being a franchisee and/or an Regional Developer may, in Franchisor's sole judgment, adversely affect the goodwill or reputation of Franchisor, its products or the Marks

(iii) If Franchisor determines, in its sole judgment, that Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, Regional Developer's Operating Principal) has not performed satisfactorily on the Franchisee Training Program and/or the Regional Developer Training Program, that Regional Developer is not competent in performing the skills necessary to be a franchisee and/or a Regional Developer, does not have an aptitude for being a franchisee and/or a Regional Developer, has failed to satisfactorily complete the Franchisee Training Program and/or the Regional Developer Training Program or Franchisor determines, in its sole discretion, that Regional Developer is not a good fit within the CLOVR LIFE SPA System or that Regional Developer being a franchisee or Regional Developer may adversely affect the goodwill associated with Franchisor and the CLOVR LIFE SPA System, Franchisor may terminate this Agreement, in which event Regional Developer must return to Franchisor all materials delivered to him in connection by or on behalf of Franchisor

(iv) The individuals participating in the Franchisee Training Program and/or the Regional Developer Training Program on behalf of Regional Developer will not be deemed to be employees of Franchisor or the owner of any store in which those individuals participate in the Franchisee Training Program and/or the Regional Developer Training Program, but will be deemed to be employees of Regional Developer during all aspects of the Franchisee Training Program and the Regional Developer Training Program

(v) All training program attendees bear their own travel, lodging and meal expenditures in connection with attending the training program If you fail to satisfactorily complete our training program, in our sole discretion, we may require or permit you to attend the training program again, at your expense

(vi) Additional training programs and refresher courses may be required upon renewal and from time to time We may elect, in our sole discretion, to charge a fee for additional training programs You will be required to bear your own travel, lodging and meal expenditures in connection with attendance

(vii) You must attend, at your expense, all annual and other meetings and conference calls of franchisees that we determine are mandatory for all franchisees, or groups of franchisees (as designated by us), such as franchisees within a particular geographic region We may impose a charge for your failure to attend those programs, courses, meetings and conference calls

(viii) The Franchisee Training Program and the Regional Developer Training Program may be modified or amended from time to time

(q) Franchisor reserves the right to require Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, the Operating Principal) to attend additional development programs and seminars with respect to CLOVR LIFE SPAS and developing the Development Area (other than the Regional Developer Training Program) at such times as Franchisor reasonably requires However, the frequency of those additional programs and seminars will not exceed 10 days per calendar year The cost of attendance and participation in those programs and seminars, as well as Regional Developer's expenses (such as travel, lodging and meal expenditures in connection with attending those programs and seminars) will be paid by Regional Developer Franchisor may impose a charge for Regional Developer's failure to attend such programs and seminars

(r) Regional Developer must submit a monthly report to Franchisor on Regional Developer's activities (including Regional Developer's objectives, progress against objectives, sales, activity in the market and competition) containing the information required by Franchisor, to Franchisor within 15 days after the end of each month

(s) Regional Developer must use her best efforts to cause Franchisees to comply with all applicable laws and regulations and to refrain from taking any action that would constitute a breach under her Regional Developer Agreement or that would be the basis for a claim or lawsuit by Franchisor

(t) Regional Developer must not employ any person who Franchisor, in its sole discretion, has determined to be unfit to represent Franchisor or to furnish services to Franchisees

(u) Regional Developer must not receive any payment from Franchisees or prospective Franchisees, other than payments payable to Franchisor that are promptly forwarded by Regional Developer to Franchisor

(v) Regional Developer must obtain and maintain during the term of this Agreement, such insurance policies as Franchisor may require, in its sole discretion. These insurance policies must name Franchisor, and any Affiliate, officer, employee, director, member, predecessor, and successor of Franchisor, as additional insureds The insurance must be placed with an insurance carrier satisfactory to Franchisor, must be satisfactory in form to Franchisor and may not be subject to cancellation or any material change except after 30 days' prior written notice to Franchisor The insurance policies must provide that no failure of Regional Developer to comply with any term, condition or provision of the contract, or other conduct by Regional Developer, will void or otherwise affect the protection afforded to Franchisor under the policies A certificate of insurance with respect to these insurance policies must be provided to Franchisor with respect to all insurance policies in effect during the term of this Agreement, promptly after the issuance of the insurance policies and as may be requested by Franchisor If Regional Developer fails to pay any premium when due or any policy is in default, Franchisor may, but will not be obligated to, pay any premium and/or take any action necessary to cure the default In this event, Regional Developer must immediately pay to Franchisor the amount so paid by Franchisor or the amount expended by Franchisor to cure that default

(w) Regional Developer must notify Franchisor in writing of the commencement of any action, suit, proceeding or investigation, or the issuance of any order, writ, injunction, award or decree

(i) against Regional Developer or any officer, director, employee, shareholder, partner, member, Affiliate or agent of Regional Developer that arises out of or relates to the conduct of Regional Developer's business under this Agreement, or may adversely affect the operations or financial condition of Regional Developer or her business, or

(ii) against any Franchisee, of which Regional Developer is aware, that may adversely affect the operations or financial condition of that Franchisee, Regional Developer, or Franchisor

(x) Regional Developer must become aware of, and comply with, all federal, state and local laws, regulations, rules and ordinances (and, if Franchisor so elects, all voluntary codes of conduct) applicable to the conduct of Regional Developer's business under this Agreement

(y) Notwithstanding anything contained in this Agreement to the contrary, if Franchisor reasonably believes that Regional Developer is failing to perform any of her obligations under this Agreement, Franchisor may perform any or all of Regional Developer's obligations under this Agreement Regional Developer must promptly pay, or reimburse Franchisor for, any and all costs and expenses incurred by Franchisor in connection therewith, including a per diem charge, at Franchisor's then-current rates, for the time spent by Franchisor's representatives in connection with their travel and performance Franchisor's per diem charges will be set forth in the Operations Manual, and may be amended from time to time

(z) Franchisor may, from time to time, prescribe reasonable standards of general applicability, specifications and procedures with respect to Regional Developer's obligations under this Agreement, with which Regional Developer must comply and which will be incorporated in this Agreement by this reference and made a part of this Agreement

(aa) Regional Developer will bear all costs and expenses in connection with her responsibilities and obligations under this Agreement

(bb) Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, all equity owners) must attend, at her expense, all annual and other meetings and conference calls of Franchisees and/or Regional Developers that Franchisor determines are mandatory for all Franchisees and/or Regional Developers, or groups of Franchisees and/or Regional Developers, as designated by Franchisor Franchisor may impose a charge for Regional Developer's failure to attend such meetings and conference calls

(cc) Franchisor will be entitled to use the name, likeness and voice of Regional Developer and her Principals, officers and employees for purposes of promoting the CLOVR LIFE SPA System, including all photos and audio and video recordings of Regional Developer and her Principals, officers and employees, and Regional Developer hereby irrevocably consents to such use Regional Developer acknowledges that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as "moral rights," "artist's rights," "publicity rights" or the like associated with such photos and audio and video recordings, and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights At Franchisor's request, Regional Developer will obtain from any or all of her Principals, officers and employees' written consent, in such form as Franchisor may request (dd) If Regional Developer is a person other than an individual (for example, a corporation, partnership, limited liability company or other entity), Regional Developer must deliver to Franchisor, simultaneously with the signing of this Agreement, a guaranty or guaranties signed by each person (and her spouse) or entity owning, directly or indirectly, a 5% or greater equity interest in Regional Developer (for example, the general partners or the shareholders) (collectively, "Principals"), in the form of Exhibit E to the Franchise Disclosure Document, pursuant to which the Principals agree to perform, and guarantee, Regional Developer's obligations to Franchisor and its Affiliates, and agree to be bound by the restrictive covenants, the confidentiality provisions and certain other provisions contained in this Agreement

(ee) If Regional Developer fails to pay any amount she is required to pay, or perform any obligation she is required to perform, pursuant to this Agreement, Franchisor may, but will not be obligated to, pay such amount and/or take any action necessary to cure the default In this event, Regional Developer must immediately pay to Franchisor the amount so paid by Franchisor or the amount expended by Franchisor to cure such default, plus interest at the rate of 15% per annum (or, if less, the highest amount permitted by law) from the date paid or expended by Franchisor This right will accrue whether or not Franchisor terminates this Agreement

(ff) If Regional Developer fails to deliver or provide to Franchisor any statement, report or other document or information required to be delivered (for example, certificates of insurance, financial statements and evaluation and activity reports), by the applicable deadline, Regional Developer will be assessed a $100 late charge per week, or part thereof (until that statement, document or other information has been delivered or provided), which amount may be increased by Franchisor from time to time

(gg) Franchisor will lend (or otherwise make available through an online portal, internet, or intranet site) to Regional Developer, upon satisfactory completion of the Franchisee Training Program and the Regional Developer Training Program, one copy of Franchisor's Confidential Operations Manual and Regional Developer Manual (the "RD Manual"), for use by Regional Developer strictly in accordance with the terms of this Agreement during the term of this Agreement Regional Developer must conduct her operations strictly in accordance with Franchisor's Confidential Operations Manual and RD Manual, as amended from time to time, and with the rules, regulations, instructions, policies and procedures as may from time to time be issued by Franchisor for the conduct of the CLOVR LIFE SPA as Franchisor may, in its sole discretion, deem appropriate If there is any disparity between Franchisor's copy of the Confidential Operations Manual or RD Manual and Regional Developer's copy, Franchisor's copy will govern.

(hh) Any amounts payable by Regional Developer to Franchisor or its Affiliates that are not paid within ten (10) days after their due date will bear interest at the rate of 15% per annum (or the highest amount permitted by law if less) accruing on a daily basis until paid

(ii) Regional Developer must hire or otherwise engage qualified personnel with such skills and experience to enable Regional Developer to fulfill her obligations under this Agreement

(jj) Periodically, as determined by Franchisor, Regional Developer must submit to Franchisor a business plan in the format and containing the elements determined by Franchisor (the "Business Plan") If Franchisor does not accept such Business Plan, in its sole discretion, Franchisor and Regional Developer shall use their best efforts to agree upon such Business Plan If the parties cannot so agree upon such Business Plan, Franchisor shall determine the terms of Regional Developer's Business Plan. Regional Developer must use her best efforts to meet or exceed the requirements contained in the Business Plan and must meet with Franchisor periodically as Franchisor may require to discuss Regional Developer's progress towards meeting the requirements contained in the Business Plan

(kk) Regional Developer must, directly or through an Affiliate, contemporaneously with the execution of this Agreement, execute a franchise agreement with Franchisor for the operation of a CLOVR

LIFE SPA in the Development Area Regional Developer's CLOVR LIFE SPA must be open and operating on or before the one-year anniversary of the Effective Date of this Agreement

4 PROMOTIONAL OBLIGATIONS OF REGIONAL DEVELOPER

(a) Regional Developer must advertise for and screen prospective Franchisees within the Development Area

(b) Regional Developer must spend no less than $75 per franchise license that you purchased from us but have not sold to a franchisee in your Development Area each month to advertise the sale of CLOVR LIFE SPAS in your Development Area

(c) Regional Developer will review and screen all prospective Franchisees and their applications to confirm that they are persons of good character, have adequate financial resources and meet Franchisor's then-current criteria for Franchisees Regional Developer will submit the application of each prospective Franchisee (an "Applicant") to Franchisor for approval as provided in this Section 4

(d) Each Applicant's application must be submitted to Franchisor with all information with respect to Applicant and such other material information that Regional Developer possesses regarding Applicant In addition, if Applicant desires that the Regional Developer Agreement contain a specific location at which the CLOVR LIFE SPA will be located, Regional Developer must submit, or assist Franchisee in submitting, to Franchisor a complete site report (containing such demographic, commercial and other information and photographs as Franchisor may reasonably require) for each site at which Franchisee proposes to establish and operate the CLOVR LIFE SPA and which Regional Developer reasonably believes conforms to site selection criteria established by Franchisor from time to time

(e) Franchisor will use its best efforts to approve or disapprove Applicants within 30 days after the later of (i) Franchisor's receipt of Applicant's complete application and other requested information materials and (ii) Franchisor's personal interview of Applicant, if Franchisor so requests If Franchisor, in its sole discretion, determines that Applicant possesses sufficient financial and managerial capability and satisfies Franchisor's other criteria for applicants at that time, Franchisor will offer Applicant a Franchise for the operation of the CLOVR LIFE SPA The grant of the Franchise will be evidenced by the signing by Franchisor and Applicant of the then current Franchise Agreement and will be subject to all of its terms If Applicant fails to sign a Franchise Agreement and pay Franchisor the Initial Franchise Fee within 20 business days after Franchisor has approved Applicant as a Franchisee, Applicant will again be subject to Franchisor's approval process provided in this Section 4 Notwithstanding anything contained in this Agreement to the contrary, Franchisor will not be obligated to consider any Applicant during any period during which Regional Developer is not in compliance with this Agreement or any Regional Developer Agreement signed by it or Regional Developer's Affiliate

(f) Regional Developer must, at all times, give prompt, courteous and efficient service to prospective Franchisees and Franchisees Regional Developer will, in all dealings with prospective Franchisees and Franchisees, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct

(g) Regional Developer must not, in bad faith, prefer any Franchisee or prospective Franchisee over any other

(h) All advertising and promotion by Regional Developer will be subject to Franchisor's prior approval, will be completely factual, and will conform to the highest standards of ethical advertising Regional Developer must refrain from any business or advertising practice that may be injurious to the business of Franchisor, the goodwill associated with the Marks In addition, Regional Developer must not disparage to any person Franchisor, its employees, representatives or agents, its products or the Marks

(i) As of each anniversary of the date of the Regional Developer Agreement, a minimum (as will be stated in your Regional Developer Agreement) number of new Franchise Agreements for CLOVR LIFE SPAS within your Development Area must be sold The number of Franchise Agreements for franchised CLOVR LIFE SPAS in your Territory that must be sold during each calendar year is set forth on the Minimum Development Obligations Spreadsheet (Exhibit 3), which will be negotiated and agreed between the parties prior to the execution of this Agreement The parties agree that Exhibit 3 sets forth their mutual agreement regarding the Minimum Development Obligations

(j) As of each anniversary of the date of the Regional Developer Agreement, a minimum (as will be stated in your Regional Developer Agreement) number of new franchised CLOVR LIFE SPAS within your Development Area must be opened for business The number of CLOVR LIFE SPAS that must be opened in your Development Area during each calendar year is set forth on the Spreadsheet (Exhibit 3), which will be negotiated and agreed between the parties prior to the execution of this Agreement The parties agree that Exhibit 3 sets forth their mutual agreement regarding the Minimum Development Expectations

5 OBLIGATION OF REGIONAL DEVELOPER TO COMPLY WITH LAW

(a) Regional Developer must not, and must cause her employees and representatives not to, solicit prospective Franchisees until Franchisor has provided Regional Developer written notice of Franchisor's compliance with all laws and regulations (and, if Franchisor so elects, all voluntary codes of conduct) applicable to the offering and sale of franchises in or from the Development Area

