FRANCHISE DISCLOSURE DOCUMENT

Glosshouz USA LLC
a Delaware limited liability company
8171 S. Chester St., Centennial, CO 80112
720-439-3600
franchise@glosshouz.com
https://www.franchise.glosshouz.com/

As a Glosshouz franchisee, you will operate a full-service or medspa-focused Spa Center featuring luxurious amenities in a sophisticated setting using the trademark "Glosshouz," and our other related trade names, trademarks, or logos. Glosshouz Spa Centers offer a comprehensive range of aesthetic and wellness services, loyalty-building monthly memberships, optional food and beverage refreshments, related retail products, state-of-the-art communication and advertising technology systems, design and branding to create a friendly, inviting, and welcoming environment. Client services are offered as single service appointments, as spa day packages, in groups for spa parties, or in connection with the value-add BFF Savings Program® recurring monthly memberships. You will have the opportunity to operate a full-service Glosshouz Spa Center from a larger premises we call the "Standard Format" or from a smaller premises we call the "Optimized Smaller Format." There is a third option to operate a medspa-focused Glosshouz Spa Center from the smallest premises option we call the "Medspa-focused Format." We provide services to franchisees including assistance with site selection, construction management, multi-faceted operational and business management training, and advertising assistance.

The total initial investment necessary to begin operation of a single Standard Format Spa Center ranges from $885,500 to $1,397,000. The total initial investment necessary to begin operation of a single Optimized Smaller Format Spa Center ranges from $611,700 to $969,300. The total initial investment necessary to begin operation of a single Medspa-focused Format Spa Center ranges from $411,500 to $759,800. Each estimate includes between $71,900 and $80,900 that must be paid to us or our affiliate.

If you are qualified and approved, you may sign a Multi-Unit Development Agreement to open multiple Spa Centers. The total initial investment necessary to purchase the rights to open between 2 to 20 Standard Format Spa Centers and the initial investment necessary to begin operation of the first Spa Center ranges from $950,500 to $1,852,000. The total initial investment necessary to purchase the rights to open between 2 to 20 Optimized Smaller Format Spa Centers and the initial investment necessary to begin operation of the first Spa Center ranges from $676,700 to $1,424,300. The total initial investment necessary to purchase the rights to open between 2 to 20 Medspa-focused Format Spa Centers and the initial investment necessary to begin operation of the first Spa Center ranges from $476,500 to $1,214,800. Each estimate includes between $86,900 to $435,900 that must be paid to us or our affiliate.

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

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 Loni Le Van-Etter, at 8171 S. Chester St., Centennial, CO 80112, 720-439-3600, loni@glosshouz.com.

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

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

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 1, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this

subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL. Any questions regarding the notice should be delivered to the Department of the Attorney General, Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, 2501 Woodlake Circle, Okemos, MI 48864, Telephone: (517) 241-6470.

TABLE OF CONTENTS

ITEM **Page**

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

ITEM 2. BUSINESS EXPERIENCE 6

ITEM 3. LITIGATION 7

ITEM 4. BANKRUPTCY 7

ITEM 5. INITIAL FEES 7

ITEM 6. OTHER FEES 8

ITEM 7. ESTIMATED INITIAL INVESTMENT 15

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 26

ITEM 9. FRANCHISEE'S OBLIGATIONS 29

ITEM 10. FINANCING 30

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 30

ITEM 12. TERRITORY 42

ITEM 13. TRADEMARKS 44

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 45

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 47

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 47

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 48

ITEM 18. PUBLIC FIGURES 54

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS 54

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 57

ITEM 21. FINANCIAL STATEMENTS 59

ITEM 22. CONTRACTS 59

ITEM 23. RECEIPTS 59

Exhibits:

Exhibit A: Federal and State Regulatory Authorities
Exhibit B: Current Franchisees
Exhibit C: Former Franchisees
Exhibit D: Franchise Agreement (with attachments)
Exhibit E: Management Agreement (with attachments)
Exhibit F: Waiver of Management Agreement (with attachments)
Exhibit G: State Addenda
Exhibit H: Table of Contents for Brand Standards Manual
Exhibit I: Financial Statements
Exhibit J: SBA Addendum
Exhibit K: General Release
Exhibit L: Multi-Unit Development Agreement (with attachments)
Exhibit M: Receipt

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

The Franchisor

Glosshouz USA LLC is the franchisor and is referred to as "us," "our," "we," "Glosshouz" or "Glosshouz USA" in this Franchise Disclosure Document. "You" means the business entity (including a corporation, partnership, limited liability company or other legal entity) that is the franchisee and, as applicable, multi-unit developer, and signs a Franchise Agreement (Exhibit D) with us or Multi-Unit Development Agreement (Exhibit L) with us. The franchisee and, as applicable, the multi-unit developer must be a business entity. Therefore, "you" and "your" refer to the business entity and its owners.

We conduct business under the tradename "Glosshouz USA" or "Glosshouz." We are a Delaware limited liability company organized on September 30, 2022. Our principal place of business is 8171 S. Chester St., Centennial, CO 80112. We are not engaged in any business other than offering Glosshouz franchises and providing goods and services to them. We began offering franchises in 2023. We have not conducted business, and we have not and do not offer franchises, in any other lines of business. We do not own or operate any Spa Centers, however, our affiliate does.

Exhibit A identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there. Our registered agent in Delaware is Harvard Business Services, Inc. located at 16192 Coastal Hwy, Lewes, Delaware 19958.

Our Predecessors, Parents, and Affiliates

We have no predecessors.

Our parent company and manager is LVE Enterprises, LLC, a Colorado limited liability company organized January 13, 2015. LVE Enterprises, LLC has a principal business address of 8171 S. Chester St., Centennial, CO 80112. LVE Enterprises, LLC owns the intellectual property associated with the Glosshouz system. Through a license agreement, we have the rights to use the trademarks and other intellectual property and sublicense them to you. LVE Enterprises, LLC owns and has operated a Glosshouz spa center in Centennial, Colorado since May 2016. LVE Enterprises, LLC has not and does not conduct business or offer franchises in this or any other lines of business. From time-to-time, LVE Enterprises, LLC may be approved to provide goods and services to you.

For simplicity, in this disclosure document, we refer to our parent, manager, and any other affiliates or subsidiaries all as "affiliates" and each individually as an "affiliate." An "affiliate" includes an entity controlled by, controlling, or under common control with, another entity.

The Franchise Offered

We have developed a system ("System") relating to the construction, management, operation, and administration of full-service spas operating in innovative settings and featuring convenient amenities. These Glosshouz spas are referred to as "Spa Centers" throughout this disclosure document. A Spa Center offers a range of aesthetic and wellness services along with a value-add loyalty program called the BFF Savings Program®. Glosshouz Spa Centers must operate according to the System. A typical Spa Center is operated in or near an upscale shopping area in an urban or suburban setting. You will have a choice as to what facility you would like to operate.

An original “Standard Format Spa Center” operates from a facility between 3,800 and 4,200 square feet while an “Optimized Smaller Format Spa Center” operates from a facility between 2,800 to 3,000 square feet. Both of these franchise business format models and premise design layouts support the comprehensive variety of service treatments that Glosshouz has to offer. The third franchise business format called the “Medspa-focused Format Spa Center” operates from a facility between 1,800 to 2,200 square feet. The Medspa-focused Format Spa Center utilizes a smaller space and staff as it eliminates the ability to offer hair salon and nail salon services.

The distinguishing characteristics of the System include, without limitation, creation of a unique client experience, procedures for sales and operations, proprietary arrangement of technologies, quality and uniformity of services and products offered, BFF Savings Program®, innovative client loyalty program, staff retention programs, system and procedures for franchisee business management training and assistance, comprehensive process for service provider training utilizing approved step-by-step protocols, optional and easy-to-manage food and beverage operations, developed compliance adherence processes, advertising and promotional programs, business formats, methods, procedures, our interior and exterior design, state-of the-art applications and technology, special décor elements, layout, furnishings, fixtures, brand guide and color schemes, digital asset management, display units, graphics and designs, sign standards, quality and quantity of equipment, inventory and ordering processes, floorplan layouts, standards, and specifications, which we may change, improve and further develop from time to time.

We license the System, the trademarks, and the rights to operate a single Spa Center to qualified franchisees through our franchise agreement (“Franchise Agreement”). Our standard form of Franchise Agreement is attached as Exhibit D. We also offer qualified parties the right to develop multiple Spa Centers in a designated geographic area through our Multi-Unit Development Agreement (“Multi-Unit Development Agreement”). Our standard form of Multi-Unit Development Agreement is attached as Exhibit L. Multi-Unit Developers will open an agreed-upon number of Spa Centers under a development schedule set forth in the Multi-Unit Development Agreement. In connection with the development of Spa Centers under the Multi-Unit Development Agreement, you must sign our then-current form of franchise agreement for each Spa Center you open, which may differ from the Franchise Agreement included with this disclosure document. Each Franchise Agreement will grant you the right to own and operate a single Spa Center at a location we accept.

Spa Centers provide a modern, upscale day spa experience and offer a comprehensive range of aesthetic and wellness services for clients, with optional and convenient food and beverage operations. Our BFF Savings Program® monthly membership rewards our loyal clients with reduced member rates and perks and benefits to keep them coming back.

We currently recommend and support the following services to be provided at the full-service Standard Format Spa Center and Optimized Smaller Format Spa Center from the first day of operations:

- Brow and eyelash services - lash extensions, tinting, shaping, perming
- Facial treatments of various types
- Hair removal services - waxing and/or sugaring
- Hair salon services - haircuts, styling, coloring, extensions, and blowouts
- Nail salon services - manicures and pedicures
- Makeup application services
- Massage therapy services
- Medical aesthetic injectable treatments - wrinkle relaxers and dermal fillers

- Skincare treatments - dermaplaning, microdermabrasion, microneedling, chemical peels
- Spa services and body treatments - body wrap treatments, muds, and spa soaking baths

We currently recommend and support the following services to be provided at a Medspa-focused Format Spa Center from the first day of operations:

- Brow and eyelash services - lash extensions, tinting, shaping, perming
- Facial treatments of various types
- Hair removal services - waxing and/or sugaring
- Makeup application services
- Massage therapy services
- Medical aesthetic injectable treatments - wrinkle relaxers and dermal fillers
- Skincare treatments - dermaplaning, microdermabrasion, microneedling, chemical peels
- Spa services and body treatments - body wrap treatments, muds

Any Spa Center format may also provide the following added Glosshouz authorized and supported specialty services once you obtain the required equipment and licensed and qualified staff:

- Advanced injectables services
- IPL broadband light treatments
- Laser hair removal
- Laser treatments on face or body
- Permanent cosmetics services
- Radio frequency (RF) microneedling
- Services for threads on face or body
- Body contouring services
- Medical weight loss
- Bioidentical hormone replacement therapy

We can change the goods and services you are authorized to offer and sell.

The Spa Center has the option to offer for sale quick-serve food items and alcoholic and non-alcoholic beverages. Specifically, these items include sandwiches, snacks, smoothies, blended and hot coffee beverages, tea, champagne, wine, and cocktails.

Franchisees will offer the BFF Savings Program®, which currently has multiple tiers of monthly membership benefits. The benefits include complimentary drinks, complimentary birthday services, bring-a-friend and BFF half-priced services, and regularly discounted services and retail products based upon membership level.

We may require you to use the services of our designated third-party financing suppliers to provide credit services and deferred payment options for clients who receive medical aesthetic services.

Depending on the laws in your state, some of the Spa Center services may need to be provided or supervised by either Licensed Personnel or Licensed Medical Providers. “Licensed Personnel” are individuals who hold a license under the laws of your jurisdiction to provide certain non-medical services. These licenses and services are frequently for cosmetology, massage therapy, and aesthetics. Licensed Personnel do not hold a license to practice medicine or nursing and will not be authorized to provide any services that constitute the practice of medicine or nursing.

"Licensed Medical Providers" are individuals who are licensed to provide medical services, practice medicine, or practice nursing. Licensed Medical Providers include physicians, nurses, or physician assistants. The Licensed Medical Providers will provide to clients the services that qualify as medical services under state law. The applicable Licensed Personnel or other non-licensed staff will provide the other services at the Spa Center based on your business format chosen.

If the franchisee is owned by lay people, meaning the owners are not licensed medical professionals, then the franchisee will generally be required to contract with a professional entity ("Medical Entity") to hire the Licensed Medical Providers, provide the medical services, and provide oversight for the Licensed Medical Providers, as applicable under state law. That contract is a "Management Agreement" whereby the franchisee will provide a range of administrative, management, and other business services to the Medical Entity. We have provided a sample form of Management Agreement in Exhibit E. The franchisee may negotiate the Management Agreement with the Medical Entity, but the final form of agreement is subject to our prior approval.

If the franchisee is a Medical Entity and is owned by licensed medical professionals, or is otherwise permitted by state law to hire the Licensed Medical Providers, provide the medical services, or provide oversight for the Licensed Medical Provider, the franchisee will not need to enter into the Management Agreement. Instead, the franchisee will enter into our form of Waiver of Management Agreement (attached hereto as Exhibit F).

We anticipate that most franchisee will be lay entities. The System nor any of the contracts you sign with us will permit us to control the manner in which the Licensed Medical Providers or the Medical Entity exercise independent professional judgment or render medical services at the Spa Center. The Medical Entity and/or Licensed Medical Providers will have full authority for the practice of medicine or nursing, or providing of medical services, at the Spa Center.