(b) If a prospective Franchisee resides or conducts business outside of the Development Area, but intends to operate the CLOVR LIFE SPA within the Development Area, Regional Developer must so inform Franchisor prior to any discussions or offers of a franchise to that prospective Franchisee Regional Developer must not, and must cause her employees and representatives not to, solicit that prospective Franchisee until Franchisor has provided Regional Developer written notice of Franchisor's compliance with all laws and regulations (and, if Franchisor so elects, all voluntary codes of conduct) applicable to the offering and sale of franchises to that prospective Franchisee

(c) Regional Developer must not, and must cause her employees and representatives not to, solicit prospective Franchisees at any time that Franchisor has provided Regional Developer written notice that the requisite disclosure and contractual documents are not then in compliance with applicable laws and regulations (and, if Franchisor so elects, all voluntary codes of conduct)

(d) At Franchisor's request, Regional Developer will promptly

(i) provide all information reasonably requested by Franchisor in order to prepare all requisite disclosure and contractual documents required in connection with this Agreement or Regional Developer's operations under this Agreement,

(ii) promptly complete and sign all documents required by Franchisor for the purpose of registering the offering and sale of CLOVR LIFE SPAS in accordance with this Agreement, and

(iii) have prepared and provide to Franchisor financial statements with respect to Regional Developer and her business, in the form and for the periods as Franchisor may reasonably request in connection with compliance with applicable laws and regulations (and, if Franchisor so elects, all voluntary codes of conduct)

(e) If Franchisor determines that Regional Developer's operations under this Agreement require the preparation, amendment, registration or filing of any information or documents, that information and documents will be prepared, amended, registered or filed by Franchisor or its designee The costs and expenses of that preparation, amendment, registration or filing, and any additional costs and expenses incurred by Franchisor in connection with the Development Area, may be borne by Franchisor, or in Franchisor's sole discretion, on a proportionate basis determined by Franchisor

(f) In connection with the offering and sale of CLOVR LIFE SPAS under this Agreement, Regional Developer must

(i) provide only information that is contained in or consistent with Franchisor's then-current disclosure documents,

(ii) not provide any oral or written representations, warranties, claims or other information with respect to the historical or anticipated revenues, expenses or profits of CLOVR LIFE SPAS, unless Franchisor so requires or permits in writing,

(iii) Not make any oral or written representations, warranties or agreements to or with any prospective Franchisee other than those contained in Franchisor's then-current disclosure document, unless Franchisor so requires or permits in writing, and

(iv) Comply with all laws and regulations (and, if Franchisor so elects, all voluntary codes of conduct) in connection with the offering and sale of CLOVR LIFE SPAS

6 **FEES** Initial Development Fee The Initial Development Fee ("Initial Development Fee") for your Development Area will be calculated utilizing the following formula

> Twenty five percent (25%) of the result of multiplying the then-current initial franchise fee for a CLOVR LIFE SPA franchise by the number of potential CLOVR LIFE SPA franchises that you and we agree may be opened within the proposed Development Area

(i) The "Minimum Development Obligation" is defined as the minimum number of CLOVR LIFE SPAS that you and we agree can be opened in your Development Area per year (and in total) during the Initial Term of your Regional Developer Agreement

(ii) You will be responsible for your proportionate share of fees paid to any sales agent, broker, or other third party to whom we have agreed to pay a portion of franchise fees or royalties

(iii) You will have no authority or responsibility as a Regional Developer, and will not receive any payments, with respect to CLOVR LIFE SPAS owned or operated by us and our affiliates (as defined below) However, if we request you to manage, service, support and/or supervise CLOVR LIFE SPAS owned or operated by us and our affiliates, you will have such authority and responsibility with respect to those CLOVR LIFE SPAS as we may designate and receive such percentage of the Royalties with respect to those CLOVR LIFE SPAS as we may designate

(iv) The Initial Development Fee includes initial training for up to three (3) people If you require additional people to attend the Regional Developer Training Program, you must pay an Additional Training Fee (See Section 6(h)) Training of the additional people may or may not be held at the same time as training of the initial three (3) people, at our election.

(b) Ongoing Development Fee Upon your satisfaction of the Minimum Development Obligation, you will pay an ongoing Development Fee ("Ongoing Development Fee") equal to twenty-five percent (25%) of the Initial Franchise Fee charged to a Franchisee in your Development Area (currently $9,750) per CLOVR LIFE SPA that is sold in your Development Area The Ongoing Development Fee will be paid through an offset of the amounts owed to you for your share of the applicable Initial Franchise Fee instead of as a payment from you to us

(c) The Initial Development Fee and Ongoing Development Fee (collectively the "Development Fees") are payable by certified or cashiers' check. The Initial Development Fee is due in full upon your signing a Regional Developer Agreement The Development Fees are not a deposit and is not refundable

(d) We may change the formula used to calculate the Initial Development Fee or Ongoing Development Fee at any time

(e) The Development Fees that you will pay in connection with additional Regional Developer Development Areas will be based upon the formula contained in the Franchise Disclosure Document in effect at the time you deliver your signed Regional Developer Agreement (in the then-current form) for additional Regional Developer Development Areas to us

(f) Regional Developer must pay to Franchisor an amount equal to any sales, gross receipts or similar taxes assessed against or payable by, Franchisor and calculated on the Development Fee or other payments required to be paid pursuant to this Agreement, unless the tax is an income tax or an optional alternative to an income tax otherwise payable by Franchisor Such amount will be due and payable within 10 days after receipt of Franchisor's invoice

(g) Technology Fee You will pay us a Technology Fee ("Technology Fee") of $175 per month in exchange for required POS software, maintenance and support, e-mail service and other technology services that we determine, in our sole discretion to provide to you The fees payable in connection with this Section 6(g) may be increased upon written notice to Franchisee

(h) Additional/Replacement Training Fee Regional Developer shall pay a fee for each additional person or replacement personnel (other than those included with the Initial Development Fee) of $250 per person, per day of training Each person attending a training program shall be responsible for her travel and living expenses while participating in a training program The fees payable in connection with this Section 6(g) may be increased upon written notice to Franchisee

(i) Ongoing Training Fee Regional Developer shall pay a fee for additional training programs (whether mandatory or optional) These ongoing training programs may include franchise meetings, regional developer meetings, regional training programs, and other training programs that we determine, in our sole discretion, to provide Franchisor may debit the Ongoing Training Fee from your bank account at any time prior to such meeting Ongoing Training Fees shall be payable regardless of whether Regional Developer actually attends the training program

(j) Remediation Training Fee Franchisor may require Franchisee to accept or Franchisee may request that Franchisor to provide Franchisee and her employees with on-site training if Franchisor believes that Franchisee and/or her employees require additional training ("Remediation Training") The Remediation Training Fee shall be $300 per day per trainer plus Franchisor's reasonable travel and living expenses while providing Remediation Training

(k) Late Report Fee You will pay Franchisor a fee equal to $100 per week for your failure to timely deliver any report or other information required to be submitted to us Late Report Fees are in addition to any default interest or other amounts owed to us

(l) Electronic Debits You will be required to execute an ACH Authorization Form permitting us to electronically debit your designated bank account for payment of all fees payable to us as well as any amounts that you owe to us or our affiliates for the purchase of goods or services You must ensure that there are sufficient funds available in your account for withdrawal before each due date

7 COMPENSATION TO REGIONAL DEVELOPER

(a) As an Regional Developer, subject to certain conditions, during the term of the Regional Developer Agreement, you will be entitled to

(i) Fifty percent (50%) of the Initial Franchise Fees collected by Franchisor, and

(ii) Three percent (3%) of Gross Sales paid to us by new franchisees within the Development Area,

from Franchisees you refer to us who sign franchise agreements with us for operation of a CLOVR LIFE SPA within the Development Area on or after the Effective Date of your Regional Developer Agreement You will be responsible for your proportionate share of fees paid to any sales agent, broker, or other third party to whom we have agreed to pay a portion of franchise fees or royalties

(b) You will have no authority or responsibility as a Regional Developer, and will not receive any payments, with respect to CLOVR LIFE SPAS owned or operated by us and our affiliates (as defined below) However, if we request you to manage, service, support, and/or supervise CLOVR LIFE SPAS owned or operated by us and our affiliates, you will have such authority and responsibility with respect to those CLOVR LIFE SPAS as we may designate and receive such percentage of the Royalties with respect to those CLOVR LIFE SPAS as we may designate

(c) Notwithstanding anything contained in this Agreement to the contrary, Franchisor will have no obligation to pay Regional Developer any amounts pursuant to this Section 7 (and none of such amounts will accrue)

(i) that Franchisor is obligated by contract or law, to pay to a third party including but not limited to franchise consultants, brokers, salespersons, employees or affiliates,

(ii) unless and until Franchisor receives from the applicable Franchisee the full amount that Franchisor is entitled to receive,

(iii) with respect to any period during which Regional Developer or her Affiliate is in breach of, or default under, her obligations under this Agreement or any other Regional Developer Agreement or Franchise Agreement between Franchisor and Regional Developer or any of her Affiliates,

(iv) with respect to any period with respect to any CLOVR LIFE SPA with respect to which Regional Developer failed to communicate with the applicable Franchisee, or deliver to Franchisor any of the reports, required under Section 3 of this Agreement

(v) With respect to any month with respect to any particular Franchisee in the Development Area who has not been in compliance with all of the terms of its Franchise Agreement,

(vi) With respect to any period during which Regional Developer is not in substantial compliance (as determined by Franchisor, in its sole discretion) with the Business Plan.

(d) Notwithstanding anything contained in this Agreement to the contrary, Franchisor will have no obligation to pay Regional Developer any amounts pursuant to this Section 7 with respect to any CLOVR LIFE SPA that has been transferred without full compliance with Franchisor's transfer procedures (as set forth in the applicable Franchise Agreement), until Franchisor's transfer procedures have been fully complied with and Franchisor has received all documentation in connection therewith that Franchisor determines, in its sole judgment, to be necessary

(e) Notwithstanding anything contained in this Agreement to the contrary, Franchisor will have no obligation to pay Regional Developer any amounts pursuant to this Section 7 (and none of such amounts will accrue), and Regional Developer will have no authority under this Agreement, or responsibility to act as an Regional Developer with respect to Franchisees, until and unless

(i) Regional Developer is licensed or registered, or maintains a permit, as necessary in connection with Regional Developer's activities under this Agreement, and

(ii) Franchisor's Franchise Disclosure Document has been updated or supplemented with respect to Regional Developer, as necessary in compliance with applicable law

(f) (i) If Franchisor is required, or decides to, return all or a part of a franchisee's Initial Franchise Fee or royalties, Regional Developer will be required to pay her proportionate share of such amounts to Franchisor,

(ii) If a Franchisee's Franchise Agreement is terminated and Franchisor, in its sole discretion, agrees to pay that Franchisee any amount (or Franchisor waives collection of any amount to which it is entitled), or if a court of competent jurisdiction determines that Franchisor must pay that Franchisee any amount (or that Franchisor must waive collection of any amount to which it is entitled), Regional Developer must promptly pay to Franchisor her proportionate share of the amount that Franchisor so pays or waives,

(g) Notwithstanding anything contained in this Agreement to the contrary, Franchisor may offset any funds owed to Franchisor by Regional Developer or an Affiliate pursuant to this Agreement, or any other agreement between Franchisor and Regional Developer or her Affiliates, against any funds owed to Regional Developer by Franchisor pursuant to this Section 7 or otherwise

(h) Notwithstanding anything contained in this Agreement to the contrary, if Franchisor's receipt (or the payer's payment to Franchisor) of any Initial Development Fees, Ongoing Development Fees, Royalties, or other amounts are subject to withholding or other taxes or payments, the amount to which Regional Developer is entitled pursuant to this Section 7 will be reduced in an amount proportionate to the amount that withholding or other tax bears to the payment to which Franchisor is entitled In addition, all amounts payable to Regional Developer pursuant to this Agreement will be subject to all withholding or other taxes or payments applicable to the payment of those amounts All amounts payable to Franchisor pursuant to this Agreement are net of taxes or similar payments (other than income taxes) payable by, or on behalf of, Franchisor in connection with such payments All amounts payable to Regional Developer pursuant to this Agreement will be calculated after taking into account amounts, if any, payable as taxes or similar payments (other than income taxes) payable by, or on behalf of, Franchisor in connection with such payments

(i) The term "Franchisees" will, for purposes of this Agreement, include persons who have been granted franchises within the Development Area prior to the Effective Date provided that Regional

Developer will not be entitled to receive any payment or share of those Franchisees' Initial Franchise Fees and the terms of this Agreement will be subject to the terms of the agreements then existing between Franchisor and those Franchisees The term "Franchisees" will not include CLOVR LIFE SPAS operated by the Franchisor or its Affiliates, unless Franchisor designates them as "Franchisees "

8. MARKS

(a) Regional Developer acknowledges and recognizes Franchisor's interest in, and rights to, the Marks, the System and the Proprietary Information. Regional Developer acknowledges that it has no interest whatsoever in or to the Marks, the Copyrights, the System and the Proprietary Information and that it is not granted any right to use the Marks, the Copyrights, the System or the Proprietary Information by this Agreement, other than as authorized by Franchisor in writing Regional Developer will not derive any right, title or interest in the Marks, the Copyrights, the Innovations or the Proprietary Information in connection with the conduct of her business under this Agreement Regional Developer further acknowledges that any use by Regional Developer of the Marks, the Copyrights, the Innovations and the Proprietary Information pursuant to this Agreement will inure to the benefit of Franchisor and the System and that any goodwill arising from Regional Developer's use will automatically vest in Franchisor Regional Developer may not, at any time during the term of this Agreement, or after its termination or expiration, contest the validity or ownership of any Marks, the Copyrights, the Innovations or the Proprietary Information, or assist any other person in same Regional Developer must immediately notify Franchisor of any conduct that could constitute infringement of or challenge to the Marks, the Copyrights, the Innovations or the Proprietary Information Franchisor may, in its sole discretion, decide whether to institute any action in connection with infringement of or challenge to the Marks, the Copyrights, the Innovations or the Proprietary Information, and will control all proceedings and litigation

(b) Regional Developer must not solicit other Regional Developers or franchisees, or use the lists of Regional Developers and franchisees, for any commercial or other purpose other than purposes directly related to the conduct of their business in accordance with this Agreement without the prior approval of Franchisor Regional Developer must not engage in any business venture or activity (other than that expressly contemplated by this Agreement), including operating CLOVR LIFE SPAS, with other Regional Developers or franchisees without the prior approval of Franchisor Regional Developer will cause her Principals, officers, and employees to comply with such restrictions

9 FINANCIAL REPORTING, INSPECTIONS, AUDITS

(a) Reports Regional Developer must submit to Franchisor such financial information, statements and reports that Franchisor may require, in its sole discretion, from time to time, in the format that Franchisor may require, in its sole discretion Franchisor may require that any such financial statements be compiled, reviewed or audited, at Regional Developer's expense Regional Developer must maintain her books and records in the English language and in an orderly fashion and in accordance with standard accounting procedures Regional Developer must maintain such books and records as are required by law and such books and records as Franchisor may require, in its sole discretion, including employee timecards All books and records maintained by Regional Developer relating to the conduct of her business must be retained by Regional Developer during the term of this Agreement and for the seven-year period following the expiration or termination of this Agreement Franchisor may disclose to any person (including any lender to, or lessor of, Regional Developer), or use for any purpose, any financial or other information regarding Regional Developer in Franchisor's possession, without obtaining Regional Developer's consent

(b) Right of Access, Inspection. Franchisor may inspect, or cause its agents or representatives to inspect, at any time, Regional Developer's account statements and other books and records with respect to her operations pursuant to this Agreement, including Regional Developer's federal and state tax returns and financial accounts Regional Developer must maintain her books and records with respect to her operations at such place as is approved in writing by Franchisor At the request of Franchisor, or its agents or representatives, Regional Developer must, by the close of the day upon which such request is made, (i) deliver her books and records (and/or accurate and complete copies thereof, at Franchisor's option) to Franchisor, or its agents or representatives, at such location as Franchisor designates or (ii) provide Franchisor, or its agents or representatives, access to Regional Developer's account statements and other books and records (and/or accurate and complete copies thereof, at Franchisor's option) at the place at which they are maintained

(c) Audit Franchisor may audit, or cause its agents or representatives to audit, Regional Developer's books and records with respect to her operations pursuant to this Agreement Regional Developer must provide Franchisor and its representatives and agents access to Regional Developer's books and records with respect to her operations pursuant to this Agreement, and must cooperate with the conduct of any audit Franchisor will pay all costs and expenses in connection with any audit unless the audit reveals that Regional Developer or an Affiliate has breached any of her obligations under this Agreement, or any other agreement between Franchisor and Regional Developer or her Affiliates, or that the financial statements submitted to Franchisor by Regional Developer are inaccurate by either (i) 5% of Regional Developer's revenues or (ii) 2% of Regional Developer's net income In this event, Regional Developer must promptly pay, or reimburse Franchisor for, all costs and expenses in connection with the audit (including reasonable attorneys' fees and costs) In addition, Franchisor may pursue any other remedies to which it may be lawfully entitled

(d) Upon request, Regional Developer must, at her expense, promptly provide Franchisor copies of Regional Developer's books and records requested by Franchisor (including Regional Developer's charter documents, evidence of equity ownership and any agreements among her Principals)

10 INDEMNIFICATION Regional Developer must protect, defend and indemnify Franchisor, its Affiliates and their respective officers, directors, employees, shareholders, Affiliates, agents, successors and assigns (collectively, the "Indemnified People") and must hold the Indemnified People harmless (with counsel acceptable to Franchisor) for, from and against any and all damages, amounts paid in settlement, claims, demands, liabilities, losses, costs and expenses (including reasonable attorneys' fees), of every kind and nature, suffered or incurred by any of the Indemnified People in connection with any lawsuit, action, proceeding or claim arising out of or relating to any breach of this Agreement, Regional Developer's actions or omissions or the conduct of Regional Developer's business under this Agreement (collectively, an "Event"), including the provision of inaccurate, incomplete or misleading information requested pursuant to Section 5(d), the failure to provide information requested pursuant to Section 5(d) or the failure of Regional Developer to comply with the provisions of Section 5 or 18 If Franchisor (or any of the other Indemnified People) suffers or incurs any damages, amounts paid in settlement, claims, demands, liabilities, losses, costs and expenses (including reasonable attorneys' fees) arising out of or relating to an Event, Franchisor's determination of the allocation of liability therefor between Regional Developer and the Indemnified People, respectively, will be conclusive and binding upon Regional Developer If Regional Developer is an individual who is married, his or her spouse must sign a spousal consent in the form attached to this Agreement

11 CONFIDENTIALITY, RESTRICTION ON HIRING, COVENANT NOT TO COMPETE

(a) (i) Regional Developer acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, confidential and proprietary information. Regional Developer further acknowledges that Franchisor's method of operation, processes, techniques, methods and procedures and the other Proprietary Information constitute valuable trade secrets

(ii) Regional Developer agrees not to use for any purpose, or disclose or reveal (and must cause all of Regional Developer's directors, officers and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person the contents of Franchisor's Confidential Operations Manual(s), RD Manual, or any Proprietary Information. Regional Developer must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all Confidential Information.

(iii) Regional Developer acknowledges that to breach her obligations under this Section 11(a) would cause damage to Franchisor, and that Regional Developer would be liable for this damage

(iv) Notwithstanding the foregoing, Regional Developer may disclose Proprietary Information to a person who is bound by the terms of this provision regarding confidentiality and a restrictive covenant contemplated by this Section 11 to the extent that disclosure is necessary in connection with that person's capacity with Regional Developer In addition, notwithstanding the foregoing, Regional Developer may use the Proprietary Information as may be necessary in connection with the conduct of her business under this Agreement

(b) Notwithstanding the foregoing, the following will not be subject to the provisions of this Section 11

(i) Information that is in the public domain as of the date of receipt by Regional Developer,

(ii) Information that is known to Franchisee prior to the date of receipt by Regional Developer,

(iii) Information that becomes known to the public without a breach of the provisions of this Section 11 or any agreement signed in connection with this Agreement, and

(iv) Information that is required by law to be disclosed or revealed, but only strictly to the extent required by law

(c) Regional Developer may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business that offers or sells franchises or operates an Regional Developer Business offering franchise sales and support services (a "Competing Regional Developer Business") to franchisees operating one or more franchised businesses at (i) at any location in the United States of America, or (ii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the state or states where Regional Developer's Regional Developer Business is located, or (iii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the Regional Developer's Development Area.

(d) Regional Developer may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a Competing Regional Developer Business that operates a Competing Business at (i) the location of Regional Developer's or its Affiliate's CLOVR LIFE SPA, (ii) at any location within Regional Developer's Development Area, and (iii) within a. (A) 15-mile radius, or (B) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 7 mile radius, or (C) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 5 mile radius, or (D) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 3 mile radius of (I) any CLOVR LIFE SPA previously or presently owned, in whole or in part, by Franchisor, Franchisor's affiliates, or an existing CLOVR LIFE SPA franchisee, or (II) any location with respect to which Franchisor or any of Franchisor's affiliates has entered into a contract (including a Franchise Agreement) for the future operation of a CLOVR LIFE SPA

(e) For purposes of this Agreement, a business will be deemed a Competing Regional Developer Business if it provides sales, referral, mentoring, development, or support services to franchisees and/or prospective franchisees in the development or operation of one or more Competing Businesses

(f) A business will be deemed a "Competing Business" if 15% or more of its gross sales are derived from the marketing or sale of one or more of the following services aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and/or a meditation room

(g) Simultaneously with the signing of this Agreement, Regional Developer must cause each Principal (and his or her spouse) to sign an agreement, in substantially the form attached as Exhibit D to the Franchise Disclosure Document, pursuant to which the Principals agree to, among other things, be bound by the terms of this Section 11

(h) Regional Developer acknowledges that the provisions contained in this Section 11 (including the territorial and time restraints) are reasonable and necessary and agrees that her failure to adhere strictly to the restrictions contained in this Section 11 will cause substantial and irreparable damage to Franchisor Upon any breach by Regional Developer of any of the terms of this Section 11, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled Regional Developer agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding that may be brought to enforce any provision of this Section 11, without the necessity of posting bond therefor or proof of actual damages

(i) If the scope of any restriction contained in this Section 11 is too broad to permit the enforcement of that restriction to its fullest extent, then that restriction will be enforced to the maximum extent permitted by law, and the parties consent and agree that the scope may be judicially limited or modified accordingly in any proceeding brought to enforce that restriction. Each provision contained in this Section 11 is independent and severable and, to the extent that any provision is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, that declaration will not affect the legality, validity or enforceability of any other provision contained in this Agreement or the legality, validity or enforceability of that provision in any other jurisdiction.

12 ASSIGNMENT BY FRANCHISOR/ REGIONAL DEVELOPER'S ASSIGNMENT OR TRANSFER OF REGIONAL DEVELOPER RIGHTS

(a) By Franchisor This Regional Developer Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole discretion, to any person, or legal entity that agrees to assume Franchisor's obligations hereunder, including a competitor of Franchisor, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the membership interest, capital stock, or other interest of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred

(b) By Franchisee Regional Developer may not assign, delegate or otherwise transfer, by operation of law or otherwise, any right or obligation of Regional Developer under this Agreement, without the prior written consent of Franchisor, which consent may be withheld by Franchisor, in its sole discretion. Any transfer of an equity interest in Regional Developer, by operation of law or otherwise, and any merger or consolidation of Regional Developer (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of Regional Developer's rights in violation of this Section 12

- - (i) It is agreed that Franchisor's withholding of consent under any of the following circumstances is reasonable (A) at a time when Regional Developer (or her Principals, Affiliates, officers or employees) is in breach of, or default under, this Agreement or any other agreement with Franchisor or its Affiliates is reasonable, (B) if the prospective transferee (the "Transferee") is, in Franchisor's sole discretion, not an individual who possesses sufficient managerial and business experience and aptitude and financial resources to perform Regional Developer's obligations under this Agreement, (C) if the Transferee otherwise fails to meet Franchisor's then applicable criteria for Regional Developers, and (D) if the financial or other terms of the transfer may have an adverse impact upon the Transferee's operations or ability to conduct her business under this Agreement

(ii) If Regional Developer desires to assign or otherwise transfer any right granted under this Agreement, he must provide Franchisor with a written request for a transfer, which request must be accompanied by financial and other information regarding the prospective Transferee as Franchisor may require, all pertinent terms of the transaction (which transaction must be for cash and no other consideration) and the Transfer Fee (as defined below) (all of that information and the Transfer Fee are collectively referred to as the "Required Materials") For purposes of this Agreement, the term "Transfer Fee" means $26,000 The Transfer Fee is payable in cash or by certified or cashiers' check. Franchisor may, but will not be obligated to, contact or meet with the Transferee The Transfer Fee will be deemed to have been earned by Franchisor, and be non-refundable, upon Franchisor's approval of the transfer

(c) Franchisor's Right of First Refusal Within 30 days after Franchisor's receipt of all of the Required Materials, Franchisor will notify Regional Developer that (A) Franchisor desires to purchase Regional Developer's rights under this Agreement, upon the same terms and conditions as are offered by the Transferee, (B) the transfer is approved or (C) the transfer is disapproved, at Franchisor's election. If the transferee is disapproved, the Transfer Fee, less all out-of-pocket expenses incurred by Franchisor relating to the proposed transfer, will be refunded to Regional Developer If Regional Developer proposes an alternate transferee within 90 days after Franchisor's notice that the transfer is disapproved, the Transfer Fee will be applied to that application to transfer

(d) If Franchisor notifies Regional Developer that it desires to purchase Regional Developer's rights under this Agreement, that transaction will be consummated, upon the same terms and conditions as are offered by the Transferee, but not later than 60 days after the end of the 30-day period referred to above

(e) If Franchisor notifies Regional Developer that the transfer is approved, Regional Developer may transfer Regional Developer's rights under this Agreement, within 60 days after the end of the 30-day period referred to above, to the Transferee on terms no less favorable to Regional Developer than the terms set forth in the Required Materials, provided that prior to the closing

(i) The Transferee signs the form of Regional Developer Agreement then being signed by new Regional Developers and will be subject to the terms of that Regional Developer Agreement other than the Term, the Development Fee and Exhibit 3 (which will be the same as Exhibit 3 to this Agreement),

(ii) Each person (and his or her spouse) or entity owning, directly or indirectly, a 5% or greater equity interest in the Transferee (for example, the general partners or the shareholders) signs an agreement in the form of an exhibit to the form of Regional Developer Agreement then being signed by new Regional Developers, pursuant to which he agrees to perform, and guarantee, the Transferee's obligations to Franchisor and its Affiliates and agrees to be bound by the confidentiality provisions and restrictive covenants contained in the form of Regional Developer Agreement then being signed by new Regional Developers,

(iii) The Transferee attends the Franchisee Training Program and/or the Regional Developer Training Program, if required by Franchisor,

(iv) Regional Developer signs and delivers to Franchisor a general release of Franchisor and its Affiliates, in the form that Franchisor may require,

(v) All amounts outstanding by Regional Developer to Franchisor as of the date of the closing must be paid at the closing, and

(vi) All breaches of or defaults under this Agreement or any other agreement with Franchisor or its Affiliates must be cured as of the closing

(f) (i) Any Majority-owned Transfer (as defined below) will be subject to the other provisions of this Section 12, provided, however, that Franchisor will not have the right of first refusal contemplated by Section 12(c) and the Transfer Fee will be an amount equal to Franchisor's expenses in connection with the Majority-owned Transfer In connection with this transfer, however, the Transferee in connection with a Majority-owned Transfer will not be entitled to attend the Regional Developer Training Program, the Transferee must sign the Regional Developer Agreement then being signed by new Regional Developers (and will be subject to the terms of that Regional Developer Agreement other than the term and the Development Fee) and each person (and his or her spouse), corporation, partnership, limited liability company or other entity that owns, directly or indirectly, a 5% or greater equity interest in the Transferee must sign and deliver to Franchisor an agreement, in the form attached to the Regional Developer Agreement then being signed by new Regional Developers, pursuant to which he, she or it agree to perform, and guarantee, the transferee's obligations to Franchisor and its Affiliates, and agree to be bound by the restrictive covenants and the confidentiality and certain other provisions contained in the Regional Developer Agreement then being signed by new Regional Developers

(ii) For purposes of this Agreement, the term "Majority-owned Transfer" means a transfer (a) to a person or entity that is majority owned by Regional Developer, (b) to a person or entity that owns a majority interest in Regional Developer, (c) to an entity that is owned by the same persons or entities (on a cumulative basis) that beneficially own a majority interest in Regional Developer or (d) as a result of which the person(s) who owned a majority interest in Regional Developer prior to the transfer continues to own a majority interest in Regional Developer after the transfer (for example, an additional person purchases or is issued an equity interest in Regional Developer)

(iii) In the case of an individual Regional Developer, any attempt to transfer any right granted under this Agreement upon Regional Developer's death, permanent and total disability or dissolution of marriage (if Regional Developer's rights under this Agreement, or a majority interest therein, will be transferred to Regional Developer's spouse upon dissolution of marriage) will be subject to the restrictions on transfer contained in this Section 12, provided, however, that Franchisor will not have the right of first refusal contemplated by Section 12(c) However, if Franchisor does not approve the proposed transferee upon death, disability or dissolution of marriage, Regional Developer or his or her legal representative must, within 90 days after Regional Developer's death, disability or dissolution of marriage, transfer Regional Developer's rights under this Agreement to a person approved by Franchisor in accordance with the provisions of this Section 12, provided, however, that Franchisor will have the right of first refusal contemplated by Section 12(c) in connection with that proposed transfer If Regional

Developer's rights under this Agreement are not transferred within this 90-day period, this Agreement will terminate

13 TERM, RENEWAL

(a) Subject to Section 14 of this Agreement, the initial Term (the "Initial Term") of the Regional Developer Agreement is ten (10) years At the expiration of the Initial Term, and 1st Renewal Term, you may with our approval and consent, which will not be unreasonably withheld, renew the Regional Developer Agreement for up to two additional ten (10) year terms (each a "Renewal Term") To renew the Regional Developer Agreement at the end of the Initial Term and/or 1st Renewal Term, you must comply with our renewal requirements One of our renewal requirements is the payment of a renewal fee Your renewal fee will be $2,000 per open (or under construction) CLOVR LIFE SPA in your Development Area at the time that you renew your Regional Developer Agreement (the "Renewal Fee") In addition.