We have the right but not the obligation to recommend Licensed Medical Providers or a Medical Entity. We also have the right to require you to utilize our designated Licensed Medical Provider(s) and Medical Entity(ies). The recommended or required Medical Entity or Licensed Medical Providers may have a history with the Glosshouz brand or, where permitted by law, have common ownership with us or our affiliates. As permitted by law, these provided parties or persons may own, have an ownership interest in, or be employed by us or our affiliates.

In this document, we use the term "Spa Center" to refer to the total operations of the Glosshouz aesthetics and wellness business, including the provision of medical aesthetic services. We use the term "Franchised Business" to refer specifically to the business that you as a franchisee operate which distinguishes it separately from the Medical Entity organization you may contract with to provide the medical aesthetic services.

Industry-Specific Regulations

You must operate the Franchised Business and cause the Spa Center to be operated in full compliance with all applicable laws, rules, and regulations, that apply to businesses generally, including laws related to occupational hazards, health, safety, construction, discrimination, sexual harassment, worker's compensation, unemployment insurance, withholding of taxes, payment of taxes, licensing, and employment, as well as regulations from the Equal Employment Opportunity Commission and Occupational Safety and Health Administration. Additionally, there are laws particular to the regulation of the goods and services you offer that are described below.

Non-Medical Professional Licensing. The providing of Spa Center services is subject to professional licensing and registration. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and Spa Center and the other licenses applicable to Spa Center staff. The common licenses that may be required for your Licensed Personnel are cosmetology, massage therapy, and esthetician licenses. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities. State laws typically apply to the performing of cosmetology, massage therapy, and esthetician services and the scope of services to be performed by Licensed Personnel.

Medical Laws and Licensing. Each state has a medical board and nursing board that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by those members. The laws and regulations generally include requirements for Licensed Medical Providers to hold required licenses and registrations in the state where the Spa Center will be operated. These laws and regulations are likely to vary from state to state, and these may change from time to time. The Medical Entity and Licensed Medical Providers must comply with the rules and regulations of these boards.

You must comply with the federal Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") when collecting, using, and disclosing protected health information about clients. You will sign a form of Business Associate Agreement, though the form of agreement will vary based upon the structure of the Spa Center ownership and operations.

Federal, state and local laws, rules and regulations address the practice of nursing and medicine; relationship of providers and suppliers of health care services with other providers and suppliers, including federal and state anti-kickback laws; restrictions or prohibitions on fee splitting; restrictions on the corporate practice of medicine; providing of telemedicine services; self-referral restrictions; privacy of client records (including the HIPAA); patient inducement; use of medical devices and equipment; and advertising of medical services. We do not authorize the Spa Center to participate in federal or state healthcare programs or contract with any government commercial payors.

If you are a lay entity and/or do not have the required medical licenses, you may not engage in practices that are, or may appear to be, the practice of medicine or the practice of nursing if the Spa Center is operated in a state that does not allow it.

Food Service and Alcoholic Beverage Licensing. Spa Centers may optionally serve food and beverages from the authorized menu of quick-serve items for clients' convenience and enjoyment. The sale of alcoholic beverages and food service is regulated in each state. You will be required to obtain all the proper liquor and food service licenses and adhere to regulations which are required at your state and local level. Laws and regulations for food and beverage operations typically apply to facility design guidelines, proper storage of food and alcohol, food handling and safety, the hours of serving alcoholic beverages, the age of servers and consumers, among other operational elements.

Membership Program and Gift Cards. You will participate in and offer the BFF Savings Program® membership program and gift cards at the Spa Center. You must comply with any federal, state, and local laws applicable to them.

Your Responsibility. It is your responsibility for complying with all laws applicable to your ownership, establishment, and operations of the Franchised Business and Spa Center. We

strongly advise that you consult with an attorney and/or contact local, state, and federal agencies to understand all applicable laws and regulations before signing a Franchise Agreement with us.

The laws applicable to the Spa Center may change. If there are any changes over time that would render your operation of the Spa Center in violation of any laws or regulations, you must immediately advise us of the change and of your proposed corrective action to comply with such laws and regulations. Compliance with all laws is mandatory and violation of any laws may result in civil and/or criminal fines and penalties.

Market and Competition

The market for Glosshouz goods and services includes clients who are looking primarily for one or more of the following:

1) a value-add program to receive their aesthetic services routinely,
2) a convenient location for receiving a comprehensive variety of aesthetic and wellness treatments all in one place on the same day, or
3) a day spa destination to provide services while the client is traveling or celebrating special occasions.

Spa Centers will compete with other businesses that sometimes combine spa treatment offerings but commonly offer only a single category of aesthetic services. Spa Centers compete with independent, franchised, and national businesses, including hair salons, nail salons, lash extensions studios, medical spas, massage businesses, permanent makeup studios, microblading studios, waxing hair removal studios, laser hair removal businesses, and blow dry bar salons. The market for all services is well-developed and competitive.

ITEM 2. BUSINESS EXPERIENCE

Loni Le Van-Etter: Chief Executive Officer and Founder

Ms. Le Van-Etter has been our founder and Chief Executive Officer since our formation in September 2022. She is also the Chief Executive Officer and founder of LVE Enterprises, LLC, which has operated a Glosshouz Spa Center since May 2016. All positions are based in Centennial, Colorado.

Dr. Jonathan Gallen, M.D.: Chief Medical Officer

Dr. Jonathan Gallen has been our Chief Medical Officer since our formation in September 2022. Since February 2021, Dr. Gallen has also been the medical director of our affiliate's Spa Center in Centennial, Colorado. He has specialty experience in medical aesthetics since 2016. From October 2014 to May 2021, he worked for TeamHealth and US Anesthesia Partners as a physician in Denver, Colorado. From July 20121 to the present, he has been a physician with Prime Anesthesia in Denver, Colorado. Dr. Gallen is licensed to practice medicine in Colorado and California.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this ITEM.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee: You must pay us an initial franchise fee of $45,000 in a lump sum when you sign the Franchise Agreement. The initial franchise fee offsets the expenses we incur to assist franchisees in the ways disclosed in this disclosure document. The initial franchise fee is not refundable.

If you develop multiple Spa Centers, the initial franchise fees will be discounted. See the heading Development Fee below for details.

Site Visit Fee: We will provide an on-site evaluation of the site you propose to be the location of the Spa Center. You must pay us a fee of $1,200 per site visit. You will pay this fee at least one time, but you may request or we may require additional site visits. You will pay this fee when you make your request for the site visit. The site visit fee is not refundable.

Construction Management Fee: We require you to use the construction management services of our approved supplier. We charge a fee of up to $13,000 per Spa Center to cover the costs of the services provided by our approved supplier. The construction management services include selecting an architect and general contractor, reviewing bids, monitoring construction, and verifying that construction complies with our brand standards. Under certain circumstances, such as when you have experience building out a Spa Center, you may seek and obtain our approval in writing to use the approved supplier for fewer construction management services. In these cases, we will charge a construction management fee of $7,000 per Spa Center. You will pay us this fee at the time the location for the Spa Center is accepted by us and the fee is not refundable.

Architect and General Contractor Review Fees. You must always use an architect and general contractor we approve. If you request that we review an architect or general contractor who has not previously been approved by us, you will pay us a fee of $1,500 per review. For example, if you request that we review both a new architect and a new general contractor, you will pay us $3,000. You will pay us this fee at the time you request our review of an alternative architect or general contractor. This fee is not refundable. Our review does not guarantee our approval, which we reserve the right to withhold in our sole discretion. The fee is not refundable.

Technology Start Up Fee: You must pay us a one-time fee of $1,800 for us to configure the software you will use at the Spa Center. This fee is due to us 90 days prior to opening. The fee is not refundable.

Training Fee: You will pay us a fee of $5,000 for the initial training program we provide to you. This fee is due at least 180 days prior to opening. The fee is not refundable.

Initial Inventory: You must purchase from us or an affiliate a package of initial inventory items such as retail products, marketing collateral, and other items. We estimate the cost of this inventory will be $6,900. These estimates do not include the shipping and tax that you will be required to pay as well. Your payment for these items is due when you order them, and no later than 60 days before you open for business. The fee is not refundable.

Grand Opening Marketing Fee: You must pay $5,000 to us approximately 60 days prior to the planned opening date and we will spend this amount on a digital campaign on your behalf. This is only a portion of the funds you must spend on grand opening marketing. The fee is not refundable.

Development Fees: If you are approved to enter into a Multi-Unit Development Agreement, you will pay us an additional fee ("Development Fee") for your right to develop two or more Spa Centers. The Development Fee varies depending on the number of Spa Centers you are approved to develop. The number of Spa Centers you are approved to develop will be determined by mutual agreement and will consider the population of your proposed Development Area, availability of acceptable locations, competition within the area, and our assessment of your experience and the market. The Development Fee is not refundable.

The Development Fee when you develop 2 to 19 Spa Centers is equal to 50% of the discounted initial franchise fees. Upon execution of the additional franchise agreements for the Spa Centers, you will pay the remaining 50% of the discounted initial franchise fee.

The Development Fee when you develop 20 or more Spa Centers is equal to the entire discounted initial franchise fee, with no additional fee due upon execution of the additional franchise agreements.

The discounted initial franchise fees are as follows:

2-3 Spa Centers	$40,000 per Spa Center
4-9 Spa Centers	$35,000 per Spa Center
10-19 Spa Centers	$30,000 per Spa Center
20+ Spa Centers	$20,000 per Spa Center

The Item 5 fees are uniformly applied.

ITEM 6. OTHER FEES

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty Fee	6% of Gross Revenues; or, if required by law, a flat fee.	Weekly	The definition of Gross Revenues is in Note 2. Only if an alternate structure is required in your state, the amount will be a flat fee, which will be set forth in the Franchise Agreement.
Brand Fund Contribution	Currently 2% of Gross Revenues; or, if required by law, a flat fee.	Weekly	The definition of Gross Revenues is in Note 2. Only if an alternate structure is required in your state, the amount will be a flat fee, which will be set forth in the Franchise Agreement. We can raise the Brand Fund Contribution to be up to 3% of Gross Revenues.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Technology Fee	Currently, $450 per week	Weekly	See Note 3.
Local Marketing Expenditures	Currently, $625 per week	Weekly, as incurred	We have the right to require you to use a designated supplier for local marketing. We may also require you to provide us with this amount, which we can spend on your behalf. You also have the option to pay us this fee and have us manage the local marketing. We may request that you send us an accounting of your expenditures.
Cooperative Advertising	Currently none	To be established	If we create a Cooperative Advertising program that includes the Spa Center, you must participate. The specifics of any Cooperative Advertising program will be determined when established, including the amount, if any, of a Cooperative Advertising Fee. Any Cooperative Advertising Fee will be credited against your local marketing expenditures. Any contribution would be set by the cooperative on a vote of a majority of its members. All franchised, company-owned, and affiliate-owned outlets will have one vote each in any such cooperative. The maximum fee that can be imposed is 50% of the local marketing expenditures.
Marketing Design Services Fee	Currently, $75 per hour	As incurred	As you request, we will provide you with marketing design services. We can change this fee. See Note 4.
Additional Training Fee	Our then-current charge, plus expenses of the trainer Currently $500 per trainer per day, plus expenses of the trainer	Prior to training	If we require you to receive additional training because Spa Center is not operated in accordance with our standards or if you request additional training outside of the normal course of training we provide, we reserve the right to charge you a fee. We will provide our then-current training fee in our Brand

Type of Fee (Note 1)	Amount	Date Due	Remarks
			Standards Manual. You must cover the costs of your employees' attendance at such training, including travel and lodging expense associated with training held away from the Spa Center and their wages.
New or Additional Management Staff Training	Currently, $3,000, plus expenses of the trainer	Prior to training	Certain managers will be required to complete our initial training program. If you hire additional or replacement managers, they will need to complete the training and you will need to pay our then-current fee. This training may occur at your location or ours. We have the right but not the obligation to waive the fee if the manager attends an already scheduled training. You are responsible for any costs of your manager's attendance at such training, including travel and lodging expenses and wages.
Franchise Agreement Transfer Fee	Internal Transfer: $1,500 Out-of-Network Transferee: 75% of the then-current initial franchise fee In-Network Transferee: 50% of the then-current initial franchise fee	At the time of transfer Out-of-Network and In-Network transfers: Non-refundable, initial payment of $5,000 is due at the time you notify us of your intent to transfer; remainder due at the time of transfer	"Internal Transfer" means the addition of a new interest holder that does not result in a change of control of the entity. "Out-of-Network Transferee" means a person or party who is not a current Glosshouz franchisee in good standing. "In-Network Transferee" means a person or party who is a current Glosshouz franchisee in good standing.
Multi-Unit Development Agreement Transfer Fee	50% of the applicable initial franchise fee for each Spa Center not yet open for business	Upon requesting our review of the transfer	Applicable only if you sign a Multi-Unit Development Agreement and transfer it before all Spa Centers are open for business.
System Modifications	All costs and expenses associated with	As required	If we make changes to the System, you must adapt your business to conform to the changes. These may be paid to