(i) At the time of renewal, Regional Developer (and its Principals, officers and employees) must not be in breach of its (or their) obligations under, or related to, this Agreement or any Franchise Agreement between Franchisor and Regional Developer or its Affiliates,

(ii) Regional Developer (and her Principals, officers and employees) must not have a history of repeated breaches of her (or their) obligations under, or related to, this Agreement or any Regional Developer Agreement between Franchisor and Regional Developer or her Affiliates,

(iii) Regional Developer must have been in substantial compliance with the Business Plan(s) during the term of this Agreement,

(iv) Prior to renewal, Regional Developer must sign a general release of Franchisor and its Affiliates, in the form that Franchisor may require,

(v) Regional Developer must notify Franchisor in writing of its intention to renew at least one year (but not more than 18 months) before the end of each then current term (initial or renewal), which notice must be accompanied by a Renewal Fee by wire transfer or a cashiers or certified check,

(vi) Prior to renewal, Regional Developer must sign the form of Regional Developer Agreement then being signed by new Regional Developers and will be subject to the terms of that Regional Developer Agreement other than (i) the term, which will be the renewal term set forth this Agreement and (ii) Exhibit A, which will be identical to Exhibit A to this Agreement,

(vii) Prior to renewal, Regional Developer must, at its expense, attend such training programs or refresher courses as Franchisor may request and

(viii) Franchisor has not notified Regional Developer in writing that Franchisor objects to the renewal and returns the Renewal Fee to Regional Developer, because in Franchisor's sole discretion, Regional Developer (or if Regional Developer is a corporation, partnership, limited liability company or other entity, a Principal) is not a good fit within the CLOVR LIFE SPA System, Regional Developer did not satisfy development, revenue, or other defined goals included in the Business Plan during the Initial Term, or Regional Developer may adversely affect the goodwill or reputation of Franchisor, the Marks and/or for other reasons

(ix) If any of the above requirements has not been satisfied, the term of this Agreement will not be renewed and will expire at the end of the then-current term The parties agree that the Franchisor's refusal to renew if any of the above requirements has not been satisfied constitutes "good cause "

14 **TERMINATION** If Franchisee is in material default, Franchisor may terminate this Agreement and/or seek an injunction, monetary damages and/or other relief, in Franchisor's sole discretion, upon the occurrence of any of the following events ("**Events of Default**"), each of which individually constitutes "good cause" for termination of this Agreement

(a) Without Opportunity to Cure

(i) If Regional Developer (or her Principals, officers or employees) repeatedly (three or more times) fails to pay any monies owed to Franchisor or any of its Affiliates or perform any obligation, or repeated Events of Default occur (either one obligation and/or Event of Default three times, three obligations and/or Events of Default one time or any such combination) under this Agreement, or any other agreement between Regional Developer or her Affiliates and Franchisor or its Affiliates Termination will be effective immediately upon written notice to Regional Developer, without any opportunity to cure

(ii) If Regional Developer or any of the Principals files a petition for bankruptcy or is placed in involuntary bankruptcy Termination will be effective automatically and immediately upon that filing or placement

(iii) If Regional Developer or any of the Principals becomes insolvent (defined as the inability to pay her debts in the ordinary course of business and/or the excess of liabilities (current or long term) over assets (current or long term)) Termination will be effective immediately upon written notice to Regional Developer

(iv) If Regional Developer (or, if Regional Developer is a corporation, partnership, limited liability company or other entity, a Principal) fails to satisfactorily complete the Franchisee Training Program and/or the Regional Developer Training Program, in the sole discretion of Franchisor, within 30 days after the Effective Date Termination will be effective immediately upon written notice to Regional Developer

(v) If one or more of the Regional Developer Agreements or any Regional Developer Agreement between Regional Developer or her Affiliates and Franchisor are terminated by Franchisor pursuant to a franchise agreement or regional developer agreement Termination will be effective on the date that other agreement is terminated, unless Franchisor provides notice to Regional Developer otherwise

(vi) If Regional Developer misrepresents, or commits fraud in connection with, any information contained in her application for Regional Developer rights, or in any other oral or written information communicated to Franchisor

(vii) If Regional Developer or any Principal is (or has been) convicted by a trial court of, or has plead guilty or no contest to, a felony or other crime or offense that may adversely affect the goodwill or reputation of Franchisor, its products or the Marks, or if Regional Developer or any Principal engages in (or has engaged in) any conduct that may adversely affect the goodwill or reputation of Franchisor or the Marks Termination will be effective immediately upon notice to Regional Developer, without any opportunity to cure

(viii) If Regional Developer or any Principal engages in any conduct that violates any law, regulation or ordinance or commits an act of moral turpitude Termination will be effective immediately upon notice to Regional Developer, without any opportunity to cure

(b) Upon Failure to Timely Cure

(i) If Regional Developer (or her Principals) fails to pay any monies owed to Franchisor or any of its Affiliates under this Agreement, or any other agreement between Franchisor and Regional Developer or her Affiliates, and that failure has not been cured within 30 days after Franchisor has provided notice of that failure to Regional Developer Termination will be effective upon the expiration of the 30th day after Franchisor has provided notice of that failure to Regional Developer

(ii) If Regional Developer (or her Principals, officers or employees) breaches any of her obligations, other than (A) a breach of Section 14(a), (B) a failure to timely make a payment of monies owed to Franchisor or any of its Affiliates under this Agreement, which is governed by Section 14(b)(i), or (C) another agreement between Franchisor and Regional Developer (or her Principals, officers or employees) or her Affiliates, which includes no cure period or a different cure period, Regional Developer will have 30 days after notice to cure that breach Termination will be effective immediately upon notice, unless that failure is curable (in Franchisor's sole discretion), in which event termination will be effective upon the 30th day after notice, unless that failure has been cured For purposes of this Agreement, the occurrence of an "Event of Default" under any Regional Developer Agreement or Franchise Agreement between Franchisor and Regional Developer or her Affiliates will constitute a breach of that agreement

(iii) If Regional Developer fails to meet the operational requirements set forth in Section 3, and that failure has not been cured within 30 days after Franchisor provides Regional Developer written notice of that failure Termination will be effective upon the expiration of the 30th day after Franchisor has provided notice of that failure to Regional Developer

(iv) If Regional Developer fails to transfer her rights under this Agreement in accordance with Section 12(f) Termination will be effective upon the expiration of the 90-day period referred to in Section 12(f)

(v) If Regional Developer fails to promptly cooperate with Franchisor in connection with obtaining any licensing, registration or permit necessary in connection with Regional Developer's activities under this Agreement, or if Regional Developer loses, or fails to maintain, any licensing, registration or permit necessary in connection with Regional Developer's activities under this Agreement Termination will be effective upon either of the following, at Franchisor's election (a) the date that permit or license is lost or denied or (b) the date 30 days after Franchisor has provided notice of termination to Regional Developer, unless Regional Developer has obtained or regained that licensing, registration or permit within 30 days after Franchisor has provided notice of termination to Regional Developer

(vi) If Regional Developer fails to deliver to Franchisor, within 30 days after the signing of this Agreement (and thereafter, within 10 days after Franchisor's request), information and documents requested by Franchisor in connection with updating or supplementing the Franchise Disclosure Document with respect to Regional Developer

(vii) If Regional Developer conducts her business in a manner that may adversely affect the goodwill or reputation of Franchisor, its products or the Marks, provided, however, that if that damage is curable (in Franchisor's sole discretion), Regional Developer will have 30 days within which to cure such damage Termination will be effective immediately upon notice, unless that damage is curable (in Franchisor's sole discretion), in which event, termination will be effective upon the 30th day after that notice unless that damage is cured

(viii) If Regional Developer attempts to transfer, or transfers, by operation of law or otherwise, her rights under this Agreement, without the prior written consent of Franchisor, or otherwise in violation of this Agreement Any transfer of an equity interest in Regional Developer, by operation of law or otherwise, and any merger or consolidation of Regional Developer (if a corporation, partnership, limited liability company or other entity) is deemed to be a transfer in violation of this provision. Termination will be effective upon either of the following, at Franchisor's election.

(A) The date of the attempted transfer, transfer, attempted assignment, assignment, merger or consolidation, or

(B) The date 30 days after Franchisor has provided notice of termination to Regional Developer, unless the transfer or assignment has been rescinded within 30 days after Franchisor has provided notice of termination to Regional Developer

(ix) If Regional Developer violates any health, safety or sanitation law, rule, regulation or ordinance and fails to begin to correct such noncompliance or violation immediately or fails to completely correct such noncompliance or violation within 24 hours after Franchisor has provided notice of such noncompliance or violation to Franchisee Termination will be effective immediately upon notice to Regional Developer, without any opportunity to cure

(x) If the number of Franchise Agreements set forth in Exhibit 3 for each year of the Term are not sold by each anniversary of the Regional Developer Agreement Regional Developer will have 30 days after written notice is provided by Franchisor to Regional Developer to cure such failure to satisfy the Minimum Development Obligations set forth in Exhibit 3

(xi) If the number of CLOVR LIFE SPAS set forth in Exhibit 3 for each year of the Term are not opened by each anniversary of the Regional Developer Agreement Regional Developer will have 30 days after written notice is provided by Franchisor to Regional Developer to cure such failure to satisfy the Minimum Development Expectations

(xii) The parties agree that if Regional Developer has made reasonable efforts, in Franchisor's reasonable discretion, to cure a default outlined in this Section 14(b) but has been unable to cure such default within the time period set forth, Regional Developer shall have additional reasonable time, not to exceed sixty (60) days to cure such default

15 RIGHTS AND OBLIGATIONS OF THE PARTIES UPON EXPIRATION OR TERMINATION

(a) Upon expiration or termination of this Agreement for any reason.

(i) Regional Developer will forfeit to Franchisor all fees paid by Regional Developer to Franchisor, except as expressly set forth in Section 6 of this Agreement

(ii) All goodwill associated with Regional Developer's operations is, and will be, the property of Franchisor, and Regional Developer will receive no payment therefor

(iii) Regional Developer must promptly return to Franchisor Franchisor's Confidential Operations Manual(s), the RD Manual(s), all training materials and all other property of Franchisor (including all materials relating to the Marks, the Copyrights, or the Proprietary Information), other than documents and materials provided under any Regional Developer Agreement between Franchisor and Regional Developer that is then in effect

(iv) Regional Developer must immediately refrain from marketing Franchises and acting on Franchisor's behalf in connection with her communications with Franchisees and all other persons

(v) Regional Developer will receive no further payments pursuant to Section 7

(vi) Regional Developer must pay to Franchisor, within 10 days of expiration or termination of this Agreement, all amounts outstanding to Franchisor or its Affiliates from Regional Developer or her Affiliates

(vii) Regional Developer must pay to Franchisor a fee equal to one-half of the original Initial Development Fee (the "Termination Fee") for your Development Area plus Franchisor's reasonable attorneys' fees and costs

(b) Upon any breach by Regional Developer of any of the terms of this Agreement, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled Regional Developer agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding that may be brought to enforce any provision of this Section 15, without the necessity of posting bond therefor or proof of actual damages

16 **CURRENCY** Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient Computation of any amounts to be paid that require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made Regional Developer will pay all costs of currency exchange

17 **SURVIVAL** Notwithstanding anything contained in this Agreement to the contrary, the provisions of this Agreement that may affect the parties' rights and obligations after the expiration or termination of this Agreement will survive the expiration and termination of this Agreement

18. RELATIONSHIP OF THE PARTIES

(a) Regional Developer will be an independent contractor, and nothing contained in this Agreement will be construed to create or imply a fiduciary relationship between the parties, nor to make either party a general or specific agent, legal representative, employee, joint venturer, partner or servant of the other, provided, however, that Franchisor appoints Regional Developer as her special agent for the particular purposes set forth in this Agreement Regional Developer is in no way authorized to sign any contract or agreement, to make any representation or warranty or to create any obligation (express or implied) on behalf of Franchisor Regional Developer will be responsible for her own taxes

(b) Regional Developer must conspicuously identify herself at the premises of her business and in all dealings with Franchisees, prospective Franchisees, lessors, contractors, suppliers, public officials and others as the owner of her own business under an Regional Developer Agreement with Franchisor, and must place other notices of independent ownership on signs, forms, stationary, advertising and other materials as Franchisor may reasonably require

19 **PROVISIONS** Each provision, condition and term of this Agreement is material, and a breach or violation of any of them will constitute a default of that party's obligations under this Agreement

20 **AFFILIATES** For purposes of this Agreement, the term "Affiliate" means any person or entity (a) that beneficially owns a 20% or greater equity interest in the other person or entity (for example, a parent company of Regional Developer or an individual that owns at least a 20% interest in Regional Developer), (b) whose equity interests (20% or greater) are beneficially owned by the other person or entity (for example, a subsidiary of Regional Developer) or (c) whose equity interests (20% or greater) are beneficially

owned by the other persons or entities who (on a cumulative basis) own a 20% or greater equity interest in the other person or entity (for example, a sister company of Regional Developer)

21 NOTICES All communications or notices required or permitted to be given or served under this Agreement must be in the English language and in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, (c) faxed, or (d) delivered by e-mail, return receipt requested, and addressed to the e-mail address set forth in this Agreement All communications and notices will be effective upon delivery in person or by courier to the address set forth in this Agreement, upon being deposited in the United States mail in the manner set forth above, upon being faxed in the manner set forth above or delivered by e-mail in the manner set forth above Any party may change her or its address, fax number or e-mail address by giving notice in writing, stating her or its new address, fax number or e-mail address to the other party to this Agreement as provided in the foregoing manner

22 SUCCESSORS AND ASSIGNS Subject to Section 12, which restricts Regional Developer's rights to assign her rights under this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs and successors Any attempt by Regional Developer to assign any of her rights under this Agreement, or to delegate her obligations under this Agreement, without compliance with the terms of Section 12 will be void Notwithstanding anything contained in this Agreement to the contrary, Franchisor may assign this Agreement, or any of its rights under this Agreement, or delegate any of its obligations under this Agreement, to a person or entity designated by it as a master regional developer or any other person without the consent of Regional Developer or any other person.

23 AMENDMENT, MODIFICATION, WAIVER OR DEFERRAL

(a) Notwithstanding anything contained in this Agreement to the contrary, if Regional Developer or any of her Affiliates signs an Regional Developer Agreement with Franchisor or any of its Affiliates after the Effective Date, the terms of this Agreement and any previously signed Regional Developer Agreement (and/or the documents signed in connection with this Agreement and any previously signed Regional Developer Agreement) (as this Agreement and any previously signed Regional Developer Agreement, and/or such other documents may be or have been amended) will be automatically amended to be identical to the terms of that subsequent Regional Developer Agreement (and/or the documents signed in connection with that subsequent Regional Developer Agreement), provided, however, that the term of Regional Developer's Regional Developer rights under, and Exhibit A to this Agreement and the previously signed Regional Developer Agreements will not be amended and the renewal fee will be the Renewal Fee under this Agreement (or previously signed Regional Developer Agreements, as the case may be) In addition, the terms of this Agreement (and the terms of the documents signed in connection with this Agreement) will automatically amend the terms of Regional Developer Agreements (and those other documents) previously signed by Regional Developer or any of her Affiliates to the effect that such previously signed Regional Developer Agreements (and those other documents) will be identical to the terms of this Agreement (and the other documents signed in connection with this Agreement), provided, however, that the term of the previously-signed Regional Developer Agreements and Exhibit A to the previously signed Regional Developer Agreements will not be amended and the Renewal Fee contained in the previously-signed Regional Developer Agreements will be the renewal fee for those Regional Developer Agreements

(b) Except as set forth in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in a writing specifying with particularity the nature and extent of the amendment, modification or waiver and signed by

Regional Developer and by Franchisor's Chief Executive Officer or by another person designated in writing to Regional Developer by one of such persons, on Franchisor's behalf

(c) Notwithstanding anything contained in this Agreement to the contrary, Franchisor retains the right to modify and amend Franchisor's Confidential Operations Manual, Franchisor's Regional Developer Operations Manual and to issue and amend rules, regulations, instructions, policies and procedures for the conduct of Regional Developer's business under this Agreement from time to time, in its sole discretion, without obtaining the consent or approval of Regional Developer

(d) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of her or its rights under this Agreement, provided, however, that any breach or default of Franchisor will be deemed to be waived 180 days after the occurrence of this breach or default unless Regional Developer provides written notice of this breach or default to Franchisor within this 180-day period Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default

(e) Notwithstanding anything contained in this Agreement to the contrary, at any time that Regional Developer or any of her Affiliates is in breach of her obligations under this Agreement, or any other agreement between Regional Developer or any of her Affiliates and Franchisor or any of its Affiliates, Franchisor (or its Affiliate) may elect to defer the performance of Franchisor's (or its Affiliate's) obligations under this Agreement or such other agreement until Regional Developer's (or her Affiliate's) breach has been cured Franchisor's (or its Affiliate's) exercise of that right will not constitute a waiver of its rights under this Agreement or such other agreement, including Franchisor's (or its Affiliate's) right to terminate this Agreement or such other agreement In addition, Franchisor's (or its Affiliate's) exercise of that right will not serve as a basis for any claim by Regional Developer (or her Affiliate) that Franchisor did not perform its obligations in a timely manner

24 **SEVERABLE PROVISIONS, ENFORCEABILITY** Each and every provision of this Agreement is intended to be independent of and severable from the others If any provision, or any portion of a provision, of this Agreement is declared by a court of competent jurisdiction to be illegal, unenforceable or invalid for any reason whatsoever, that illegality, unenforceability or invalidity will not affect the validity of the remainder of this Agreement or the legality, enforceability or validity of that provision in any other jurisdiction. It is the intention and the agreement of the parties to this Agreement that the noncompetition and confidentiality provisions set forth in Section 11 of this Agreement be enforceable to the maximum extent permitted by law and, to that end, understand and agree that said provisions may be limited or modified by a court of competent jurisdiction to ensure enforceability thereof

25 **ENTIRE AGREEMENT** This Agreement, including the other agreements contained as exhibits to Franchisor's Disclosure Document and Franchisor's Confidential Operations Manual, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter Each of the other agreements contained as exhibits to Franchisor's Disclosure Document and Franchisor's Regional Developer Operations Manual is incorporated in this Agreement by this reference and constitutes a part of this Agreement Any capitalized terms in this Agreement that are not explicitly defined in this Agreement shall be defined in a manner consistent with the then current Franchise Agreement

26 **TERMINOLOGY** All references in this Agreement to the term "including" means "including, without limitation." All references in this Agreement to the term "entity" include, among other things, a trust Unless expressly provided to the contrary, any reference in this Agreement to Franchisor's discretion or judgment means Franchisor's sole and absolute discretion or judgment, and any determination (such as approval or consent), decision or judgment required or permitted to be taken or given by Franchisor will be

subject to Franchisor's sole and absolute discretion. All references in this Agreement to the term "person" means an individual, corporation, partnership, limited liability company or other entity All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa

27 **COUNTERPARTS** This Agreement may be signed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties

28 ARIZONA LAW TO GOVERN, JURISDICTION, RIGHT TO JURY TRIAL AND CLASS ACTION WAIVED, CERTAIN DAMAGES WAIVED, STATUTE OF LIMITATIONS

(a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Arizona, regardless of any conflict-of-law provisions to the contrary

(b) EACH PARTY AGREES THAT ANY LITIGATION BETWEEN THE PARTIES WILL BE COMMENCED AND MAINTAINED ONLY IN THE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA, AND EACH PARTY CONSENTS TO THE JURISDICTION OF THOSE COURTS, PROVIDED, HOWEVER, THAT FRANCHISOR MAY SEEK TO OBTAIN INJUNCTIVE RELIEF IN ANY COURT THAT FRANCHISOR MAY SELECT

(c) REGIONAL DEVELOPER HEREBY WAIVES THE RIGHT TO A JURY TRIAL, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING ARBITRATION, AND WAIVES THE RIGHT TO SEEK OR COLLECT PUNITIVE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING ARBITRATION

(d) REGIONAL DEVELOPER HEREBY WAIVES THE RIGHT TO ANY DAMAGES IN CONNECTION WITH OR RESULTING FROM THE WRONGFUL ISSUANCE OF AN INJUNCTION

(e) Notwithstanding anything contained in this Agreement to the contrary, the parties agree that any claims under, arising out of or related to, this Agreement must be brought within two years of the date on which the underlying cause of action accrued, and each party hereby waives any right to bring any such action after such two-year period

29 DISPUTE RESOLUTION

(a) Mandatory Mediation. Subject to Section 29(c), any controversy or dispute that arises between the parties related in any way to this Agreement or the relationship between the parties must be submitted to non-binding mediation before an action may be brought in a court of competent jurisdiction or in arbitration At the request of either party, the mediation will be conducted in secrecy The mediation shall be conducted before a mutually agreeable mediator in Maricopa County, Arizona The parties to the mediation will share equally in its cost and expenses, except those costs and expenses incurred separately by each party The mediation process will be deemed "Completed" when the parties agree that it has been completed, the mediator declares that any impasse exists or 60 days have elapsed since the date of the initiating party's notice to the other party that it is initiating the mediation process, whichever occurs first

(b) Arbitration. Subject to Section 29(c), once the mediation has been completed, the parties must submit any unresolved dispute to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules The place of arbitration will be Maricopa County, Arizona The Federal Arbitration Act shall govern, excluding all state arbitration laws Arizona law will govern all other issues The parties agree that any dispute or objection with respect to the existence, scope or validity of the arbitration agreement shall be resolved by the Arbitrator The arbitrator(s) will issue a reasoned award, with findings of fact and conclusions of law Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules With respect to discovery, the arbitrator shall require each party to make a good cause showing before such discovery will be granted If the provisions of the Federal Arbitration Act conflict in any way with the AAA Rules then the AAA Rules, as construed by the arbitrator(s), shall govern.

(c) Notwithstanding anything contained in this Agreement to the contrary, the provisions of Sections 29(a) and 29(b) do not apply in cases where (i) Franchisor brings an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Franchisor's goodwill, the Proprietary Information, the Marks or other property or for fraudulent conduct by Regional Developer, (ii) the delay resulting from the mediation process may adversely affect Franchisor's financial condition or endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist) or (iii) Franchisor in good faith believes that the controversy or dispute would not be resolved through the mediation process

(d) Either party may appeal the final award of the arbitrator(s) to the appropriate U S District Court The Court's review of the arbitrator's findings of fact will be under the clearly erroneous standard, and the Court's review of all legal rulings will be de novo If it should be determined that this provision for federal court review is not enforceable, then either party may appeal the arbitrator's final award to a panel of three arbitrators chosen under AAA procedures, which will employ the same standards of review stated immediately above

(e) The provisions of this Section 29 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected

30 **ATTORNEYS' FEES** In the event of any Event of Default, or if any claim, controversy or dispute arising out of or relating to this Agreement, any breach thereof, or the parties' relationship, the prevailing party shall be entitled to collect from the other all damages, costs and expenses, including all late fees, collection fees, interest and Franchisor's reasonable investigation and attorneys' fees and costs incurred in connection with any proceeding or as a result of any breach or Event of Default of this Agreement, as well as the costs of any experts and investigation relating to such Event of Default Nothing herein in any way restricts Franchisor's right to recover monetary damages, injunctive relief and/or any and all other remedies available to Franchisor, in addition to its attorneys' fees and costs All such interest, damages, costs and expenses may be included in and form part of the judgment awarded in any proceeding between the parties

31 **THIRD PARTY BENEFICIARIES** No Franchisee will be a third party beneficiary of the parties' respective rights and obligations under this Agreement

32 **REMEDIES CUMULATIVE** The remedies of the parties under this Agreement are cumulative and will not exclude any other remedies to which any party may be lawfully entitled

33 **CONSTRUCTION** The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits to this Agreement

34 **ADDITIONAL ACTIONS** Each party agrees to do all acts and things and to make, sign and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement

35 **COMPUTATION OF TIME** Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Arizona law, the party having that privilege or duty will have until 5 00 p m , Phoenix, Arizona time, on the next succeeding regular business day to exercise that privilege or to discharge that duty

36 **AUTHORITY** Any individual signing below on behalf of a corporation, partnership, limited liability company or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing

37 **ACKNOWLEDGEMENTS** Regional Developer acknowledges that it has conducted an independent investigation of the business authorized under this Agreement and recognizes that business venture involves business risks and that her success will be largely dependent upon the ability of Regional Developer as an independent businessperson. Franchisor expressly disclaims the making of, and Regional Developer expressly acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of that business venture

38 **EXECUTIVE ORDER 13224** To enable Franchisor to comply with U S Executive Order 13224, Regional Developer hereby represents and warrants to Franchisor that neither Regional Developer, nor any of her equity owners, directors, officers, employees, representatives and agents (collectively, the "**Included People**") is any of the following (each a "Blocked Person") (a) a person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No 13224, (c) a person or entity with which any Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No 13224, (e) a person or entity that is named as a "specially designated national" on the most current list published by the U S Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list, or (f) a person or entity who is affiliated or associated with a person or entity listed above

39 REGIONAL DEVELOPER'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

(a) Regional Developer acknowledges and represents that Franchisor, itself or through any officer, director, employee, or agent, has not made, and Regional Developer has not received or relied upon, any oral or written, visual, express or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Regional Developer might expect to earn from the rights granted hereby, except as set forth in the Franchise Disclosure Document _____(Initialed by Regional Developer)

(b) The business venture contemplated by the Regional Developer Agreement involves business risks _____ (Initialed by Regional Developer)

(c) Regional Developer's success will be largely dependent upon Regional Developer's ability as an independent businessperson. _____ (Initialed by Regional Developer)

(d) The Regional Developer has received, read, and understands this Regional Developer Agreement and any attachments _____ (Initialed by Regional Developer)

(e) Regional Developer understands and agrees that the salon and spa industry is highly competitive, cyclical, and volatile with constantly changing market conditions _____ (Initialed by Regional Developer)

(f) Regional Developer acknowledges and agrees that Franchisor has answered any questions it or its representatives have posed to Franchisor regarding this Regional Developer Agreement to Regional Developer's satisfaction. _____ (Initialed by Regional Developer)

(g) Regional Developer has been advised to consult with Regional Developer's own advisors with respect to the legal, financial, and other aspects of this Regional Developer Agreement, the business franchised hereby, and the prospects for such business Regional Developer either has consulted with such advisors or has deliberately declined to do so _____ (Initialed by Regional Developer)

(h) Any written inquiries made to Franchisor by Regional Developer pertaining to the nature of this Regional Developer Agreement have been answered in writing to the satisfaction of Regional Developer _____ (Initialed by Regional Developer)

(i) Regional Developer has had the opportunity and adequate time to independently investigate, analyze, and construe both the business opportunity being offered hereunder and the terms and provisions of this Regional Developer Agreement, utilizing the services of legal counsel, accountants, and other advisors (if Regional Developer so elects) _____ (Initialed by Regional Developer)

(j) Any and all applications, financial statements, and representations, whether oral or in writing, submitted to Franchisor by Regional Developer were complete and accurate when submitted and are complete and accurate as of the date of execution of this Regional Developer Agreement, unless the same have been otherwise amended in writing Regional Developer states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing _____ (Initialed by Regional Developer)

(k) Regional Developer agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Information, Marks, trade secrets, methods, procedures, know-how, and advertising techniques which are part of Franchisor's business or contest Franchisor's sole right to register, use, or license others to use such names and Proprietary Information, Marks, trade secrets, methods, procedures, and techniques _____ (Initialed by Regional Developer)

(l) Regional Developer's signature to this Regional Developer Agreement has not been induced by any representation inconsistent with the terms of this Regional Developer Agreement or inconsistent with the Franchise Disclosure Document given to Regional Developer by Franchisor _____ (Initialed by Regional Developer)

(m) Regional Developer represents and warrants that Regional Developer is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Regional Developer of the obligations under this Regional Developer Agreement, and that Regional Developer is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing _____ (Initialed by Regional Developer)

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of the date below

SPA ACQUISITIONS, LLC	**REGIONAL DEVELOPER**
By ____________________	By ____________________
Name ____________________	Name ____________________
Date ____________________	Date ____________________
Title ____________________	Title ____________________

EXHIBIT 1
TO REGIONAL DEVELOPER AGREEMENT

ACKNOWLEDGMENT REGARDING OWNERSHIP OR OTHER INTERESTS

Regional Developer hereby acknowledges that the Regional Developer is a(n) (check one)

______ Individual ______ Corporation

______ Partnership ______ Limited Liability Company

______ Joint Venture ______ Other business form ______________________________ (describe)

The Regional Developer hereby warrants and represents that the following persons own, either legally or beneficially, voting control of the Regional Developer

NAME, ADDRESS, TELEPHONE NUMBER	TYPE OF OWNERSHIP	PERCENTAGE OF INTEREST OWNED

REGIONAL DEVELOPER

____

Date ______________________________

By ______________________________

Title ______________________________

EXHIBIT 2
TO REGIONAL DEVELOPER AGREEMENT

DEVELOPMENT AREA

EXHIBIT 3
TO REGIONAL DEVELOPER AGREEMENT

MINIMUM DEVELOPMENT OBLIGATIONS

Year of Regional Developer Agreement	Franchise Agreements Signed for CLOVR LIFE SPA	CLOVR LIFE SPAS Opened
1		
2		
3		
4		
5		
TOTAL		

INITIAL DEVELOPMENT FEE ______________________ (See Section 6(a) for formula)

NOTES ____
____
____

SPA ACQUISITIONS, LLC

By ______________________

Name ______________________

Date ______________________

Title ______________________

REGIONAL DEVELOPER

By ______________________

Name ______________________

Date ______________________

Title ______________________

EXHIBIT 4
TO REGIONAL DEVELOPER AGREEMENT
CONSENT OF SPOUSE (FOR INDIVIDUAL FRANCHISEES ONLY)

CONSENT OF SPOUSE

The undersigned is the spouse of the Regional Developer identified in the Regional Developer Agreement, dated as of ____________________, between his or her spouse and SPA ACQUISITIONS, LLC (the "**Agreement**"), to which this Consent of Spouse is attached The undersigned hereby declares that he or she has read the Agreement in its entirety and, being fully convinced of the wisdom and equity of the terms of the Agreement, and in consideration of the premises and of the provisions of the Agreement, the undersigned hereby expresses his or her acceptance of the same and does agree to its provisions The undersigned further agrees that in the event of the death of his or her spouse, the provisions of this Agreement will be binding upon him or her The undersigned further agrees that he or she will immediately upon request, make, execute and deliver such instruments and documents that may be necessary to carry out the provisions of the Agreement This instrument is not a present transfer or release of any rights that the undersigned may have in any of the community property of his or her marriage