Type of Fee (Note 1)	Amount	Date Due	Remarks
	system modification		us, our affiliates, or a third-party supplier we designate. See Note 4.
Goods or Services Supplied by Franchisor or its Affiliates	Varies	As incurred	We reserve the right to designate ourselves or our affiliates to be the suppliers of any goods or services. You will pay us our then-current rates for such goods or services. See Note 4.
Call Center Services	Currently not imposed; may be established in the future	As incurred	We reserve the right to establish a call center or obtain call center services for the brand. We or our affiliates may be the provider of these services or we may designate a third party. See Note 4.
Relocation Fee	35% of the then-current initial franchise fee	Half of the fee will be due at the time you request our review and half will be due at the time we notify you of our approval	If you seek to relocate the Spa Center, you must obtain our prior approval. We reserve the right to charge you a fee in connection with our review of your relocation request.
Interest on Overdue Amounts	Greater of 1.5% per month or the highest rate permitted by law	Upon demand	We may debit your bank account automatically for interest. This interest on overdue amounts is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance the operation of, the Spa Center.
Insufficient Funds	$250 per occurrence	Upon demand	Failure to have sufficient funds available for payments to us.
Data Inspections and Reimbursement	Varies	Upon demand	If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to charge you our costs and expenses to inspect the Spa Center. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.
Indemnification	Varies	Upon demand	You will indemnify us against any costs arising out of the Spa

Type of Fee (Note 1)	Amount	Date Due	Remarks
			Center operation or your breach of the Franchise Agreement or Multi-Unit Development Agreement.
Costs and Attorneys' Fees	Varies	Upon demand	Reimbursement to us for all of the costs and expenses (including attorney's fees) that we incur due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with the Franchise Agreement or Multi-Unit Development Agreement. If we must use legal proceedings to enforce the agreement and prevail, we can seek payment of attorney's fees.
Re-inspection Costs	Varies	Upon demand	If you fail an inspection and we are required to re-inspect, you will pay our costs and expenses associated with the re-inspection.
Successor Franchise Fee	50% of the then-current initial franchise fee	At renewal	If you satisfy the conditions to obtain a successor franchise, you will pay us this fee.
Mystery Shop Program	Up to $500 per year	As incurred	If we conduct ourselves or retain a third-party firm to conduct mystery shops, you will be required to pay up to $500 per year. We may require you to pay the supplier directly or to pay us and we will remit payment to the supplier .
Insurance Costs	Varies; at least $500	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain the insurance for you and the Spa Center on your behalf, in which event you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee of $500 for our time incurred in obtaining the insurance.
Audit	Unreported Royalty Fees, plus costs of audit	Upon invoice	You only owe the costs of the audit if you underreport Gross Revenues by 2% or more.

Type of Fee (Note 1)	Amount	Date Due	Remarks
New Supplier, Service, or Product Evaluation Fee	$1,500	As incurred	If you request that we evaluate a new supplier, service, or product that is not currently approved, you will pay us this fee.
Refurbishment Reimbursement	Varies	Upon demand	If we must undertake any refurbishing work on your behalf, you will pay us our costs and expenses and an administrative fee of 15% for the total aggregate amount incurred by us.
Gift Card and Client Benefit Liability	Varies	Upon demand	Upon expiration, termination, or non-renewal and at our election, you must either refund to the client or pay to us the value of any unredeemed gift cards or other client benefits.
Fines	Up to $1,000	Upon demand	Failure to operate in accordance with brand standards.
Extension Fee (Multi-Unit Developers Only)	Up to $2,000 on the second extension	Upon request for the extension	If you enter into a Multi-Unit Development Agreement and need a second extension of the Development Schedule, we have the right to require you to pay a fee.
Default Fee (Multi-Unit Developers Only)	Up to the initial franchise fee per Spa Center to be developed	Upon demand	Under certain defaults of the Multi-Unit Development Agreement, we have the right to terminate the credit of the Development Fee towards the initial fees then due, thus requiring you to pay that portion again.

Note 1: Item 6. Except as otherwise set forth herein, all fees listed in this Item 6 are imposed and collected by and are payable to us. All fees were uniformly applied to all franchisees and are non-refundable. We collect (and reserve all rights to collect) all fees due to us through electronic funds transfer ("EFT"). You must authorize us to collect fees from your business bank account via EFT.

Note 2: Definition of Gross Revenues. "Gross Revenues" means the total revenues of the franchisee for all goods and services provided in connection with the Spa Center, whether received at or away from the Spa Center, and all other revenue of every kind and nature related to the operations of the franchised business, whether for cash, cash equivalents, credit, or trade, and regardless of collection. "Gross Revenues" includes, without limitation, proceeds from the redemption (not sale) of gift cards, gift certificates, and vouchers; proceeds from business interruption insurance; membership fees; rebates of any kind; all management service fees or other revenues earned under a Management Agreement with a Medical Entity or other arrangements with a Licensed Medical Provider; and other forms of consideration. "Gross

Revenues" excludes tips and gratuities paid directly to the people providing the services and amounts collected and paid by the franchisee for sales or other excise tax.

State law may prohibit us from receiving a royalty based upon your sale of alcoholic beverages. We have the right to adjust the royalties on the sale of other goods and services at the Spa Center if these laws apply in your jurisdiction.

You may be required to use our designated supplier for third party financing for some of the services and may use third party advertising group buying services. In these circumstances, "Gross Revenues" includes the total amount paid by the client through the Spa Center's point of sale system, whether or not such amount is ultimately paid to you via the third party. Amounts recorded as being paid by clients in the point of sale system will not be lower than the amount the client paid to the third party service.

For certain services, the manufacturer of the products used in providing the services (for example, aesthetic injectables) may provide a coupon discount to the client and a rebate to you or the Medical Entity, as applicable. In these circumstances, the total revenues from the medical aesthetic service provided includes the discounted amount paid by the client plus the rebates received from the manufacturer for redeeming the coupon.

Note 3: Technology Fee. The Technology Fee provides you access, maintenance, and support for required technologies we determine, in our sole discretion to provide to you. Currently, for the Technology Fee, we provide you with ongoing access to the approved, configured operating systems, including the point of sale system; record keeping software; reputation management and client review feedback systems; client outreach and automation services; learning management system with online training modules; and business management, reporting, and benchmarking systems. A list of all technologies you will receive in connection with your Technology Fee is included with the Brand Standards Manual and are subject to being updated. We may add, delete, or modify the services and goods provided. We may increase the Technology Fee upon 30 days written notice to you. You are responsible for separately purchasing any hardware needed to access and use these systems.

Note 4: Fees and Modifications. From time to time, we may make goods and services available to you. We may make these goods and services mandatory or optional and you will pay the associated fees and costs. Currently the mandatory and optional goods and services we provide are identified in this Item 6 table. We can change these goods and services in our sole discretion, which may include fee increases or the addition of mandatory goods and services. If a good or service is made mandatory, we will require it for substantially all franchisees in the United States.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Table 1 – Single
Standard Format Spa Center [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
PRE-OPENING COSTS					
Initial Franchise Fee	$45,000	$45,000	Lump sum	Upon Franchise Agreement Execution	Us
Architect Services & Permitting Fees [2]	$30,000	$42,000	As required	As incurred	Third parties
Construction Management Fee [3]	$7,000	$13,000	Lump Sum	When the location is accepted by us	Us
Site Visit Fee [4]	$1,200	$1,200	Lump sum	As incurred	Us
Leasehold Improvements [5]	$534,400	$588,000	As required	As incurred	Third parties
Furnishings, Fixtures & Equipment [6]	$111,300	$373,500	As required	As incurred	Third parties
Signage [7]	$10,000	$12,000	As required	As incurred	Third parties
Business Licenses and Related Fees [8]	$2,350	$3,000	As required	As incurred	Government agencies
Initial Inventory [9]	$52,650	$66,500	As required	As incurred	Us and third-parties
Initial Training Fee [10]	$5,000	$5,000	Lump sum	180 days prior to opening	Us
Travel costs for Initial Training [11]	$2,000	$5,400	As required	As incurred	Third parties

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	**HIGH**			
Grand Opening Marketing [12]	$10,000	$20,000	As required	60 days prior to opening and first 90 days of business	Us and third parties
First 3 Month's Rent [13]	$0	$58,800	As required	As incurred	Landlord
Security Deposits [14]	$14,000	$40,400	As required	As incurred	Third parties
Technology (POS and Other) [15]	$16,300	$19,500	As required	As incurred	Third parties
Technology Start-up Fee [16]	$1,800	$1,800	As required	90 days prior to opening	Us
Pre-opening Payroll Costs [17]	$7,000	$12,000	As required	As incurred	Franchisee team members
Professional Fees [18]	$2,000	$4,000	As required	As incurred	Third parties
Insurance Costs [19]	$2,500	$9,000	As required	As incurred	Third parties
Office Equipment [20]	$1,000	$3,900	As required	As incurred	Third parties
Architect and General Contractor Review Fee [21]	$0	$3,000	As required	As incurred	Us
Additional Funds – 3 Months [22]	$30,000	$70,000	As required	As incurred	Third parties
Total	**$885,500**	**$1,397,000**			

Table 2 – Single
Optimized Smaller Format Spa Center [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	**HIGH**			
PRE-OPENING COSTS					
Initial Franchise Fee	$45,000	$45,000	Lump sum	Upon Franchise Agreement	Us

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
				Execution	
Architect Services & Permitting Fees [2]	$25,000	$37,000	As required	As incurred	Third parties
Construction Management Fee [3]	$7,000	$13,000	Lump Sum	When the location is accepted by us	Us
Site Visit Fee [4]	$1,200	$1,200	Lump sum	As incurred	Us
Leasehold Improvements [5]	$330,000	$400,000	As required	As incurred	Third parties
Furnishings, Fixtures & Equipment [6]	$72,100	$194,700	As required	As incurred	Third parties
Signage [7]	$7,000	$9,000	As required	As incurred	Third parties
Business Licenses and Related Fees [8]	$2,350	$3,000	As required	As incurred	Government agencies
Initial Inventory [9]	$40,850	$52,000	As required	As incurred	Us and third-parties
Initial Training Fee [10]	$5,000	$5,000	Lump sum	180 days prior to opening	Us
Travel costs for Initial Training [11]	$2,000	$5,400	As required	As incurred	Third parties
Grand Opening Marketing [12]	$10,000	$20,000	As required	60 days prior to opening and first 90 days of business	Us and third parties
First 3 Month's Rent [13]	$0	$42,000	As required	As incurred	Landlord
Security Deposits [14]	$9,600	$28,000	As required	As incurred	Third parties
Technology (POS and Other) [15]	$14,300	$17,600	As required	As incurred	Third parties
Technology Start-up Fee [16]	$1,800	$1,800	As required	90 days prior to opening	Us
Pre-opening Payroll Costs [17]	$3,000	$6,000	As required	As incurred	Franchisee Team Members

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
Professional Fees [18]	$2,000	$4,000	As required	As incurred	Third parties
Insurance Costs [19]	$2,500	$9,000	As required	As incurred	Third parties
Office Equipment [20]	$1,000	$2,600	As required	As incurred	Third parties
Architect and General Contractor Review Fee [21]	$0	$3,000	As required	As incurred	Us
Additional Funds – 3 Months [22]	$30,000	$70,000	As required	As incurred	Third parties
Total	**$611,700**	**$969,300**			

Table 3 – Single Medspa-focused Format Spa Center [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
PRE-OPENING COSTS					
Initial Franchise Fee	$45,000	$45,000	Lump sum	Upon Franchise Agreement Execution	Us
Architect Services & Permitting Fees [2]	$15,000	$20,000	As required	As incurred	Third parties
Construction Management Fee [3]	$7,000	$13,000	Lump Sum	When the location is accepted by us	Us
Site Visit Fee [4]	$1,200	$1,200	Lump sum	As incurred	Us
Leasehold Improvements [5]	$225,000	$308,000	As required	As incurred	Third parties
Furnishings, Fixtures & Equipment [6]	$24,100	$169,900	As required	As incurred	Third parties
Signage [7]	$5,000	$8,000	As required	As incurred	Third parties
Business Licenses and Related Fees [8]	$500	$3,000	As required	As incurred	Government agencies
Initial Inventory [9]	$23,900	$34,100	As required	As incurred	Us and third-parties

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
Initial Training Fee [10]	$5,000	$5,000	Lump sum	180 days prior to opening	Us
Travel costs for Initial Training [11]	$2,000	$5,400	As required	As incurred	Third parties
Grand Opening Marketing [12]	$10,000	$20,000	As required	60 days prior to opening and first 90 days of business	Us and third parties
First 3 Month's Rent [13]	$0	$26,400	As required	As incurred	Landlord
Security Deposits [14]	$6,200	$10,800	As required	As incurred	Third parties
Technology (POS and Other) [15]	$11,300	$14,600	As required	As incurred	Third parties
Technology Start-up Fee [16]	$1,800	$1,800	As required	90 days prior to opening	Us
Pre-opening Payroll Costs [17]	$3,000	$6,000	As required	As incurred	Franchisee Team Members
Professional Fees [18]	$2,000	$4,000	As required	As incurred	Third parties
Insurance Costs [19]	$2,500	$8,000	As required	As incurred	Third parties
Office Equipment [20]	$1,000	$2,600	As required	As incurred	Third parties
Architect and General Contractor Review Fee [21]	$0	$3,000	As required	As incurred	Us
Additional Funds – 3 Months [22]	$20,000	$50,000	As required	As incurred	Third parties
Total	**$411,500**	**$759,800**			

Notes to Tables 1, 2, and 3

Note 1: Tables. Table 1 represents your estimated initial investment through the third month of operation of one Standard Format Spa Center. Table 2 represents your estimated initial investment through the third month of operation of one Optimized Smaller Format Spa Center. Table 3 represents your estimated initial investment through the third month of operation of one Medspa-focused Format Spa Center.