DATED __________________

____
(Signature of Spouse)

____
(Print Name of Spouse)

AGREEMENT TO BE BOUND AND TO GUARANTEE

This Agreement to Be Bound and to Guarantee (this "Agreement"), dated as of the date stated at the end of this Agreement, executed by the guarantors identified in Section 19 of this Agreement (each a "**Guarantor**") in favor of **SPA ACQUISITIONS, LLC** ("**Franchisor**")

WHEREAS, as an inducement for Franchisor to execute and deliver, and to perform its obligations under, that certain Regional Developer Agreement ("**Regional Developer Agreement**"), dated as of the date stated in Section 19 of this Agreement, by and between Franchisor and the Regional Developer identified in Section 19 of this Agreement ("**Regional Developer**"), Guarantor has agreed to jointly and severally guarantee the obligations of Regional Developer to Franchisor and its Affiliates (as defined in the Regional Developer Agreement) (including, without limitation, obligations under the Regional Developer Agreement (and the assignment of concession agreement, if applicable) executed in connection therewith) and to be bound by certain of the provisions contained in the Regional Developer Agreement

WHEREAS, Guarantor owns, directly or indirectly, a 5% or greater equity interest in Regional Developer

WHEREAS, Guarantor acknowledges and agrees that Franchisor will materially rely upon Guarantor's obligations under this Agreement

NOW, THEREFORE, in consideration of the foregoing premises and the execution and delivery of the Regional Developer Agreement by Franchisor, and the performance of Franchisor's obligations thereunder, Guarantor agrees, for the benefit of Franchisor and its Affiliates (as defined in the Regional Developer Agreement), as follows

1 <u>Guaranty</u> Guarantor unconditionally guarantees and promises to pay to Franchisor and/or its Affiliates and to perform, for the benefit of Franchisor and/or its Affiliates, on demand, any and all obligations and liabilities of Regional Developer in connection with, with respect to or arising out of the Regional Developer Agreement as well as any other agreements executed by Regional Developer in conjunction with the Regional Developer Agreement, and/or any other agreement with Franchisor or its Affiliates

2 <u>Confidentiality</u>

(a) Guarantor acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, trade secrets and other confidential and proprietary information, processes, materials and rights relating to the development, promotion and operation of the SPA Business (as defined in the Regional Developer Agreement), including, without limitation, Franchisor's Confidential Operations Manual, method of operation, processes, techniques, formulae and procedures (collectively, the "**Proprietary Information**") Guarantor further acknowledges that the Proprietary Information constitutes valuable trade secrets

(b) Guarantor agrees not to use for any purpose, or disclose or reveal (and must cause all of Regional Developer's directors, officers and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person any contents of Franchisor's Confidential Operations Manual, any Proprietary Information or any other information relating to the operation of the CLOVR LIFE SPA Guarantor must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all Proprietary Information.

(c) Guarantor acknowledges that to breach his or her obligations under this Section 2 would cause damage to Franchisor and to Franchisor's other franchisees and that Guarantor would be liable for this damage

(d) Notwithstanding the foregoing, Guarantor may disclose Proprietary Information to a person who is bound by the terms of this provision regarding confidentiality and a restrictive covenant contemplated by Section 11 of the Regional Developer Agreement, to the extent that that disclosure is necessary in connection with that person's capacity with Regional Developer

(e) Notwithstanding the foregoing, the following will not be subject to the provisions of this Section 2

(i) Information which is in the public domain as of the date of receipt by Regional Developer,

(ii) Information which is known to Regional Developer prior to the date of receipt by Regional Developer,

(iii) Information which becomes known to the public without a breach of the provisions of this Section 2 of the Agreement or any other agreement executed in connection with the Regional Developer Agreement, and

(i) Information, which is required by law to be disclosed or revealed, but only strictly to the extent required by law

3 Covenant Not to Compete

(a) Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business that operates an Regional Developer Business offering franchise sales and support services (a "Competing Regional Developer Business") to prospective franchisees or franchisees operating one or more Competing Businesses at (i) at any location in the United States of America, or (ii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the state or states where Regional Developer's Regional Developer Business is located, or (iii) if a court of competent jurisdiction determines that such geographic area is unenforceable, within the Regional Developer's Development Area

(b) Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), be engaged in a business that operates a business offering one or more of the following services aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and/or a meditation room (a "Competing Business") at (i) the location of Regional Developer's or its Affiliates CLOVR LIFE SPA(es), (ii) at any location within Regional Developer's Development Area, and (iii) within a (A) 15-mile radius, or (B) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 7 mile radius, or (C) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 5 mile radius, or (D) if a court of competent jurisdiction determines that such geographic area is unenforceable, a 3 mile radius of (I) any CLOVR LIFE SPA previously or presently owned, in whole or in part, by Franchisor, Franchisor's affiliates, or an existing CLOVR LIFE SPA franchisee, or (II) any location with respect to which Franchisor or any of Franchisor's affiliates has entered into a contract (including a Franchise Agreement) with respect to the future operation of a CLOVR LIFE SPA

(c) For purposes of this Section 3, a business will be deemed a Competing Business if 15% or more of its gross sales are derived from the marketing or sale of aesthetic and beauty services, professional therapeutic massage and body services, teeth whitening, wraps, skincare and waxing services, and/or a meditation room as well as related retail products

4 Restriction on Hiring Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, lender or otherwise), employ, hire or engage as an independent contractor or otherwise any person who is or was (at any time during the term of this Agreement) employed or engaged as an independent contractor or otherwise by Franchisor or any of its Affiliates

5 Use of Name and Likeness Franchisor will be entitled to use the name, likeness and voice of Guarantor for purposes of promoting the franchise, Franchisor and its products, including, without limitation, all photos and audio and video recordings, and Guarantor hereby irrevocably consents thereto Guarantor acknowledges that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as moral rights, artist's rights, publicity rights or the like associated with such photos and audio and video recordings, and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights

6 Innovations Guarantor may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to the manufacturing, production, marketing and sale of aesthetic services, professional therapeutic massage and body services, nail and waxing services as well as related retail products or other similar services and products in connection with the CLOVR LIFE SPA (the "**Innovations**") Guarantor assigns any and all of its rights, title and interest in the Innovations, including, without limitation, any intellectual property rights, to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including, without limitation, the perfecting of title thereto

7 Copyrights, Works-for-Hire, Solicitation. All advertising and promotional materials generated by or for Regional Developer or its officers, managers or employees for the CLOVR LIFE SPA will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor In addition, Guarantor will cooperate in the protecting any items or materials suitable for copyright protection by Franchisor Guarantor must not solicit other franchisees or Regional Developers, or use the lists of franchisees and Regional Developers, for any commercial or other purpose other than purposes directly related to the operation of the CLOVR LIFE SPA

8 Guaranty of Payment This is a guaranty of payment and not of collection This Agreement will remain in full force and effect until all amounts payable by Guarantor shall have been validly, finally and irrevocably paid in full and all obligations to be performed by Guarantor shall have been validly, finally and irrevocably performed in full

9 Waiver Guarantor hereby waives all requirements as to presentment for payment, protest, diligence and demand and notice of acceptance, default, protest, demand, dishonor and nonpayment, and all benefits and requirements of Arizona Revised Statutes Section 12-1641, *et seq* , and Rule 17(f) of the Arizona Rules of Civil Procedure for the Superior Courts of Arizona, which describe certain rights and obligations among guarantors, debtors and creditors, if applicable This Agreement will not be affected in any way by (a) the

absence of any action to obtain such amounts from Regional Developer or any other guarantor or indemnitor or of any recourse to any security for such amounts or (b) any extension, waiver, compromise or release of any or all of the obligations of Regional Developer or any guarantor

10 Subrogation. Guarantor hereby agrees that he will not exercise any rights of subrogation which he may acquire due to any payment or performance of the obligations of Regional Developer pursuant to this Agreement unless and until all amounts payable to Franchisor or its Affiliates, and all obligations for the benefit of Franchisor or its Affiliates, shall have been validly, finally and irrevocably paid and performed in full

11 Reasonable Restraints, Remedies Guarantor acknowledges that the covenants contained in this Agreement (including, without limitation, the territorial and time restraints) are reasonable and necessary and agrees that her failure to adhere strictly to the restrictions contained herein will cause substantial and irreparable damage to Franchisor, Regional Developer and to Franchisor's other franchisees In the event of any breach by Guarantor of any of the terms of this Agreement, Franchisor and/or Regional Developer will be entitled to institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor and/or Regional Developer may be entitled Guarantor agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's and Regional Developer's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision hereof, without the necessity of posting bond therefor or proof of actual damages

12 Enforceability If the scope of any restriction contained in this Agreement is too broad to permit the enforcement of such restriction to its fullest extent, then such restriction will be enforced to the maximum extent permitted by law, and Guarantor hereby consents and agrees that such scope may be judicially limited or modified accordingly in any proceeding brought to enforce such restriction. Each covenant contained in this Agreement is independent and severable and, to the extent that any such covenant shall be declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, such declaration will not affect the legality, validity or enforceability of any other provision contained herein or the legality, validity or enforceability of such covenant in any other jurisdiction.

13 No Waiver No failure or delay on the part of Franchisor or its Affiliates in exercising its rights hereunder will operate as a waiver of, or impair, any such right No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right No waiver of any such right will be effective unless given in writing, specifying with particularity the nature of the waiver No waiver of any such right will be deemed a waiver of any other right hereunder The rights provided for herein are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law

14 Attorneys' Fees Guarantor will pay reasonable attorneys' fees and expenses and all other costs and expenses that may be incurred by Franchisor or its Affiliates in connection with enforcing this Agreement

15 Arizona Law to Govern, Jurisdiction, Right to Jury Trial and Class Action Waived, Certain Damages Waived, Statute of Limitations This Agreement will be governed by, and construed and enforced in accordance with, the law of Arizona, regardless of any conflict-of-law provisions to the contrary Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Maricopa County, Arizona, and each party consents to the jurisdiction of those courts, provided, however, that Franchisor may seek to obtain injunctive relief in any court that Franchisor may select GUARANTOR HEREBY WAIVES THE RIGHT TO A JURY TRIAL, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION, AND WAIVES THE RIGHT TO SEEK OR COLLECT PUNITIVE,

CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, GUARANTOR AGREES THAT ANY CLAIMS UNDER, ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS OF THE DATE ON WHICH THE UNDERLYING CAUSE OF ACTION ACCRUED, AND GUARANTOR HEREBY WAIVES ANY RIGHT TO BRING ANY SUCH ACTION AFTER SUCH TWO-YEAR PERIOD

16 Binding Nature of Agreement This Agreement will be binding upon Guarantor and her respective successors, heirs and assigns and will inure to the benefit of Franchisor, its Affiliates and their respective successors and assigns

17 Joint and Several If more than one person signs this Agreement as a Guarantor, her, her or its obligation will be joint and several

18 Entire Agreement, Amendment This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof This Agreement may not be modified or amended other than by an agreement in writing signed by each of the parties The provisions of Section 18 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

19 Date of Regional Developer Agreement ______________________________

Printed Name(s) of Guarantor(s) ______________________________

Name of Regional Developer ______________________________

EXECUTED as of ____________________

Name ______________________________
(Print Name)

Executed by ______________________________

Name ______________________________
(Print Name)

Executed by ______________________________

CONSENT OF SPOUSE

The undersigned spouse of a party to the foregoing Agreement to be Bound and to Guarantee (the "**Agreement**") confirms that he/she has read the Agreement, understands its terms and conditions, and consents and agrees to the terms of the Agreement

Dated ______________________________

Name ______________________________ (Print Name)	Name ______________________________ (Print Name)
Executed by ________________________	Executed by ________________________

AUTHORIZATION TO HONOR CHECKS DRAWN BY AND PAYABLE TO SPA ACQUISITIONS, LLC

1 Bank account in the name of	3 Bank Account Number
2 Store #	4 Routing Number

To The Bank Designated

You are hereby requested and authorized to honor and to charge to the account described checks drawn on such account which are payable to the above named Payee The name(s) of the depositor(s) on such checks will be printed by standard business machines It is agreed that your rights with respect to each such check shall be the same as if it bore a signature authorized for such account It is further agreed that if any such check is not honored, whether with or without cause you shall be under no liability whatsoever This authorization shall continue in force until revocation in writing is received by you

5	Date	______________________
6	Name of Franchisee (please print)	______________________
	Type of Business	______________________
	Executed by	______________________
7	Full Name of Bank	______________________
8	Street Address	______________________
9	City, State & Zip Code	______________________

Indemnification Agreement

To The Bank Designated

In consideration of your compliance with the request and authorization printed on the Authorization Form hereof, the Payee agrees with respect to any such action.

1 To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any check, draft or order, whether or not genuine, purporting to be executed by the Payee and received by you in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith

2 To indemnify you for any loss arising in the event that any such check, draft or order shall be dishonored, whether with or without cause and whether intentionally or inadvertently

3 To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing request, or in any manner arising by reason of your participation

NOTICE TO FRANCHISEE	1 ATTACH ONE VOIDED CHECK HERE
	2 BE SURE ALL 9 SPACES SHOWN ABOVE ARE COMPLETED
	3 RETURN ALL THREE COPIES IMMEDIATELY

GENERAL RELEASE

THIS GENERAL RELEASE (Release) is executed on ______________________ by ____________________________ (**"Regional Developer"**) and ________________ (**Guarantors**) as a condition of [PICK ONE] Spa Acquisitions, LLC's (**"SDSF"**) consent to the transfer of a CLOVR LIFE SPA Regional Developer Agreement between Regional Developer and ____________ ____________ [or] renewal of the Regional Developer Agreement dated ______________ (**"Regional Developer Agreement"**) between Regional Developer and SDSF [or] the termination of the CLOVR LIFE SPA Regional Developer Agreement dated ________________ (**"Franchise Agreement"**) between Regional Developer and SDSF

1 **Release by Regional Developer and Guarantors.** Regional Developer (if Regional Developer is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Regional Developer is an individual, on behalf of herself/herself and her heirs, representatives, successors and assigns) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively **"Regional Developer Releasors"**) freely and without any influence forever release and covenant not to sue SDSF and its parent, subsidiaries and affiliates and their respective past and present officers, directors, members, shareholders, agents and employees, in their corporate and individual capacities, (collectively **"SDSF Releasees"**) with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "**Claims**"), which any Regional Developer Releasor ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to the Regional Developer Agreement and all other agreements between any Regional Developer Releasor and any SDSF Releasee, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law

IF REGIONAL DEVELOPER OR GUARANTORS ARE BASED IN CALIFORNIA. Regional Developer and Guarantors (on behalf of the Regional Developer Releasors) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable That Section reads as follows

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HER SETTLEMENT WITH THE DEBTOR

2 **Risk of Changed Facts** Regional Developer and Guarantors understand that the facts in respect of which the Release in Section 1 above is given may turn out to be different from the facts now known or believed by them to be true Regional Developer and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the Release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts

3 **No Prior Assignment.** Regional Developer and Guarantors represent and warrant that the Regional Developer Releasors are the sole owners of all Claims and rights released hereunder and that the Regional Developer Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above

4 **Covenant Not to Sue.** Regional Developer and Guarantors (on behalf of the Regional Developer Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above

5 **Complete Defense.** Regional Developer and Guarantors (A) acknowledge that this Release shall be a complete defense to any Claim released under Section 1 above, and (B) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim

6 **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of SDSF and each Regional Developer Releasor

7 **Governing Law** This Release and all claims relating to this Release shall be governed by and construed under the law of the State of Arizona SDSF, Regional Developer and Guarantor shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where SDSF's principal offices are located SDSF may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Regional Developer or Guarantors reside or do business, or where the claim arose

8 **Miscellaneous**

A. This Release constitutes the entire, full and complete agreement between the parties concerning the release of Claims by the parties and supersedes any and all prior or contemporaneous negotiations, discussions, understandings or agreements Except as expressly identified in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing

B The feminine gender shall be deemed to refer to and include the masculine and neuter, and the singular to refer to and include the plural, and vice versa

C The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations

D All terms not defined in this Release shall have the meaning given to them in the Regional Developer Agreement

E All captions in this Release are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement

F This Release may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original

IN WITNESS WHEREOF, Regional Developer and Guarantors have executed this Release as of the date shown above

REGIONAL DEVELOPER

____
Signature

Print Name __________________________

Title _______________________________

Date _______________________________

GUARANTOR

____
Signature

Print Name __________________________

Date _______________________________

GUARANTOR

____
Signature

Print Name __________________________

Date _______________________________

GUARANTOR

____
Signature

Print Name __________________________

Date _______________________________

CLOVR
LIFE SPA

CLOVR Spa Franchise Operations Manual Table of Contents

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LIFE SPA

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FOR CALIFORNIA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN CALIFORNIA ONLY

1 SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

See the cover page of the disclosure document for SDSF's URL address OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www dbo ca gov

2 **Item 1, Industry Specific Regulations** The following statement is added to the "Industry Specific Regulations" section in Item 1

As of January 1, 2015, new certified massage therapist applicants must have completed 500 hours of education at a California Massage Therapy Council ("CAMTC") approved school and pass a CAMTC approved exam

3 **Item 3, Litigation.** The following statement is added to Item 3

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

4 **Item 5, Initial Fees.**

Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its pre-opening obligations to Franchisor and Franchisee has commenced doing business under the Marks This financial assurance requirement was imposed by the California Department of Business Oversight due to Franchisor's current financial condition.

5 **Item 6, Other Fees.** The highest interest rate allowed in California is ten percent (10%) per annum

6 **Item 17, Additional Disclosures.** The following statements are added to Item 17

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of the SPA Business If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise These provisions may not be enforceable under California law

You must sign a general release if you transfer or renew your franchise These provisions may not be enforceable under California law California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516) Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

7 The Franchise Agreement requires that any action you bring be commenced in the jurisdiction where our principal business address is located, which currently is Arizona This provision may not be enforceable under California law

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS

Cover Page, Risk Factors The following statement is added at the end of the first Risk Factor

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT WHICH DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS

The following statement is added at the end of the second Risk Factor

Notwithstanding the foregoing, Illinois law shall govern the franchise agreements

ITEM 5 of the Franchise Disclosure Document is amended to provide that payment of initial franchise fees is deferred until after Franchisor's pre-opening obligations are met and Franchisee's Business is open and operating, as imposed by the Illinois Attorney General's Office based on Franchisor's financial condition.

Item 17, Additional Disclosures The following statements are added to Item 17

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act

The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met

FOR MARYLAND RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN MARYLAND ONLY

Item 5, Initial Fees The following statement is added to Item 5

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the regional development agreement

Item 17, Additional Disclosures The following statements are added to Item 17

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

The provision in the franchise agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

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

Exhibit J, Compliance Questionnaire The following sentence is added to the end of Exhibit J

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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

FOR MICHIGAN RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN MICHIGAN ONLY

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents If any of the following provisions is in these franchise documents, it is void and cannot be enforced against you

1 A prohibition on the right of a Regional Developer to join an association of Regional Developers

1 A requirement that a Regional Developer assent to a release, assignment, novation, waiver or estoppel which deprives a Regional Developer of rights and protections provided in the Michigan Investment Law This shall not preclude a Regional Developer, after entering into a Regional Developer Agreement, from setting any and all claims

2 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 Regional Developer to comply with any lawful provision of the Regional Developer 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

3 A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Regional Developer by repurchase or other means for the fair market value, at the time of expiration, of the Regional Developer's inventory, supplies, equipment, fixtures and furnishings Personalized materials which have no value to the franchisor and inventory, supplies and equipment, fixtures and furnishings not reasonably required in the conduct of the CLOVR LIFE SPA are not subject to compensation. This paragraph applies only if (a) the term of the franchise is less than 5 years and (b) the Regional Developer 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 Regional Developer does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise

4 A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Regional Developers of the same class or type under similar circumstances This paragraph does not require a renewal provision.

5 A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the Regional Developer from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.

6 A provision that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause This paragraph 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

a The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards

b The fact that the proposed transferee is a competitor of the franchisor or subfranchisor

c The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations d The failure of the Regional Developer or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Regional Developer Agreement exiting at the time of the proposed transfer

7 A provision that requires the Regional Developer to resell to the franchisor items that are not uniquely identified with the franchisor This paragraph 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 paragraph 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 Regional Developer has breached the lawful provisions of the Regional Developer Agreement and has failed to cure the breach in the manner provided in paragraph 3 above

8 A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the Regional Developer 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 the Michigan Consumer Protection Division of the Department of the Attorney General, whose address is 70 Law Building, Lansing, Michigan 48913 and whose telephone number is (517) 373-7117

FOR MINNESOTA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN MINNESOTA ONLY

Cover Page and Item 17, Choice of Forum and Law The following statement is added to the cover page and Item 17

Minnesota Statute § 80C 21 and Minnesota Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota In addition, nothing in the disclosure document, the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures

2 **Item 5, Initial Fees.** The following statement is added to Item 5

Payment of Initial Development Fees is deferred until after Franchisor's pre-opening obligations are met and Franchisee's Business is open and operating, as imposed by the Minnesota Department of Commerce based on Franchisor's financial condition

Item 17, Termination The following statement is added to Item 17

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C 14, Subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement

3 **Item 17, General Release.** The following statement is added to Item 17

Minnesota Rule 2860 4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01 - 80C 22

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant Minnesota statute are met independently without reference to the Additional Disclosures The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met

4 Minn. Stat Sec 80C 21 may prohibit us from requiring litigation to be conducted outside Minnesota In addition, as provided for in Minn. Rule 2860 4400J, nothing in the Franchise Disclosure Document or Franchise Agreement requires a franchisee to waive any of 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 the requirement to arbitrate, as set forth in Section 20 of the Franchise Agreement is enforceable 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 Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C 17 subdivisions 5, Limitation on actions

FOR NEW YORK RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN NEW YORK ONLY

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271 THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT

2 The following is added at the end of Item 3

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark.

A No such party has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations

B No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

C No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

D No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

3 The following is added to the end of Item 4

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

4 The following is added to the end of Item 5

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion

5 The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**"

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687 4 and 687 5 be satisfied

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

You may terminate the agreement on any grounds available by law

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

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

8 The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum,**" and Item 17(w), titled "**Choice of law**"

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

FOR NORTH DAKOTA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN NORTH DAKOTA ONLY

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring you to execute a general release in connection with renewal of the franchise

The restrictive covenant contained in Section 8 of the Regional Developer Agreement and Exhibit D and (Agreement to be Bound and to Guarantee) may be unenforceable in the State of North Dakota.

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring litigation to be conducted outside North Dakota Accordingly, litigation may be conducted in North Dakota

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring Arizona law to govern the Regional Developer Agreement Accordingly, North Dakota law will govern the Regional Developer Agreement

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring you to waive your right to a jury trial or your right to seek or collect punitive, consequential and special damages

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring you to consent to liquidated damages

Section 51-19-09 of the North Dakota Franchise Investment Law prohibits us from requiring you to waive damages in connection with or resulting from the wrongful issuance of an injunction.

FOR VIRGINIA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN VIRGINIA ONLY

The following paragraph is added to Item 5

The Virginia State Corporation Commission Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement

FOR WASHINGTON RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN WASHINGTON ONLY

The State of Washington has a statute, RCW 19 100 180, which may supersede the franchise agreement in your relationship with CLOVR LIFE SPA, 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 CLOVR LIFE SPA, including the areas of termination and renewal of your franchise

The following language is added to Item 5 of the Franchise Disclosure Document for residents of the State of Washington or franchises to be located in the State of Washington.

As a condition of registration in the State of Washington, payment of initial franchise fees will be deferred until franchisor has met all of its pre-opening obligations to franchisee and franchisee has commenced doing business under the marks This financial assurance requirement was imposed by the Washington Department of Financial Institutions due to franchisor's current financial condition.

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

The Franchisor and Regional Developer acknowledge that Regional Developer's solicitation of franchises in the State of Washington will triger the broker registration requirements of the State of Washington. Regional Developer will be obligated to register as a broker The registration form can be found online at https //dfi wa gov/sites/default/files/forms/sdf pdf

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 signed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when signed 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 Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to jury trial, many not be enforceable

Transfer fees are collectible to the extent that they reflect CLOVR LIFE SPA's reasonable estimated or actual costs in effecting a transfer

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

ADDENDA TO REGIONAL DEVELOPER AGREEMENT FOR RESIDENTS OF THE STATE FRANCHISEES WHO CLOVR LIFE SPA REGIONAL DEVELOPER BUSINESS WILL BE LOCATED IN CALIFORNIA

1 **The following sentence is added to the end of Section 7 A of the Franchise Agreement**

Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its pre-opening obligations to Franchisor and Franchisee has commenced doing business under the Marks This financial assurance requirement was imposed by the California Department of Business Oversight due to Franchisor's current financial condition.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of ____________________

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
____________________	____________________
By ____________________	____________________
Its ____________________	By ____________________
Date ____________________	Its ____________________
	Date ____________________

ADDENDUM TO REGIONAL DEVELOPER AGREEMENT FOR ILLINOIS RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN ILLINOIS ONLY

The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement This Addendum is being executed because (A) the offer or sale of the franchise to you was made in the State of Illinois, (B) you are a resident of the State of Illinois, and/or (C) the SPA Business will be located or operated in the State of Illinois

1 The following sentence is added to the end of Section 6(d)

Payment of Initial Franchise Fees is deferred until after Franchisor's pre-opening obligations are met and Franchisee's Business is open and operating, as imposed by the Illinois Attorney General's Office based on Franchisor's financial condition

2 The following sentence is added at the end of Section 28(a)

Notwithstanding the foregoing, Illinois law shall govern this Agreement

3 The following sentence is added to the end of Section 28(b)

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois

4 The following sentence is added at the end of section 28(e)

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

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

6 Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement

7 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
______________________	______________________
By ______________________	______________________
Its ______________________	By ______________________
Date ______________________	Its ______________________

ADDENDUM TO REGIONAL DEVELOPER AGREEMENT FOR MARYLAND RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN MARYLAND ONLY

1 The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement This Addendum is being executed because (A) the offer or sale of a franchise to you was made in the State of Maryland, (B) you are a resident of the State of Maryland, (C) part or all of the Protected Area is located in the State of Maryland, and/or (D) the SPA Business will be located or operated in the State of Maryland

2 The following sentence is added to the end of Section 6(d) of the Regional Developer Agreement

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the regional development agreement

3 The following sentence is added to the end of Sections 15 and 16

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

4 The following sentence is added to the end of Section 17

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

5 The following sentence is added to the end of Section 28(b)

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

6 The following sentence is added to the end of Section 28(e)

This limitation of claims provision 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, which claim must be brought within 3 years after the grant of the franchise

7 The following sentence is added to the end of Section 39

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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

8 Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement

9 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, The Parties have executed this Addendum to Franchise Agreement as of ______________________________

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
______________________________	______________________________
By ______________________________	By ______________________________
Its ______________________________	Its ______________________________
Date ______________________________	Date ______________________________

ADDENDUM TO REGIONAL DEVELOPER AGREEMENT FOR VIRGINIA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN VIRGINIA ONLY

The following sentence is added to the end of Section 6(d) of the Regional Developer Agreement

The Virginia State Corporation Commission Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement

IN WITNESS WHEREOF, the parties have executed this Addendum to Regional Developer Agreement, or caused this Addendum to be executed, as of ______________________________

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
______________________________	______________________________
By ______________________________	By ______________________________
Its ______________________________	Its ______________________________
Date ______________________________	Date ______________________________

ADDENDUM TO REGIONAL DEVELOPER AGREEMENT FOR WASHINGTON RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN WASHINGTON ONLY

1 The state of Washington has a statute, RCW 19 100 180 which may supersede the Regional Developer Agreement to be Bound and Guarantee, Confidentiality Agreement, and General Release agreement in your relationship with the franchisor including, jurisdiction and venue of any dispute between you and us, as well as the 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

2 In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

4 A release or waiver of rights executed by 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 a right to a jury trial may not be enforceable

5 The following sentence is added to the end of Section 4 of the Regional Developer Agreement

As a condition of registration in the State of Washington, payment of initial franchise fees will be deferred until franchisor has met all of its pre-opening obligations to franchisee and franchisee has commenced doing business under the Marks This financial assurance requirement was imposed by the Washington Department of Financial Institutions due to franchisor's current financial condition.