All fees and payments to us are non-refundable unless otherwise noted. Third parties may have their own refund policies but we anticipate that most amounts are non-refundable. Neither we nor our affiliate offer direct or indirect financing for your initial investment or any other items. We relied on our affiliate's experience opening and operating a Standard Format Spa Center in Centennial, Colorado to provide these estimates.

Note 2: Architect Services and Permitting Fees. You will incur costs to use the services of an approved architect. You will also incur costs to obtain construction permits to conduct your leasehold improvements. These estimates reflect fees associated with building in Centennial, Colorado.

Note 3: Construction Management Fee: We require you to use the construction management services of our approved supplier. We charge a fee of up to $13,000 per Spa Center to cover the costs of the services provided by our approved supplier. The construction management services include selecting an architect and general contractor, reviewing bids, monitoring construction, and verifying that construction complies with our brand standards. Under certain circumstances, you may seek and obtain our approval in writing to use the approved supplier for fewer construction management services. In these cases, we will charge a construction management fee of $7,000 per Spa Center.

Note 4: Site Visit Fee: We will provide an on-site evaluation of the site you propose to be the location of the Spa Center. You must pay us a fee of $1,200 per site visit. You will pay this fee at least one time, but you may request or we may require additional site visits. This estimate reflects the fee for one visit.

Note 5: Leasehold Improvements: Spa Centers are generally located in high traffic, upscale retail shopping centers. Standard Format Spa Centers are typically 3,800 to 4,200 square feet. Optimized Smaller Format Spa Centers are typically 2,800 to 3,000 square feet. The Medspa-focused Format Spa Centers are typically 1,800 to 2,200 square feet. You may either own or lease the premises for the Spa Center, but we expect most franchisees to lease. You will need to undertake leasehold improvements of the Spa Center to conform with our brand standards. These estimates do not reflect any new construction of the premises or any real estate purchase costs.

For each applicable Spa Center format, these estimates reflect costs for partition walls; doors and associated hardware; electrical; plumbing and installation of fixtures and commercial kitchen sinks, bathroom showers and sinks; installation of hair shampoo sinks; installation of spa tubs; insulation; designer ceilings; wall modular art; all flooring; painting; other wall decorations; installation of lighting fixtures; improvements for other fixed assets such as cabinets, countertops, HVAC from the roofing units (but not including roof HVAC units), fire and security systems; and other decorating and similar costs.

This disclosure is net of a conservative tenant upfit allowance of $35 to $50 per square foot. Your tenant upfit allowance may be less or significantly more. We estimate the reasonable range to expect for tenant upfit allowance to be from $30 per square foot to $80 per square foot which will be a function of your lease negotiation. The tenant upfit allowance will vary depending on the number of factors, including supply and demand for the location, the agreed upon rent commencement date, the agreed upon base + NNN rent per square feet, among other factors.

The cost of the required leasehold improvements will depend on the size of the premises, location, material costs, labor costs, amount the landlord is willing to assume, and other economic factors. In a build-to-suit lease, the landlord may include some or all the improvements, fixtures, equipment, and signs which may be factored into your lease payments.

If you decide to purchase the land and newly construct the Spa Center, we are unable to estimate its cost. The cost of acquiring real estate, developing the site, and constructing the building for the Spa Center will likely vary significantly depending on the geographic location, the specific site, size of the building, and other economic factors.

Note 6: Furnishings, Fixtures, & Equipment. These estimates, per Spa Center format, include all applicable facility lighting, specialty bathroom fixtures, specialty commercial sinks, all commercial refrigeration and freezers, ice machine, fireplace, backwash shampoo stations, pedicure equipment, and spa furniture. The higher estimate includes the purchase of advanced energy-based devices to facilitate laser and other advanced aesthetic equipment services, which are optional at start-up. If you operate an Optimized Smaller Format Spa Center, you will not purchase an impingement oven, and the estimates in Table 2 reflect that.

Note 7: Signage. These estimates reflect the cost to obtain exterior and interior signage for the Spa Center.

Note 8: Business Licenses and Related Fees. This is an estimate of the amount required for a liquor license, business license, sales tax license, and food service license. The low end is an estimate for the actual expenses incurred for the original Standard Format Spa Center located in Centennial, Colorado. Your expenses may be different depending on the jurisdiction of the Spa Center.

Note 9: Initial Inventory. This is an estimate of the initial retail, spa backbar, linens, spa supplies, food and beverage supplies, medspa supplies, and general supplies that you will require in the first three months of business. We estimate that you will pay us $6,900 for initial inventory purchased from us. These estimates do not include the shipping and tax that you will be required to pay as well.

Note 10: Initial Training Fee. You will pay us a fee of $5,000 for the initial training program we provide to you.

Note 11: Travel Costs for Initial Training. This estimate reflects the travel, lodging, and food costs for four people to attend our training program in Centennial, Colorado.

Note 12: Grand Opening Marketing. You must spend a minimum of $10,000 on pre-opening and grand opening advertising and marketing campaigns commencing 60 days prior to opening the Spa Center through the 90-day period following the date the Spa Center opens for business to the public, including without limitation campaigns related to pre-opening BFF Savings Program® membership sales. You must pay $5,000 to us approximately 60 days prior to the planned opening date and we will spend this amount on a digital campaign on your behalf. The other $5,000 to $15,000 (which counts toward your local marketing requirement of $625 per week) must be spent in the first 90 days of business and you can choose whether to have it managed by us or our designated supplier.

Note 13: First 3 Months Rent: You may either own or lease the premises for the Spa Center, but we expect most franchisees to lease. Rent can vary widely by location. In some cases, but not all, rent commencement may be negotiated to start four to twelve months after you are planned to be open for business, but this is not guaranteed and is a function of your lease negotiation. The low estimate assumes you have negotiated rent that starts after you have planned to be open for business. Variations in retail lease rates across the United States are dependent in large part upon geographic region, the local real estate market, size and age of the building, lease negotiations, and other economic factors. A Spa Center must be located in high traffic, upscale retail shopping centers. Your negotiated lease agreement may also include other charges like taxes, insurance, maintenance, and tenant improvement costs. Monthly rent may vary substantially from location to location and may be lower or higher than the ranges provided. Some

of the factors that impact rent include location, geography, size and age of the building, lease negotiations, and other economic factors.

These estimates in Table 1 reflect three months of rent for a 3,800 to 4,200 square foot retail space in Centennial, Colorado for a Standard Format Spa Center. We estimate your rent plus triple-net per square foot to range between $40 - $56 per square foot or between $12,700 and $19,600 per month for a Standard Format Spa Center.

The estimates in Table 2 reflect three months of rent for a 2,800 to 3,000 square foot retail space in Centennial, Colorado for an Optimized Smaller Format Spa Center. We estimate your rent plus triple-net per square foot to range between $40 - $56 per square foot or between $9,567 and $14,000 per month for an Optimized Smaller Format Spa Center.

The estimates in Table 3 reflect three months of rent for a 1,800 to 2,200 square foot retail space in Centennial, Colorado for a Medspa-focused Format Spa Center. We estimate your rent plus triple-net per square foot to range between $40 - $56 per square foot or between $7,200 and $8,800 per month for an Medspa-focused Format Spa Center.

Note 14: Security Deposits. You may be required by your landlord and/or utility providers to make a security deposit prior to opening, typically one or two times the monthly rent or utility amount.

Note 15: Technology (POS and Others): These estimates include the purchase of the following hardware and, as applicable, three month subscriptions to the software and services, three personal computers which can serve point of sale terminals; a music system; security cameras; electronic signage; IP phone system and call answering technology; a laptop; internet access and Wi-Fi equipment; a multi-function printer; accounting and booking software and services; payroll software and services; music service subscription; cleaning service; and sharps disposal service. You may also consider an optional printer for a home office.

Note 16: Technology Start Up Fee: You must pay us a one-time fee of $1,800 for us to configure the software you will use at the Spa Center.

Note 17: Pre-opening Payroll Costs. These estimates in Table 1 for a Standard Format Spa Center assume you will hire one employee for approximately four weeks before opening and other employees approximately three to five days prior to opening. These estimates in Table 2 or Table 3 for an Optimized Smaller Format Spa Center or a Medspa-focused Format Spa Center assume you will hire one or two employees for one to two weeks before opening and other employees approximately three to five days prior to opening.

These estimates reflect wage costs only for these employees during their pre-opening training and obligations that immediately precede opening. You will incur additional payroll costs after opening.

Note 18: Professional Fees. We recommend you obtain the services of an accountant and attorney as you establish the Spa Center.

Note 19: Insurance. These estimates reflect insurance premiums for the minimum coverage we require during the start-up period. Your premium costs will vary depending on your carrier, your payment terms, and your insurance history. You may also be required by your landlord to obtain additional or greater coverage.

Note 20: Office Equipment. We anticipate that business management of the Spa Center can be done with a laptop computer. We also anticipate that much of your office work will occur in a home office setting where you may have additional home office equipment. The low estimate reflects the purchase of a laptop only and the high estimate assumes you must purchase a printer, desk, and related supplies.

Note 21: Architect and General Contractor Review Fee. You must always use an architect and general contractor we approve. If you request that we review an architect or general contractor who has not previously been approved by us, you will pay us a fee of $1,500 per review. The low estimate assumes you do not request review of any architect or general contractor and the high estimate assumes you request review of an architect and a general contractor. You will pay us this fee at the time you request our review of an alternative architect or general contractor. This fee is not refundable.

Note 22: Additional Funds. You should have a three-month cash reserve to cover the operations of the Spa Center. Our estimates for the cash reserve you should have on hand include our estimates for payroll expenses, fees you pay to us, and other expenses offset by the revenues we estimate you will collect in the first three months of operation. Our estimates do not include any other charges or expenses, including finance charges, interest or debt service obligations or any other expenses. Your costs, and the amount you should have in reserve, will be affected by factors in the local market, your technical, marketing, and general business skills, local economic conditions, local competition, and local cost factors. You should speak with a financial advisor to get a more accurate estimate of the amount you should have in reserve. The operating costs for which you may use the cash reserve are typically non-refundable. We relied on our affiliate's experience opening and operating a Standard Format Spa Center in Centennial, Colorado to create this additional funds estimate.

Table 4 – Two or Twenty
Standard Format Spa Centers [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
PRE-OPENING COSTS					
Development Fee Due at Signing for Two or Twenty Spa Centers plus the balance of the initial franchise fee for the first Spa Center [2]	$60,000	$400,000	Lump sum	On signing the Multi-Unit Development Agreement	Us

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	**HIGH**			
Estimated Low/High cost to open first Standard Format Spa Center (less the initial franchise fee) [3]	$840,500	$1,352,000	See Table 1	See Table 1	See Table 1
Additional Funds – 3 Months [4]	$50,000	$100,000	As incurred	As incurred	Third parties
TOTAL	**$950,500**	**$1,852,000**			

Table 5 – Two or Twenty
Optimized Smaller Format Spa Centers [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	**HIGH**			
PRE-OPENING COSTS					
Development Fee Due at Signing for Two or Twenty Spa Centers plus the balance of the initial franchise fee for the first Spa Center [2]	$60,000	$400,000	Lump sum	On signing the Multi-Unit Development Agreement	Us
Estimated Low/High cost to open first Optimized Smaller Format Spa Center (less the initial franchise fee) [3]	$566,700	$924,300	See Table 2	See Table 2	See Table 2
Additional Funds – 3 Months [4]	$50,000	$100,000	As incurred	As incurred	Third parties
TOTAL	**$676,700**	**$1,424,300**			

Table 6 – Two or Twenty
Medspa-focused Format Spa Centers [1]

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	**HIGH**			
PRE-OPENING COSTS					
Development Fee Due at Signing for Two or Twenty Spa Centers plus the balance of the initial franchise fee for the first Spa Center [2]	$60,000	$400,000	Lump sum	On signing the Multi-Unit Development Agreement	Us
Estimated Low/High cost to open first Medspa-focused Format Spa Center (less the initial franchise fee) [3]	$366,500	$714,800	See Table 3	See Table 3	See Table 3
Additional Funds – 3 Months [4]	$50,000	$100,000	As incurred	As incurred	Third parties
TOTAL	**$476,500**	**$1,214,800**			

Notes to Tables 4, 5, and 6

Note 1: Tables. The costs in Table 3 reflect the costs for purchasing the rights to open multiple Spa Centers, together with the costs associated with developing your first Standard Format Spa Center. The costs in Table 4 reflect the costs for purchasing the rights to open multiple Spa Centers, together with the costs associated with developing your first Optimized Smaller Format Spa Center.

All fees and payments to us are non-refundable unless otherwise noted. Third parties may have their own refund policies, but we anticipate that most amounts are non-refundable. Neither we nor our affiliate offer direct or indirect financing for your initial investment or any other items.

Note 2: Development Fee and First Initial Franchise Fee. Your Development Fee will vary by the number of Spa Centers you are approved to develop. The low estimate reflects the Development Fee for 2 Spa Centers and the high estimate reflects the Development Fee for 20 Spa Centers. The Development Fee reflects discounted initial franchise fees, which will be due upon signing of the Franchise Agreement for each Spa Center. Unless you develop 20 or more Spa Centers, upon signing of the Franchise Agreements for the Spa Centers opening subsequently, you will pay us the balance of the initial franchise fee for each Spa Center. Upon signing the Multi-Unit Development Agreement, you will also sign your first Franchise Agreement and pay the balance of the discounted initial franchise fee. See Item 5 for details.

Note 3: First Spa Center. Our estimates for your initial investment for one Standard Format Spa Center are in Table 1. Our estimates for your initial investment for one Optimized Smaller Format

Spa Center are in Table 2. This table does not reflect any costs to develop more than one Spa Center, other than the Development Fees. This estimate does not include any part of the initial franchise fee. See Note 2 and Item 5 for details.

Note 4: Additional Funds. We recommend you have additional working capital for your development of multiple Spa Centers. This working capital may be used for business plan preparation and site selection costs.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

We can regulate the standards, specifications, and suppliers for recommended or required fixtures, furniture, equipment, supplies, or other services to be used at the Spa Center. We will furnish these standards to you in the Brand Standards Manual or otherwise in writing or via electronic means. We may change our system standards from time to time in our sole discretion and you must comply with the changes upon notice from us.

We have the right to mandate that you use only approved suppliers and specified goods or services. If we do so, you must purchase only products and services meeting those specifications, and if we require it, only from suppliers we have approved. You must cease to use any product, service, or supplier upon 30 days' notice from us if that product, service, or supplier no longer meets our criteria. You must maintain a sufficient supply of required supplies and products to meet the inventory standards we prescribe in the system standards and to meet reasonably anticipated client demand for the Spa Center services. We, our owners, and our affiliates reserve all rights to be an approved or exclusive supplier of any good or service.

The system standards will not impinge on or interfere with the ability of Licensed Medical Providers to exercise professional judgment in the practice of medicine or nursing, as applicable. The selection and use of equipment and products used in connection with the services provided by Licensed Medical Providers will be subject to the Medical Entity's approval based upon the professional opinion of the Licensed Medical Providers.

We will sell to you an opening package of retail inventory, marketing collateral, and related items. We are currently also the exclusive supplier of the replacement inventory for these items.

You will pay us a Technology Fee weekly. The Technology Fee provides you access, maintenance, and support for required technologies we determine, in our sole discretion to provide to you. Currently, for the Technology Fee, we provide you with ongoing access to the approved, configured operating systems, including the point of sale system; record keeping software; reputation management and client review feedback systems; client outreach and automation services; learning management system with online training modules; and business management, reporting, and benchmarking systems. A list of all technologies you will receive in connection with your Technology Fee is included with the Brand Standards Manual and is subject to being updated. We may add, delete, or modify the services and goods provided. We may increase the Technology Fee upon 30 days written notice to you. You are responsible for separately purchasing any hardware needed to access and use these systems. We may collect the Technology Fee for access to these and other systems rather than having you pay individual costs to the designated suppliers, but we are not the supplier of most of these technologies.

We reserve the right in the future to implement a call center. We or our affiliate may be an approved or the exclusive provider of call center services. You have the option to use our services for marketing design or management of your local marketing.

We have the right but not the obligation to recommend Licensed Medical Providers or a Medical Entity. We also have the right to require you to utilize our designated Licensed Medical Provider(s) and Medical Entity(ies). We are not obligated to make available a Medical Entity or Licensed Medical Providers for the Spa Center. Our recommended or required parties may have a history with the Glosshouz brand, and, as permitted by law, have common ownership with or financial interests in us or our affiliates, and we the same with them.

We may require you, and to the extent applicable, the Medical Entity, to use the services of our designated third-party financing suppliers to provide credit services and deferred payment options for clients who receive medical aesthetic services. You, and to the extent applicable, the Medical Entity, will not be permitted to accept any form of insurance or government payor program.

We must visit and accept the site for the Spa Center and the site must meet our then-current site criteria. We will provide you with our standard site selection criteria and/or on-site evaluations as we deem appropriate. Neither our acceptance of the Premises nor any information communicated to you regarding our standard site selection criteria for Spa Centers or the specific location of the premises will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for a Spa Center. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Spa Center at the site. You are not allowed to relocate the business premises without our prior written approval.

At our option, you must use our designated broker in connection with identifying the site for the Spa Center. If you lease the site for the Spa Center, you are required to have the landlord sign the Lease Rider addendum attached to the Franchise Agreement as Attachment 5. Under the Lease Rider addendum, we will have the right, but not the obligation, to take possession of the Spa Center premises if your Franchise Agreement or lease is terminated.

You are required to use an approved or designated architect or general contractor. If you request that we evaluate an architect or general contractor that has not been previously approved, you will pay us a fee. Our review does not guarantee that we will approve the alternate architect or general contractor.

You must use our designated supplier for construction management services and pay us a fee to cover those services. The amount of services the supplier provides to you may vary based upon your experience in construction and in building out Spa Centers.

If you want to sell or use goods, services, or suppliers that we have not approved, you must first submit to us certain information, including product or service specifications, product or service components, product or service performance history, product samples, supplier information, and any other relevant information. You will also pay us a fee of $1,500 for our review services. We will evaluate the proposed item or supplier based upon certain criteria and determine if you are approved to use the alternate item or supplier. If the proposed item, service, or supplier meets our criteria you may use it. Our criteria for approving items and suppliers will be provided to franchisees and typically include standards for quality, price, supplier history, availability, and product performance. We will advise you in writing of our decision within 90 days of your written request for approval. We reserve the right to revoke approval for any item or supplier for any reason, and you must cease to use the item or supplier upon 30 days' notice from us.

There are currently no purchasing or distribution cooperatives. However, we have the right to require you to participate in a local advertising, purchasing, or distribution cooperative in the future.

During our last fiscal year (January to December 2023), neither we nor our affiliates received any consideration from the sale of products or services to franchisees but may and will do so in the future. We and our affiliates reserve the right to receive additional revenue, rebates, discounts, fees, commissions, or other payments based upon franchisee purchases or leases from suppliers.

We may negotiate purchase arrangements (including price terms) with certain suppliers, but are not required to do so. We do not provide any material benefits to you based on your use of required, designated, or approved suppliers.

We estimate that your purchases or leases from approved suppliers or in accordance with our specifications will represent approximately 80% to 90% of your total purchases in the establishment of the Spa Center, and 70% to 80% of your total purchases in the continuing operation of the Spa Center.

Other than interests in us and our affiliates, none of our owners or officers own interests in approved or exclusive suppliers.

Insurance

You must obtain and maintain, at your own expense, the insurance coverage we require, which include the following minimum coverages: (1) comprehensive public, professional, product, sexual harassment, medical malpractice and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Spa Center or otherwise in conjunction with your conduct of the Spa Center, under one or more policies of insurance containing minimum liability coverage amounts as set forth and updated from time to time in the Brand Standards Manual; (2) general casualty insurance, including theft, cash theft, fire and extended coverage, vandalism and malicious mischief insurance, for the replacement value of the Spa Center and its contents, and any other assets of the Spa Center; (3) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by statute; (4) business interruption insurance for a period adequate to reestablish normal business operations, but in any event not less than six months; (5) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements; and (6) umbrella liability coverage with limits of not less than $1,000,000 per occurrence and $3,000,000 in aggregate, or such other amounts that we may establish in the Brand Standards Manual. You or the Medical Entity, as applicable, must obtain medical liability occurrence-based coverage with limits of not less than $1,000,000 per occurrence and $3,000,000 in aggregate.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition

to our other remedies, we may (but need not) obtain comparable insurance for you and the Spa Center on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance. All insurance policies must be underwritten by responsible carriers accepted by us. We may designate an insurance agency or insurer as a designated supplier for certain types of coverage.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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	Section in Agreements	Disclosure Document Items
a. Site selection and acquisition/lease	Section 2.1 of the Franchise Agreement; Site Selection Addendum	8 & 11
b. Pre-opening purchases/leases	Sections 2.2 and 2.4 of the Franchise Agreement	5, 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 2.2 and 2.5 of the Franchise Agreement; Site Selection Addendum	8 & 11
d. Initial and ongoing training	Sections 4.1 and 4.2 of the Franchise Agreement	11
e. Opening	Section 2.5 of Franchise Agreement	11
f. Fees	Sections 3, 9.4, 12.3, and 12.5 of the Franchise Agreement	5 & 6
g. Compliance with standards and policies/Brand Standards Manual	Sections 4.4, 5.2, and 8 of the Franchise Agreement	8, 11 & 14
h. Trademarks and proprietary information	Sections 5, 6, 15.2 and 15.3 of the Franchise Agreement	13 & 14
i. Restrictions on products/services offered	Sections 8.2 and 8.3 of the Franchise Agreement	5, 8 & 16
j. Warranty and customer service requirements	Not applicable	None
k. Territorial development	Sections 1.1 and 1.2 of the Franchise Agreement	12
l. Ongoing product/service purchases	Sections 2.4 and 8.3 of the Franchise Agreement	8
m. Maintenance, appearance and remodeling requirements	Sections 8.1, 12.3 and 13 of the Franchise Agreement	8

Obligation	Section in Agreements	Disclosure Document Items
n. Insurance	Sections 2.5 and 8.6 of the Franchise Agreement	7 & 8
o. Advertising and marketing	Section 9 of the Franchise Agreement	6, 8 & 11
p. Indemnification	Section 5.5 and 16.4 of the Franchise Agreement	6
q. Owner's participation/ management/staffing	Section 8.5 of the Franchise Agreement	15
r. Records/reports	Section 10 of the Franchise Agreement	6
s. Inspection/audits	Section 11 of the Franchise Agreement	6 & 11
t. Transfer	Section 12 of the Franchise Agreement	17
u. Renewal	Section 13 of the Franchise Agreement	17
v. Post-termination obligations	Section 15 of the Franchise Agreement	17
w. Non-competition covenants	Sections 7 and 15.4 of the Franchise Agreement	17
x. Dispute resolution	Section 17.5 of the Franchise Agreement	17
y. Other: Guaranty of Franchisee's obligations	Section 1.5 and Attachment 6 of the Franchise Agreement	15

ITEM 10. FINANCING

We do not offer direct or indirect financing to you, guarantee any of your notes, leases, or obligations, or have any practice or intent to sell, assign or discount to a third party all or part of any of your financing arrangements.

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

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

Preopening Obligations

Before you open the Spa Center we will provide the following pre-opening assistance:

(1) We provide limited assistance in your site selection by providing you with our site selection guidelines and criteria and a geographic region in which you will identify your site(s). For a fee per visit, we will also visit your proposed site(s). (Franchise Agreement, Section 2.1).

(2) We will provide you with certain recommended or required specifications for your Premises. Additionally, we will furnish you with prototypical plans for the Spa Center. These items may include requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. You will work with an architect and

general contractor we approve (and may recommend) to prepare the architectural, engineering, and design plans for your specific Premises. (Franchise Agreement, Section 2.1).

(3) We designate our approved supplier to provide construction management services for a fee. Under certain circumstances, such as when you have experience building out a Spa Center, you may seek and obtain our approval in writing to use the approved supplier for fewer construction management services. In these cases we will charge a construction management fee of $7,000 per Spa Center. (Franchise Agreement, Section 2.2).

(4) We will give you mandatory and suggested specifications or suppliers for the required or recommended fixtures, equipment, furniture, supplies, décor, materials, and signs. We will provide you with information and training regarding approved, required and preferred products, suppliers, treatment equipment assets and services and operational processes. All of these items used with development and operations of the Spa Center must comply with our brand standards. (Franchise Agreement Section 8.3).

(5) We will conduct an initial training program for an Initial Training Fee. (Franchise Agreement, Section 4.1). We will provide some of our representatives to provide on-site training and support on or around the time that you open the Spa Center. (Franchise Agreement, Section 4.1).

(6) We will allow you access to our Brand Standards Manual and other online resources. (Franchise Agreement, Section 4.4).

(7) We will supply you with and deliver to you a required package of opening inventory and supplies. You will pay us for these items. (Franchise Agreement, Section 8.3).

(8) For a fee, we will help to establish and configure various Technology systems at the Spa Center. (Franchise Agreement, Section 2.4).

(9) We will provide assistance in creating a plan for pre-opening sales and marketing activities, including selling BFF Savings Program® memberships for the Spa Center. Before you implement the plan, it must receive our approval. As part of the approved plan, you must provide us with $5,000 and we will spend it on your behalf on local digital marketing. You also have the option to use our services for managing additional grand opening and local marketing expenditures. (Franchise Agreement, Section 9).

(10) We have the right but not the obligation to recommend Licensed Medical Providers or a Medical Entity. We also have the right to require you to utilize our designated Licensed Medical Provider(s) and Medical Entity(ies). You must obtain our acceptance of the Medical Entity before entering into a Management Agreement with it. (Franchise Agreement, Section 1.6).

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of the Spa Center. We do not hire your employees.

Continuing Obligations

During the operation of the Spa Center, we will perform the following services:

(1) We will advise you from time to time regarding the operation of the Spa Center. We will make available to you from time to time all improvements and additions to the system standards

to the same extent and in the same manner as they are made available to Glosshouz franchisees generally (Franchise Agreement, Section 4.3).

(2) We will continue to provide you with access to our Brand Standards Manual for the term of the Franchise Agreement. (Franchise Agreement, Section 4.4).

(3) We will provide at our option, information on new services, products, methods, techniques, and procedures. (Franchise Agreement, Section 4.3).