6 Section 15(a)(ii) is amended to reflect the fact that Franchisor may not refuse to renew the Regional Developer Agreement without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment, and furnishings not reasonably required in the conduct of the franchise business provided that compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal, and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the Franchisor Additionally, Franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by Franchisee to Franchisor

7 Section 15 of the Agreement to be Bound and Guarantee is amended to reflect that the choice of law is subject to Washington's Franchise Investment Protection Act and that Washington is a permissible jurisdiction for disputes arising between Washington franchisees and Franchisor

8 Section 2 and 8 of the General Release is amended to reflect that the choice of law is subject to Washington's Franchise Investment Protection Act and that Washington is a permissible jurisdiction for disputes arising between Washington franchisees and Franchisor

9 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

10 Under Washington law, non-compete covenants are enforceable only if they are reasonable and lawful A court of law will determine whether the non-compete covenants in the franchise agreement are enforceable under Washington law

IN WITNESS WHEREOF, the parties have executed this Addendum to Regional Developer Agreement, or caused this Addendum to be executed, as of ______________________________

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
______________________________	______________________________
By ______________________________	By ______________________________
Its ______________________________	Its ______________________________
Date ______________________________	Date ______________________________

ADDENDUM TO REGIONAL DEVELOPER AGREEMENT FOR MINNESOTA RESIDENTS AND REGIONAL DEVELOPERS WHOSE FRANCHISES WILL BE OPERATED IN MINNESOTA ONLY

This Addendum to Franchise Agreement is entered into simultaneously with the execution of the Franchise Agreement

1 The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement This Addendum is being executed because (A) the offer or sale of a franchise to you was made in the State of Minnesota, (B) you are a resident of the State of Minnesota, and/or (C) the SPA Business will be located or operated in the State of Minnesota

2 The following sentence is added to Section 6 A of the Franchise Agreement

Payment of Initial Development Fees is deferred until after Franchisor's pre-opening obligations are met and Franchisee's Business is open and operating, as imposed by the Minnesota Department of Commerce based on Franchisor's financial condition

3 The following sentence is added to the end of Section 13(a)iv

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01 - 80C 22

4 The following sentence is added to the end of Section 13(a)viii

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C 14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 180 days' notice for non-renewal of the Franchise Agreement

5 The following sentence is added to the end of Section 8(a)

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party, provided that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of this Agreement and the System

6 The following sentence is added to the end of Section 14

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute §80C 14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement

7 The following sentences are added to the end of Sections 29(a)-(b)

Minnesota Statute § 80C 21 and Minnesota Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota In addition, nothing in the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

8 The second sentence of Section 28(c) is deleted and replaced with the following sentence

You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits

9 The following sentence is added to the end of Section 15(h)

Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we are entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance A court will determine if a bond or security must be posted

10 Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement

11 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date

SPA ACQUISITIONS LLC	**REGIONAL DEVELOPER**
______________________	______________________
By ______________________	By ______________________
Its ______________________	Its ______________________
Date ______________________	Date ______________________

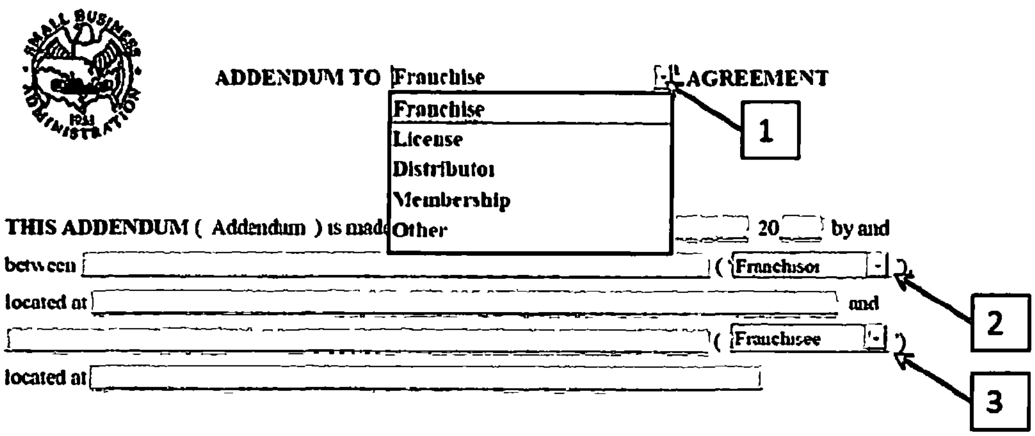
SBA ADDENDUM TO REGIONAL DEVELOPER AGREEMENT

INSTRUCTIONS FOR USE OF SBA FORM 2462
ADDENDUM TO FRANCHISE AGREEMENT

SBA has issued a revised version of the Addendum to Franchise Agreement (SBA Form 2462) which became effective January 1, 2018 SBA's Standard Operating Procedure (SOP) 50 10 5(J) explains updates made to the franchise review process for the 7(a) and 504 loan programs By executing this Addendum, the franchisor agrees that any terms in its franchise agreement or any other document the franchisor requires the franchisee to sign that are related to control by the franchisor or its franchisees (resulting in a determination by SBA of affiliation between the Franchisor and its franchisees, as defined in 13 CFR part 121 and SBA's Standard Operating Procedure 50 10) will not be enforced against the franchisee during the life of the SBA-guaranteed loan.

SBA Form 2462 has **three** locations with drop down menu options at the beginning of the form (see example below) Once a drop down option is chosen (i e #1 "Franchise" #2 "Franchisor" and #3 "Franchisee"), the user must hit the "tab" key to automatically populate the appropriate term in all fields

Example of Drop-Down Options



Once the drop down options have populated in all three locations, the remaining fillable fields must be completed manually (see example below) These fields will either be blank or contain the language "(Enter type of)" or "(type of agreement) " In each of these fields, enter the type of agreement, e g , franchise, license, dealer, membership, etc When completing SBA Form 2462, the text may not be altered except to insert the information required to complete the form

Example of Fillable Fields to be Completed Manually

FORCED SALE OF ASSETS

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

Note to Parties This Addendum only addresses "affiliation" between the Franchisor and Franchisee Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements

ADDENDUM TO FRANCHISE [1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on ______________, 20____, by and between ____ ("Franchisor"), located at ____, and ____ ("Franchisee"), located at ____

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

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign

CHANGE OF OWNERSHIP

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

FORCED SALE OF ASSETS

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

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121 301(f)(5)

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

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

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR:

By ______________________________

Print Name ______________________

Title ____________________________

Authorized Representative of FRANCHISEE:

By ______________________________

Print Name ______________________

Title ____________________________

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

Exhibit J to the Franchise Disclosure Document
Regional Developer Disclosure Questionnaire
Franchisee Disclosure Questionnaire

As you know, SPA ACQUISITIONS, LLC and you are preparing to enter into a Regional Developer Agreement for the operation of a CLOVR LIFE SPA 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 must sign and date this Questionnaire the same day that you sign the Regional Developer Agreement You cannot sign or date this Questionnaire the same day as the Receipt for the Disclosure Document Please review each of the following questions carefully and provide honest responses to each question. If you answer No to any of the questions below, please explain your answer on the back of this sheet

Question	Yes	No
1 Have you received and personally reviewed the Regional Developer Agreement and each exhibit or schedule attached to it?		
2 Have you received and personally reviewed the Disclosure Document we provided?		
3 Did you sign a receipt for the Disclosure Document indicating the date you received it?		
4 Do you understand all of the information contained in the Disclosure Document and all of the terms of the Regional Developer Agreement?		
5 Have you reviewed the Disclosure Document and the Regional Developer Agreement with a lawyer, accountant or other professional advisor?		
6 Have you discussed the benefits and risks of developing and operating a CLOVR LIFE SPA Regional Developer Business with existing CLOVR LIFE SPA Regional Developers?		
7 Do you understand the risks of developing and operating a CLOVR LIFE SPA Regional Developer Business?		
8 Do you understand that the success or failure of your CLOVR LIFE SPA Regional Developer Business 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 terms and the marketplace?		
9 Do you understand that, subject to applicable state law, any applicable mediation, arbitration or litigation must take place in Arizona?		
10 Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the costs involved in operating a CLOVR LIFE SPA Regional Developer Business, or otherwise, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?		
11 Do you agree that no employee or other person speaking on our behalf has 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 CLOVR LIFE SPA Regional Developer Business 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?		

Question	Yes	No
12 Do you understand that the Regional Developer Agreement and the exhibits to the Regional Developer Agreement and the Disclosure Document contain the entire agreement between us and you concerning your purchase of a CLOVR LIFE SPA Regional Developer Business and that any oral or written statements, if any, not contained in the Regional Developer Agreement or Disclosure Document will not be binding?		

EXPLANATION OF ANY NEGATIVE RESPONSES PLEASE ATTACH ADDITIONAL PAGES IF NECESSARY [REFER TO QUESTION NUMBER]

____

____

____

THE UNDERSIGNED UNDERSTANDS THAT HER ANSWERS ARE IMPORTANT TO SPA ACQUISITIONS, LLC AND THAT SPA ACQUISITIONS, LLC WILL RELY ON THEM BY SIGNING THIS QUESTIONNAIRE, THE UNDERSIGNED REPRESENTS AND WARRANTS THAT HE HAS CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO EACH OF THE ABOVE QUESTIONS

EXECUTED as of _______ day of ________________ 20___

REGIONAL DEVELOPER

By ______________________________

Name ______________________________

Title ______________________________

CURRENT REGIONAL DEVELOPERS

ALABAMA
Gary Schubert
6619 Cresmont Glen Lane
Windermere, FL 34786
402-689-1217

ARIZONA
ARIZONA SPA PARTNERS, LLC
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Robert Harris 602-999-9775

CALIFORNIA
CALIFORNIA SPA PARTNERS, LLC
(Inland Empire CA)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Jessica Stackpoole 602-616-5160

CALIFORNIA SPA PARTNERS, LLC (Orange County CA)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Jessica Stackpoole 602-616-5160

MERCURY DEVELOPMENT SPA, LLC (San Diego)
31638 Gallery Lane
Evergreen, CO 80439
Daniel O'Neil 303-332-8170

COLORADO
SERIOUS GROWTH, LLC (Colorado)
2698 Creekside Drive
Broomfield, CO 80023
Don Beezley 303-886-0809
Rick Dale 312-816-2400

DISTRICT OF COLOMBIA
COASTAL SPA HOLDINGS, LLC
(Washington D C)
9133 Timbercreek Blvd,
Daphne AL 36526
Robert Shotlander 251-367-3166
Gary Sinopoli 228-424-8972

FLORIDA
FLORIDA SPA PARTNERS, LLC
(North Florida)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Robert Harris 602-999-9775

NATIONAL SPA PARTNERS, LLC
(South Florida)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

GEORGIA
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6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217
Tamara Shubert 402-689-7485
Skiler Ramsey 402-862-5226
Katie Ramsey 402-862-5226

ILLINOIS
SERIOUS GROWTH, LLC
(Greater Chicago Region)
2698 Creekside Drive, Broomfield, CO 80023
Don Beezley 303-886-0809
Rick Dale 312-816-2400

KANSAS
Stacy Iredell 480-213-3000
(Kansas/Kansas City)
Ellen Pierce 480-225-3101
13548 E Gold Dust Ave
Scottsdale, AZ 85259

LOUISIANA
COASTAL SPA HOLDINGS, LLC (Louisiana)
9133 Timbercreek Blvd,
Daphne AL 36526
Robert Shotlander 251-367-3166
Gary Sinopoli 228-424-8972

MARYLAND
COASTAL SPA HOLDINGS, LLC (Maryland)
9133 Timbercreek Blvd,
Daphne AL 36526
Robert Shotlander 251-367-3166
Gary Sinopoli 228-424-8972

MICHIGAN
NATIONAL SPA PARTNERS, LLC
(Michigan)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
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Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

MINNESOTA
MAVERICK JACK, LLC (Minnesota)
11530 Armstrong Ct,
Inver Grove Heights, MN 55077
Todd Corbo 612-414-0499
Robin Hicks 612-414-0499

NEVADA
NEVSPA, LLC (Nevada)
6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217
Tamara Shubert 402-689-7485
Richard Medford 804-338-0292
Karen Medford 941-281-6690

NEBRASKA
13548 E Gold Dust Ave
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Stacy Iredell 480-213-3000 (Nebraska)
Ellen Pierce 480-225-3101

NEW JERSEY
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(Southern NJ)
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Scottsdale, AZ 85262
John Fechter 904-534-8134
Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

NORTH CAROLINA
B-FIRM, LLC (North Carolina)
6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217

OKLAHOMA
DKU SPA DEVELOPMENT, LLC (Oklahoma)
6353 Ryeworth Drive
Frisco, TX 75035
Kim Marzett 817-929-4004
Kim Tennyson 214-763-5182

OREGON
CAPITAL OR SPA, LLC (Oregon)
6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217
Dan Mullins 208-596-0356

PENNSYLVANIA
NATIONAL SPA PARTNERS, LLC
(South Philadelphia)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

SOUTH CAROLINA
B-FIRM, LLC (South Carolina)
6619 Cresmont Glen Lane
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Gary Schubert 402-689-1217

TENNESSEE
THIRD ROCK DEVELOPERS, LLC
(Tennessee)
9536 Zimmerman Way
Knoxville, TN 37922
Heather Cline 865-621-3131
Christopher Cline 865-254-5553

TEXAS
NATIONAL SPA PARTNERS, LLC (Austin)
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Scottsdale, AZ 85262
John Fechter 904-534-8134
Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

DKU SPA DEVELOPMENT, LLC (Dallas)
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Kim Marzett 817-929-4004
Kim Tennyson 214-763-5182

DKU SPA DEVELOPMENT, LLC (Houston)
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Frisco, TX 75035
Kim Marzett 817-929-4004
Kim Tennyson 214-763-5182

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(San Antonio)
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John Fechter 904-534-8134
Ravi Kumar 248-761-0423
Shweta Kumar 248-761-0412

WASHINGTON
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6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217
Dan Mullins 208-596-0356

REGIONAL DEVELOPERS THAT HAVE BEEN TERMINATED, CANCELED, NOT RENEWED, TRANSFERRED IN THE PAST YEAR

NONE

REGIONAL DEVELOPERS THAT HAVE SIGNED FRANCHISE AGREEMENTS BUT ARE NOT YET OPERATING

ARIZONA SPA PARTNERS, LLC (Arizona)
10912 East Rising Sun Drive
Scottsdale, AZ 85262
John Fechter 904-534-8134
Robert Harris 602-999-9775

B-FIRM LLC (Georgia)
6619 Cresmont Glen Lane
Windermere, FL 34786
Gary Schubert 402-689-1217

MAVERICK JACK, LLC (Minnesota)
11530 Armstrong Ct
Inver Grove Heights, MN 55077
Todd Corbo 612-414-0499
Robin Hicks 612-414-0499

RECEIPT

This disclosure document summarizes certain provisions of the Regional Developer Agreement and other information in plain language Read this disclosure document and all agreements carefully

If SPA ACQUISITIONS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, SPA ACQUISITIONS, LLC or its affiliates in connection with the proposed sale or sooner if required by applicable state law

New York and Rhode Island require that SPA ACQUISITIONS, LLC 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

If SPA ACQUISITIONS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the state agency listed in Exhibit A.

The franchisor is SPA ACQUISITIONS, LLC, 8377 E Hartford Drive Suite 105 Scottsdale, AZ 85255 Its telephone number is (888) 778-6747

Issuance Date **August 2, 2019**

The franchise sellers for this offering are SPA ACQUISITIONS, LLC and Lyle Myers, 8377 E Hartford Drive Suite 105, Scottsdale, Arizona 85260 and ________________________________

SPA ACQUISITIONS, LLC authorizes the respective state agencies listed in Exhibit B to receive service of process for it in the particular state

I received a disclosure document dated _______________ that included the following exhibits

A	List of State Administrators	G	Table of Contents of Confidential Operations Manual
B	List of Agents for Service of Process	H	State Specific/SBA Disclosures and Addendums
C	Regional Developer Agreement	I	Financial Statement
D	Agreement to be Bound and to Guarantee	J	Regional Developer Questionnaire
E	Preauthorization to Permit Draw Drafts	K	Receipts (2 Copies)
F	General Release		

Date of Receipt ________________________

______________________________	______________________________
Signature	Print Name
______________________________	______________________________
Company Name	Street Address
______________________________	______________________________
Telephone Number	City, State Zip Code

RECEIPT

This disclosure document summarizes certain provisions of the Regional Developer Agreement and other information in plain language Read this disclosure document and all agreements carefully

If SPA ACQUISITIONS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, SPA ACQUISITIONS, LLC or its affiliates in connection with the proposed sale or sooner if required by applicable state law

New York and Rhode Island require that SPA ACQUISITIONS, LLC 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

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Signature	Print Name
Company Name	Street Address
Telephone Number	City, State Zip Code