(4) We will permit you to use our Confidential Information. (Franchise Agreement, Section 6).

(5) We will permit you to use the Marks. (Franchise Agreement, Sections 5.1 and 5.2).

(6) We will develop and maintain an Online Presence for the Glosshouz brand, which will identify your specific Spa Center as part of the brand. (Franchise Agreement, Section 9.6).

(7) We may undertake other marketing activities in our sole discretion. We currently have established a Brand Fund (described below). (Franchise Agreement, Section 9.3).

(8) We will advise you from time to time regarding the operation of the Franchised Business based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you concerning: standards, specifications, and operating procedures and methods for use in your Franchised Business; advertising and marketing materials and programs; administrative, bookkeeping, and accounting procedures; and operational problems you encounter. We may conduct inspections and audits of the Spa Center in our sole discretion. (Franchise Agreement, Section 11).

(9) We will administer the BFF Savings Program® and/or any other membership, gift card, and loyalty program. We may modify these programs in our sole discretion. You are required to participate in them. (Franchise Agreement, Section 8.10).

(10) We will review and approve or reject alternative suppliers, products, and services that you propose. (Franchise Agreement, Section 8.3).

(11) We may provide additional trainings, meetings, and conventions. These trainings, meetings, and conventions may be mandatory or optional. (Franchise Agreement, Section 4.2).

(12) If you select other optional services described in the Franchise Agreement or Brand Standards Manual, we will make them available to you. These optional services currently include marketing design services and local digital marketing services. (Franchise Agreement, Section 9).

(13) You, and as applicable, the Medical Entity, will have the right to establish your own prices. Where permitted by law, we reserve the right to set minimum and maximum prices and to establish promotional pricing that the Spa Center must comply with. (Franchise Agreement, Section 8.3).

We are not required by the Franchise Agreement to furnish any other service or assistance to you during the operation of the Spa Center. We do not hire your employees.

Site Selection and Development

The Spa Center must be operated from a location we accept that complies with our guidelines and criteria ("Premises"). Neither us nor our affiliates own the Premises or lease it to you. You must obtain our written acceptance of the proposed location before signing any lease, sublease, or other document for the site. We will provide you with our site selection guidelines and criteria. Some of the factors we consider in accepting sites include general location; character of the neighborhood; demographics; accessibility; nature of the nearby businesses; other commercial characteristics; physical appearance; visibility; traffic patterns; population; size; available parking; zoning and licensing requirements; and lease terms. In general, a site must have be located in a high traffic, upscale shopping area in an urban or suburban setting and meet our square footage criteria for a Standard Format Spa Center or an Optimized Smaller Format Spa Center.

You will complete and submit to us a standard site selection application form for a proposed site. Absent our express written permission otherwise, you must use and coordinate with our designated broker in connection with site selection at the outset of your search and all related undertakings and activities. For a fee, we will visit the site(s) you propose. We will have 30 days after receipt of the complete site selection application form to accept or reject your proposed site. If we reject the proposed site, you must promptly submit another site selection application form for a proposed site. If you and we cannot agree to a site for the Spa Center within six months after you and we sign the Franchise Agreement, we may terminate the Franchise Agreement upon notice and 30 days opportunity to cure such default. The target timeline for site selection is three months.

You are responsible for the final terms of your lease or purchase agreement and must provide obtain our acceptance of it. If you ask for us our affiliate's assistance, we will provide you with consultation about the lease or purchase agreement terms. You must enter into our form of Lease Rider set forth on Attachment 5 in which you and your landlord agree that we have certain rights regarding the Premises. You will execute a modified version of the form if you own the property.

We will provide you with information about the design and construction of a prototypical Spa Center. These items may include requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. You will work with an architect and general contractor we approve (and may recommend) to prepare the architectural, engineering, and design plans for your specific Premises.

If you seek to use an architect or general contractor we have not previously approved, you must pay us a fee for our review. Our review does not guarantee that we will approve the alternate architect and/or general contractor. You must present us with the construction plans and obtain our acceptance of them before commencing any construction or remodeling. You must obtain our acceptance of any material deviations from the plans previously accepted. You are solely responsible for conforming the Premises to local ordinances and building codes and for obtaining any required permits.

Similarly, you are solely responsible for ensuring the construction, remodeling, and decoration of the Premises in accordance with our standards. You will be required to use our designated supplier for construction management services. The construction management services include selecting an architect and general contractor, reviewing bids, monitoring construction, and verifying that construction complies with our brand standards. If you have sufficient experience and obtain our approval, you may use a more limited scope of construction management services and pay a reduced fee.

We will provide you with specifications and a comprehensive list of approved suppliers and details for the required or recommended equipment, inventory, supplies, fixtures, and furniture. You will also separately pay for the delivery and installation of these items. As noted above, we will sell to you a package of opening inventory.

Development Timeline

We anticipate that you will be able to open the Spa Center about 10-12 months after the day you sign the Franchise Agreement. You will have six months from the Effective Date of the Franchise Agreement to obtain acceptance of a site and acquire or lease the Premises, although the target timeline is three months. After the lease is signed, we estimate it will take about seven to nine months to construct and open the Spa Center. This time may vary based upon construct permit timing and availability of contract work, supplies, and equipment. The Spa Center must be constructed and open for business no later than 15 months after signing the Franchise Agreement. If you do not meet this deadline, you will be in default, and we may terminate your Franchise Agreement.

You cannot commence operations at the Spa Center without complying with all of our requirements for opening of the Spa Center, which include (a) completion of the construction and furnishing of the Spa Center in accordance with our system standards and the plans accepted by us, (b) retainer of legal counsel to advise you on all applicable laws, (c) receipt of all necessary licenses and permits for operations, (d) completion of all required training programs, (e) payment of all required fees; (f) all required agreements have been signed; (g) there are no defaults of any agreement; (h) furnishing of certificate of insurance; (i) if applicable, a Medical Entity has been identified, accepted by us, and has signed all required agreements, (j) you have completed all other items on our opening checklist, and (k) you have obtained our express approval to open. You must obtain our permission to commence operations. The factors that can delay your completion of these items include the time to obtain a lease, zoning and local ordinances, installation delays, equipment shortages, and other factors obtain a lease, zoning and local ordinances, installation delays, equipment shortages, and other factors.

Training

For the Initial Training Fee of $5,000, we will provide you with an initial training program. The initial training program consists of training sessions for up to four people. At least one owner and the Spa Manager are required to attend and successfully complete the training. These trainings will address the aspects of operating a Spa Center, including sales training for pre-opening sales of BFF Savings Program® memberships. The training we provide will be held on an as-needed basis through online methods, at our affiliate owned location in Centennial, Colorado, at your location, and generally within the two months before you open the Spa Center. You are responsible for all compensation and expenses for your trainees as they attend any training.

An outline of the initial training program sessions is below. The time periods allocated to the subjects below are approximations and the time actually spent may vary based upon the experience and performance of those being trained.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Glosshouz Business Overview	1	0	Online Training
Pre-opening Glosshouz Spa Development	2	0	Online Training
HR/Compliance Modules	1	0	Online Training
Overview Glosshouz Services Offered	1	0	Online Training
Service Protocol Modules (for service providers)	24	0	Online Training
Owner at Headquarters	16	0	Our headquarters
Spa Manager at Headquarters	16	0	Our headquarters
Medspa Operations & Administration	6	6	Online Training; Our headquarters; Franchisee's Spa Center
Spa Operating System	6	4	Online Training; Franchisee's Spa Center
General Operations	8	8	Online Training; Our headquarters; Franchisee's Spa Center
Service Equipment Training	4	10	Online Modules; Franchisee's Spa Center
BFF (Benefits Flex Fund) Savings Program Membership Sales	2	1	Online Modules; Franchisee's Spa Center
Food & Beverage Service & Procedures	6	2	Online Modules; Franchisee's Spa Center
Retail Sales & Product Knowledge	6	2	Online Modules; Franchisee's Spa Center
Inventory Management	1	2	Online Modules; Franchisee's Spa Center
Total	**100**	**35**	

Additionally, we will provide representatives to provide on-site training and support on or around the time that you open the Spa Center. We will determine the number and experience level of the representatives and the training days necessary to support the opening for the Spa Center based on the experience and training of the planned personnel at the Spa Center. The onsite training days for supporting the opening of the Spa Center will not be shorter than the minimum of five days onsite.

Training is not for the purpose of exercising control over the manner in which Licensed Medical Providers and the Medical Entity exercise independent professional judgment or render services. We do not provide any training or assistance for activities regulated by laws applicable to the practice of medicine or the practice of nursing.

Our training program is conducted by individuals who have at least eight years of experience with the Glosshouz brand and in the spa industry. The instructional materials for our training program include the Brand Standards Manual, online training modules and materials, marketing and promotional materials, video, handouts, hands-on experience, and online and in-person presentations.

If you appoint a new or replace a Spa Manager, the new hire must attend and complete our initial training program for an additional fee.

Your Spa Manager and at least one owner must attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. You will be required to pay any registration or other attendance fee associated with any conventions. We may also require you to attend a convention (including require you to be at a location we designate for up to three days). You must pay for all travel and lodging costs associated with these additional trainings.

We also reserve the right to require you to participate in additional training if you are not in compliance with our standards, or you may request additional training. We reserve the right to require you to pay our then-current training fee for such training. You must pay for all travel and lodging costs associated with these additional trainings.

We reserve the right to require your managers to also attend our training program(s).

Any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

Marketing and Advertising

We may engage in marketing programs to enhance the reputation of Glosshouz Spa Centers generally but are not required to. There is no limit on the media we can use or a limit on the type of coverage we may use. We may also use any source of advertising we choose. Nothing in the Franchise Agreement requires us to provide marketing or advertising services to you or to promote the Spa Center or to spend money on advertising in your Territory.

Local Marketing
You must spend at least $625 per week on local marketing for the Spa Center. If required by us, you must send us, in the manner we prescribe, an accounting of your expenditures for local marketing at such times, and for such reporting periods, as we may specify from time to time. Your local marketing must follow our guidelines. If you choose, you may retain us or a designated supplier to provide local digital marketing services on your behalf. You may use only materials we have provided or approved for your use. Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe. When required by applicable law, the advertising that you conduct to promote the Spa Center must also identify the name of the Medical Entity that furnishes the Licensed Medical Providers that render medical services at the Spa Center.

Grand Opening Advertising
You must spend a minimum of $10,000 on pre-opening and grand opening advertising and marketing campaigns commencing 60 days prior to opening the Spa Center through the 90-day period following the date the Spa Center opens for business to the public, including without limitation campaigns related to pre-opening BFF Savings Program® membership sales. You must pay $5,000 to us approximately 60 days prior to the planned opening date and we will expend this amount on a digital campaign on your behalf. The other $5,000 to $15,000 (which counts

toward your local marketing requirement of $625 per week) must be spent in the first 90 days of business and you can choose whether to have it managed by us or our designated supplier.

Brand Fund
You will pay us a Brand Fund contribution of 2% of Gross Revenues, unless you are required by law to pay us a flat fee. We may raise the amount of the Brand Fund up to 3% of Gross Revenues.

We have the sole discretion to determine where and how the Brand Fund contributions will be spent to promote, enhance, or further the growth of the Glosshouz brand, businesses, and System, including, but not limited to: administration of a membership program; research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies or paying the salaries of in-house personnel to assist in developing the Glosshouz brand; developing, evaluating, or using technologies that we believe may benefit the brand, the clients, the franchisees, or the brand's reputation; developing new goods and services and franchisee revenue sources; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of the Website or social media pages; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand. We will not use your Brand Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead that we may incur in administering or directing the Brand Fund.

While we do not anticipate that any part of Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations or recognition of the Glosshouz brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available" or similar language.

We may occasionally provide for placement of advertising on behalf of the entire franchise system, including franchisees; however, we are more likely to provide you with advertising content to use in your local territory or on a regional basis with other franchisees in an advertising cooperative. You will be responsible for implementing any promotional or public relations programs or placing any advertising content we create, at your own expense. If we create any advertising content, which we are not obligated to do, you will receive one sample of the advertising content at no charge. You must pay for the duplication and distribution of the content.

Currently, the Brand Fund fees are payable to us. We have the right to establish in the future a nonprofit corporation or other business entity to collect Brand Fund contributions from our franchisees. The Brand Fund is administered by our accounting and marketing personnel under our direction. The Brand Fund is not audited. The Brand Fund is not a trust fund. We have no fiduciary duty to you or any franchisee in connection with the collection or use of the Brand Fund monies. Unless required by state law, you have no right to obtain an unaudited accounting. We may spend on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year. Any remaining amounts will be left in the

Brand Fund for use in future years. We are not required to spend any brand or advertising funds in your specific area or territory. We may have the Brand Fund borrow from us or other lenders to cover any Brand Fund deficits. We may have the Brand Fund invest any surplus for the Brand Fund's future use. Company-owned businesses are not required to contribute to the Brand Fund. Although the Brand Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Brand Fund, however, until all money in the Brand Fund has been spent for brand development purposes or returned to the contributors of the Brand Fund on the basis of their respective contributions. Brand Fund contributions that we, our affiliates, or third parties elect to contribute to the Brand Fund shall be subject to the same terms of the Brand Fund set forth in the Franchise Agreement. Other franchisees' Brand Fund contributions may be calculated at a different rate or on a different basis than yours. We have the sole discretion to settle or forgive any accrued and unpaid Brand Fund contributions owed by a franchisee.

Our first franchisees have not started operating as of the date of this disclosure document, so we have not yet collected or expended any contributions to the Brand Fund.

Cooperatives

We have the right to establish a Cooperative Advertising Region ("Cooperative") for the geographic region in which the Spa Center is located. The purpose of the Cooperative is to conduct marketing campaigns for Spa Centers located in a region. We have the right to determine the definition of each region. If a Cooperative for your area is established after you begin to manage the Spa Center, then you must join the Cooperative upon its commencement of operations. You will not be required to be a member of more than one Cooperative. The following provisions will apply to each Cooperative (if and when organized):

(1) Cooperatives will be established, organized, and governed in the form and manner that we have approved in advance. The activities and administration of each Cooperative including fees payable to the Cooperative will be decided by a majority of its members. All Spa Centers will have the same voting rights, whether owned by franchisees, us, or our affiliates. Each Spa Center owner will be entitled to cast one vote for each Spa Center owned within the Cooperative's region. Any disputes arising among or between you, other members of the Cooperative, and/or the Cooperative, will be resolved according to the rules and procedures set forth in the Cooperative's written governing documents, which you (when the Cooperative is established), can review upon request. All franchisees and affiliate owned outlets contribute at the same rate. The maximum fee that will be imposed is 50% of the required local marketing expenditures.

(2) Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion. Cooperatives may not use marketing, promotional plans, or materials without our prior written approval.

(3) You must submit your required contribution directly to the Cooperative (not to us) at the intervals determined by the members of the Cooperative, together with the statements and reports that may be required by the Cooperative. We will not financially support the Cooperative. The Cooperative will set the specific amount of the member's Cooperative contribution. If a majority of the members of the Cooperative agree, an unaudited financial statement for the Cooperative will be prepared annually and will be made available to you upon request.

(4) If established, a Cooperative is intended to be of perpetual duration. However, we maintain the right to terminate, merge or dissolve any Cooperative. A Cooperative will not be terminated

or dissolved, however, until all monies in that Cooperative have been expended for marketing or promotional purposes for the Spa Centers in the Cooperative.

Online Presences

We may maintain a website to promote the Marks or for the benefit of any or all of the Spa Centers. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. An Online Presence includes but is not limited to (1) the website, other webpages, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites and groups; online, internet, or digital directories; video, audio, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; or (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed.

We will have the sole right to control all aspects of each Online Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. You may not establish or operate an Online Presence (including a website, webpage, domain name, Internet address, social media account, blog, forum, advertisement, or e-commerce site) that in any way concerns, discusses or alludes to us, the System or the Spa Center without our written consent. The Marks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence, except as specifically approved by us. You may not post, and must take such steps as necessary to ensure that your employees do not post any information on an Online Presence that relating to us, the System, the Marks, or the Spa Center that (a) does not comply with our brand, social media, or Online Presence guidelines described in the Brand Standards Manual, (b) is derogatory, disparaging, or critical of us, the System, or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks. For any Online Presence or email address you are approved to create, use, or maintain, we reserve the right to be exercised at our option to have the Online Presence or email address directly owned by us or to require it to be transferred to us after the expiration or termination of the Franchise Agreement. (Franchise Agreement Section 9.6.) We have the right to require that any Online Presence or email address we permit you to use, create or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to use. We have the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of our policies and we may take ownership of any Online Presence upon expiration or termination of the Franchise Agreement or during the term of the Franchise Agreement and operate it as we see fit.

Subject to the terms of the Franchise Agreement and the Brand Standards Manual, we may make available to you a subpage on our website that will be located at a sub-domain of the website to be specified by us (or on a subpage of another Online Presence) (the "Subpage"). Upon the termination, non-renewal, or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, we will not upload content for you, you may not use the Subpage and we may cease to make the Subpage available to you.

Technology / Computer Systems

You must obtain and use the Technology we require and may change from time to time. "Technology" means hardware; electronics; computer systems; mobile devices; applications;

software, online services, and cloud-based systems; communications links, systems, providers, and applications; robotics; and other technologies available now or developed in the future. "Technology" includes the operating system technologies we provide to our franchisees. We may modify specifications for and components of the Technology. Our modification of specifications for the Technology might require you to purchase, lease, and/or license new or modified Technologies and to obtain service and support for the Technologies. There are no limitations on the frequency or cost of your obligations to change, upgrade, and update your Technologies. We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Technologies.

Currently, we provide some of the required Technology to you through the weekly Technology Fee. Currently, we provide you with ongoing access to the approved, configured operating systems, including the point of sale system; record keeping software; reputation management and client review feedback systems; client outreach and automation services; learning management system with online training modules; and business management, reporting, and benchmarking systems. A list of all technologies you will receive in connection with your Technology Fee is included with the Brand Standards Manual and are subject to being updated. We may add, delete, or modify the services and goods provides. Although we may raise the Technology Fee on 30 days' notice to you, it is currently $450 per week. Over the initial three-month start up period for the Spa Center, you will pay us approximately $5,850 in Technology Fees.

You are responsible for separately purchasing any hardware needed to access and use these systems. This hardware and other required Technology include the following: three personal computers which can serve point of sale terminals; a music system; security cameras; electronic signage; IP phone system and call answering technology; a laptop; internet access and Wi-Fi equipment; a multi-function printer; accounting and booking software and services; payroll software and services; music service subscription; cleaning service; and sharps disposal service.

We estimate that the cost to purchase hardware needed to operate the systems we provided through the Technology Fee, purchase or subscribe for three months to the other required Technology is between $16,300 and $19,500.

You must pay us a one-time fee of $1,800 for us to configure the software you will use at the Spa Center.

You may also choose to have additional, optional home office equipment. We estimate the purchase of these optional items to be between $1,000 and $3,900.

We do not require or recommend any specific maintenance, support, or upgrading contracts for your Technology. We estimate you may spend up to $1,000 per year on maintenance of them.

The functions of the Technology are (i) enter and track reservations and sales receipts, services purchased and performed, and client information, (ii) update inventory of merchandise and products, (iii) enter and manage your client and member contact information, (iv) generate sales reports and analysis relating to the Spa Center, and (v) provide other services relating to operations of the Spa Center. You must ensure that your use of the Technology complies with all laws, including HIPAA and privacy laws.

We may develop proprietary or non-proprietary Technologies. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us

commercially reasonable fees and/or enter into license agreements directly with suppliers. Additionally, if we enter into a license agreement with a supplier and sublicense the Technology to you, we may charge you for all amounts we pay to the supplier based on your use, plus a reasonable amount to compensate us for the services that we or our affiliate provide.

Despite the fact that you must buy, use, and maintain the Technologies according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Technologies (whether they are acquired through us or third parties); (2) the manner in which your Technologies interface with our and any third party's computer system; and (3) any and all consequences if the Technologies are not properly operated, maintained, and upgraded.

You will grant us and, subject to applicable law, we will have access to all information collected by your Technology. Because medical services are provided at the Spa Center, HIPAA (the Health Insurance Portability and Accountability Act of 1996) and other laws relating to confidentiality of client medical records will apply. You will sign a form of Business Associate Agreement giving us rights to access these records and protected health information to the extent permitted by applicable law. You must disclose to us any passwords or codes associated with the Technology.

We have the free and unfettered right to independently retrieve any data and information from your Technologies as we, in our sole discretion, deem appropriate. Other than possible HIPAA limitations described above, there are no contractual limitations on our right to access such data and information. You must set up your Technology in a way that we have 24/7 access to the programs we designate.

Brand Standards Manual

We will provide you with access to our Glosshouz Brand Standards Manual ("Brand Standards Manual"), which contains our system standards. The contents of the Brand Standards Manual are Confidential Information. We may modify the Brand Standards Manual periodically to reflect changes in system standards and other guidance and requirements regarding the operation of a Spa Center. You must monitor any platform where the Brand Standards Manual is provided for Brand Standards Manual updates and conform to all changes at your expense within the time we allow, which will be reasonable for the specific type of change that we implement. The table of contents of our Brand Standards Manual is attached as Exhibit H. The Brand Standards Manual contains approximately 329 pages.

Advisory Council

We have the right to create a franchisee advisory council ("Advisory Council") comprised of owners or representatives of Spa Centers for the purpose of promoting communication among franchisees and with us. The Advisory Council may advise us regarding advertising topics. If we create an Advisory Council, you must participate either directly or indirectly through a representative and contribute any dues that may be assessed to franchisees by the members of the Advisory Council. We reserve the right to establish the legal, administrative, and organizational framework for the Advisory Council and to terminate the Advisory Council at any time. The Advisory Council will serve in an advisory capacity only and will have no operational or decision-making power. We have the discretion to select who will be members of the Advisory Council.

ITEM 12. TERRITORY

Your territory rights will vary depending on if you signed a Franchise Agreement or Multi-Unit Development Agreement.

Individual Territory Rights

The Spa Center must be located at the Premises we accept. Unless you obtain prior written approval from us, the Spa Center may be operated only from the Premises. You may only relocate the Spa Center after receiving our prior written approval. We will not unreasonably withhold our approval, provided that the new location complies with our then-current site criteria, is located within the Territory, and does not infringe upon the territory we have assigned to any other Spa Center. You will pay us a relocation fee as well.

If you do not have a site for the Premises we have accepted prior to signing the Franchise Agreement, you will receive a geographic area ("Site Selection Area") in which you search for and identify a proposed location for the Spa Center. The Site Selection Area is established solely for the purpose of defining the area within which you may look for a possible site for the Spa Center, and you will not receive any exclusive territorial rights for the Site Selection Area. We may permit other franchisees to look for prospective sites within an area which is the same as or overlaps with your Site Selection Area, and we may establish, or franchise others to establish, a Spa Center operating under the System within the Site Selection Area. Once we accept a location to be the Premises, we will determine the portion of the geographic area that will constitute the territory that will be granted as the Territory under the Franchise Agreement for the Spa Center.

After the Premises for the Spa Center is accepted by us, we will designate an exclusive "Territory" and describe it in Attachment 1 to the Franchise Agreement or the Site Selection Acceptance Letter. Within your Territory, we will not operate or grant a franchise for the operation of another brick-and-mortar spa operating under the System and the Marks. Generally, the Territory will be an area no more than a five-mile radius around the Spa Center, but we may award a smaller or larger territory depending on the population, demographics, and geography of your market. Additionally, we reserve the right to define the Territory by other boundaries (e.g., natural boundaries or Zip codes). Population, demographics, and geography will be measured using data we deem reliable or through the services provided by third parties.

You may not advertise, solicit, or market outside your Territory unless we grant you prior permission. You may not sell products or provide services off-Premises unless we grant you prior permission. If you obtain our prior permission, you must follow our policies regarding any out-of-Territory or off-Premises activity. If we grant you permission to conduct any out-of-Territory or off-Premises activity, you do not receive any additional territory or exclusivity rights. We have the right to terminate or suspend your approval to conduct any out-of-Territory or off-Premises activities. You agree not to sell any items through other channels of distribution, including the Internet, catalog sales, mobile services, telemarketing, wholesale, or other direct marketing.

Clients have total freedom to select where to obtain services. Neither the Spa Center nor any other Glosshouz business is restricted from providing services to any client, regardless of where the client lives. With our BFF Savings Program®, we reserve the right to require the Spa Center to serve clients who have designated another spa center as their primary location and to serve the clients on the terms of their membership.

The continuation of your exclusive territorial rights does not depend on the achievement of any particular sales volume, market penetration, or other contingency. If you default under the Franchise Agreement, we reserve the right to undertake certain actions in lieu of termination of the Franchise Agreement, including modifying or eliminating completely, the Territory and its protections. Otherwise, there are no circumstances that permit us to modify your Territory rights.

Development Area

If you sign our Multi-Unit Development Agreement, you will receive a development area mutually agreed upon by you and us ("Development Area"), within which we will not develop or license another to develop a brick-and-mortar spa operating under the System and the Marks until the earliest of (i) the Multi-Unit Development Agreement is superseded by Franchise Agreements signed for each Spa Center in the development schedule; (ii) the Multi-Unit Development Agreement is terminated for breach or failure to meet your development obligation; or (iii) the Multi-Unit Development Agreement expires. At such time, any part of the Development Area that is not part of a franchise territory granted to you in a franchise agreement will revert back to us.

The Multi-Unit Development Agreement does not grant you a license to operate a Glosshouz franchise, which license can only be granted by signing a franchise agreement with us. The Multi-Unit Development Agreement simply grants you the exclusive right to develop a certain number of Spa Centers within the Development Area in accordance with the development schedule. You lose the protection of the Development Area if (a) you fail to open the Spa Centers within the time period agreed upon in the Multi-Unit Development Agreement plus such extensions, if any, as we may agree to in writing, (b) your Multi-Unit Development Agreement expires, (c) you default under the terms of your Multi-Unit Development Agreement, or (d) your Multi-Unit Development Agreement is terminated due to defaults by you that are not timely cured. Otherwise, your right to continue to develop the Development Area under the Multi-Unit Development Agreement is not contingent upon achieving a certain sales volume, market penetration, or any other contingency and cannot be altered.

Rights We Reserve

Regardless of either proximity to your Territory or Development Area or any actual or threatened impact on sales of your business, we retain all rights not expressly granted to you, including, among others, to: (a) use the Marks and System in connection with establishing and operating Spa Centers at any location outside the Territory or Development Area; (b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or products) or services anywhere in the world (including within the Territory and Development Area), whether or not you also offer them, through channels of distribution other than a brick and mortar spa that operates using the Marks and the System, including, for example, other retail outlets, catalogs, mail order, or the Internet, e-commerce, or other electronic means; (c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory and Development Area); (d) use the Marks in connection with soliciting or directing advertising or promotional materials to clients anywhere in the world (including within the Territory and Development Area); and (e) whether through ourselves, our affiliates, or third parties, through any channel of distribution, use the Marks or other marks to offer, sell, and provide goods and services other than those you are authorized to offer and sell under the then-current System. If we decide to exercise these rights, we will not be obligated to compensate you for such sales made inside or outside your Territory or Development Area. We

are not obligated to compensate you if we solicit in the Territory or Development Area. We have the right to operate or franchise a similar business under a different trademark but have no plans to do so.

Other than as described above, the Franchise Agreement and Multi-Unit Development Agreement do not grant you any options, rights of first refusal, or similar rights to acquire additional territories or franchises.

ITEM 13. TRADEMARKS

We have permission to use, promote, and sublicense certain trademarks, service marks, and other commercial symbols including the mark "Glosshouz" ("Marks"). The Marks have gained and will continue to gain public acceptance and goodwill. We may license other trademarks, service marks, and commercial symbols for Spa Centers. If we do, these other marks and symbols will become part of the Marks.

We grant you the right to use certain Marks under the Franchise Agreement. Our affiliate, LVE Enterprises, LLC owns the federal trademark registrations for the below Marks. Each registration is for the Principal Register of the U.S. Patent and Trademark Office ("USPTO").

Mark	Registration Number	Registration Date
glosshouz.	4949755	May 3, 2016
GLOSSHOUZ	4949754	May 3, 2016
BFF SAVINGS PROGRAM	7148744	August 29, 2023

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks. We are not aware of any prior or infringing uses of the Marks that could materially affect your use of the Marks.

LVE Enterprises, LLC has filed and intends to timely file with the USPTO all required affidavits of use and an affidavit of incontestability, when due, for the above Marks. LVE Enterprises, LLC intends to renew each Mark when available, but none has been eligible for renewal yet.

Our right to use and license others to use the Marks is granted by a Trademark License Agreement ("License Agreement") with LVE Enterprises, LLC. The License Agreement is perpetual until it is terminated. If it is terminated, LVE Enterprises, LLC is required under the License Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements. The License Agreement may be amended upon mutual agreement. The agreement may be terminated if we breach the agreement and fail to cure or if we cease to be an affiliate or subsidiary of LVE Enterprises, LLC. Other than the License Agreement, there is no agreement in effect which significantly limits our rights to use or license the Marks in any state in a manner material to the franchise.

Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the Franchised Business according to the Franchise Agreement and all system standards we prescribe during the term of the Franchise Agreement.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not communicate with any person other than us, our affiliate, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We or our affiliate may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding resulting from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable action that, in the opinion of our or our affiliate's attorneys, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks.

In the Franchise Agreement, we agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark if you have timely notified us of, comply with our directions in responding to the proceeding, and you have used the Mark(s) in compliance with the Franchise Agreement, the Brand Standards Manual, and other directives from us. Otherwise, we have no obligation to protect your use of the Marks, participate in any defense, or protect you against claims of infringement or unfair competition arising out of your use of the Marks.

We reserve the right to substitute different proprietary marks for use in identifying the System and the business operating under it if we, in our sole discretion, determine that substitution of different marks as Marks will be beneficial to the System. You must comply with such change, revision, or substitution and bear all expenses associated with such changes.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Copyrights and Patents

No patents are material to the Spa Center.

We claim copyright protection covering various materials used in our business and the development, management, and operation of Spa Centers, including advertising and promotional materials, the Brand Standards Manual, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so. We may register any of these items or copyrightable materials in the future. There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials.

No agreement requires us to protect or defend our copyrights or to indemnify you or defend you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using any copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification. We or our affiliate has the right to control all litigation related to the copyrights. You must notify us immediately of any apparent infringement or challenge to your use of any copyright, or of any person's claim of any rights in any copyright, and not communicate with any person other than us, our affiliate, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We or our affiliate have the option but not the obligation to take any action when notified of infringement.

Any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must sign those documents (and, if necessary, require your independent contractors to sign those documents) that may be deemed reasonably necessary by us to give effect to this requirement.

Confidential Information and Innovations

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law ("Confidential Information"), concerning operating, developing and managing Spa Centers, including: site selection and territorial criteria; training and operations materials and manuals; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in operating, developing and managing Spa Centers and providing spa, cosmetic, medspa, and aesthetic services to clients; marketing and advertising programs for Spa Centers; employee recruitment, training, retention programs; knowledge of specifications for and suppliers of business assets, and other products; any computer software or similar technology which is proprietary to us or the System, including, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; knowledge of the operating results and financial performance of Spa Centers; client data (subject to compliance with HIPAA and other requirements); and the Brand Standards Manual. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual. Any passwords or other digital identifications necessary to access the Brand Standards Manual on an electronic platform will be deemed to be part of Confidential Information.

If you or your owners, officers, managers, contractors, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, formulae, products, services, or other concepts and features relating to Spa Center operations, spa, cosmetic, medspa, and aesthetic services, or related goods (the "Innovations"), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. You and your owners, officers, managers, contractors and employees also must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations. The Innovations may become Confidential Information.

You will not acquire any interest in Confidential Information and Innovations, other than the right to use them as we specify in operating the Franchised Business during the Franchise Agreement's term, and that they are proprietary and is disclosed to you only on the condition that you: (1) will not use Confidential Information or Innovations in any other business or capacity; (2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Franchise Agreement's term and after the term for as long as the item is not generally known in the spa, cosmetic, medspa, and aesthetic industry; (3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Spa Center personnel and others.

All owners and persons with access to Confidential Information must sign non-disclosure agreements in the form we specify. You are obligated to maintain in your files those signed confidentiality agreements we specify and make them available to us upon request.

We may, in our sole discretion, modify or discontinue use of the Innovations, the claimed subject matter of any patents or patent applications, the copyrights, and Confidential Information, and/or use other information and/or rights in their place. If we decide to modify or discontinue use of these materials for any reason, you must do so also, at your expense.

As applicable, the Management Agreement with a Medical Entity must also contain protections for our Confidential Information and provisions relating to ownership of the Innovations.

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

You must have a "Spa Manager" who will be responsible for overall operations and oversight of the Franchised Business. The Spa Manager must also be responsible for overseeing daily operations. If the Spa Manager is not on-site, a trained assistant manager must be present. The Spa Manager may be an employee and is not required to have ownership in the franchise. An owner may also be the Spa Manager. The Spa Manager must successfully attend and complete our training program, otherwise we do not limit who can be a Spa Manager. The Spa Manager must sign our form of Confidentiality, Non-Solicit, and Non-Competition Agreement.

Even if an employee is the Spa Manager, the owners of the franchise are still ultimately responsible for all business operations and must be actively involved in managing the business. We recommend a high degree of involvement of the owners in the management of the business. We do not require your owners to engage in day-to-day, on-site supervision of the business.

All individuals who own an interest in the franchisee business entity and their spouses must sign our Guaranty and Assumption of Obligations (Attachment 6 to the Franchise Agreement) and agree jointly and severally guarantee your obligations under the Franchise Agreement. These individuals must also sign our form of Confidentiality and Non-Competition Agreement (Attachment 3a to the Franchise Agreement). All persons with access to Confidential Information (see ITEM 14), including managers of the Spa Center, must sign non-disclosure agreements in the form we specify.

If you are a lay person and required to enter into a Management Agreement with a Medical Entity, we must approve the Medical Entity. The Management Agreement must also contain confidentiality, non-solicit, and non-compete provisions that will apply to the Medical Entity and its owners. We also have the right to require certain Licensed Medical Providers to enter into agreements to protect our Confidential Information. The Medical Entity will generally provide oversight of Licensed Medical Providers.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Brand Standards Manual and in other writings by us from time to time. If applicable, you must also cause the Medical Entity to provide the medical aesthetic services in a professional manner and in compliance with the brand standards.

Subject to applicable law, the Spa Center must offer all required and only the services and products we have approved. The list of required and approved services and products may change from time to time and there are no limits on our rights to change them. Subject to applicable law,

the Spa Center must not sell any services or products we have not approved. The Spa Center must discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing. If any of the Spa Center services are required to be performed by licensed individuals, only those individuals with the license may perform the services.

Your state laws may restrict nonprofessional franchisees and your non-medical staff from providing certain of the Spa Center services and instead require them to be provided by Licensed Medical Providers. Your state laws may also require that the Licensed Medical Providers be hired or contracted by a Medical Entity rather than by you. In this case you will be required to enter into a Management Agreement and provide management and administrative services to the Medical Entity. The management and administrative services you will provide are described in the Management Agreement attached to this FDD as Exhibit E. You must provide all management and administrative services we require.

We may require the Spa Center to use the services of our designated third-party financing suppliers to provide credit services and deferred payment options for clients who receive medical aesthetic services. The Spa Center will not be permitted to accept any form of insurance or government payor program.

Unless you receive our prior written approval, you must not conduct marketing activities that target clients outside of your Territory. Nevertheless, the Spa Center may provide goods and services to any client who selects that location. You must use the Premises only for the operation of the Spa Center and may not operate any other business at or from the Premises without our express prior written consent. The Spa Center must be open seven days a week unless prohibited by your landlord and agreed to by us. Unless you obtain our prior approval, no channels of distribution other than a brick and mortar business may be used.

The Spa Center must participate in and comply with the BFF Savings Program® membership programs, loyalty programs, and gift card programs that we designate. We may require the Spa Center to provide services, discounts, and other benefits to clients who were not the Spa Center's original client or who purchased the membership, gift card, etc. at another location. We have no obligation to compensate you for your participation in these programs. Currently this membership program is the BFF Savings Program®, which has multiple tiers of monthly subscription benefits. The benefits include complimentary drinks, complimentary, birthday services, bring a friend and BFF half-priced services, and regularly discounted services and products based upon membership level.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION		SECTION IN AGREEMENT	SUMMARY
a.	Length of the franchise term	Franchise Agreement § 1.1 Multi-Unit Development Agreement §1.2	Franchise Agreement: 10 years Multi-Unit Development Agreement: Months to be negotiated by parties.
b.	Renewal or extension of the term	Franchise Agreement §13 Multi-Unit Development Agreement § 1.2	Franchise Agreement: Two additional 5-year successor terms. Multi-Unit Development Agreement: No right to renew.
c.	Requirements for you to renew or extend	Franchise Agreement §13 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: Substantial compliance; timely notice; update and renovate the Spa Center; comply with then-current training requirements; maintain or substitute Premises; signing of then-current successor franchise agreement; pay successor franchise fee equal to 50% of the then-current initial franchise fee; release. If you seek a successor franchise at the expiration of the Initial Term or a Successor Term, you will be asked to sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, like different fee requirements or Territory. Multi-Unit Development Agreement: Not applicable.
d.	Termination by you	Franchise Agreement § 14.10 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: For cause, if we breach a material provision of the contract and fail to cure 90 days after written notice then you can terminate with 30 days' notice if you are compliant with the terms of your agreement. Multi-Unit Development Agreement: Not applicable.
e.	Termination by us without cause	Franchise Agreement § 14.1 and 14.2 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: Generally, we can only terminate the Franchise if you default. We also have the right to terminate if any federal, state or local regulatory body determines that the agreement violates a law and we cannot cure the issue. Multi-Unit Development Agreement: Not applicable.

PROVISION		SECTION IN AGREEMENT	SUMMARY
f.	Termination by us with cause	Franchise Agreement § 14.2 and 14.3 Multi-Unit Development Agreement § 9	Generally, we can only terminate the Franchise Agreement or Multi-Unit Development Agreement if you default. A default under any Franchise Agreement will be a default under all Franchise Agreements and Multi-Unit Development Agreements with us. A default under any Multi-Unit Development Agreement will be a default under all Multi-Unit Development Agreements with us.
g.	"Cause" defined - curable defaults	Franchise Agreement §§ 14.2 and 14.4	Franchise Agreement: failure to satisfactorily complete training; failure to pay amounts due us; misuse of the Marks; failure to manage during the prescribed days and hours or at the Premises; failure to pay taxes (unless disputed); failure to pay suppliers (unless disputed); failure to pay amounts due to us or our affiliates; failure to comply with System Standards, the Brand Standards Manual or provisions of the Franchise Agreement; failure to obtain and maintain insurance; violate any law, ordinance, rule or regulation in connection with operation of the Spa Center and failure to timely cure violation; false books and records; failure to obtain permission to conduct any out of territory activities; repeated client complaints; use of unauthorized suppliers, goods or services or sale of them; failure to comply with the terms of the membership program; other violations of the agreement or system standards. Multi-Unit Development Agreement: Failure to comply with the law, unauthorized transfer, breach of the franchise agreements.

PROVISION		SECTION IN AGREEMENT	SUMMARY
h.	"Cause" defined - non-curable defaults	Franchise Agreement §§ 14.1 and 14.3	Franchise Agreement: Bankruptcy; insolvency; adverse judgment; foreclosure, levy, appointment of receiver; determination by a regulatory body that the agreement cannot be cured to comply with the law; material misrepresentations; transfer in violation of the Franchise Agreement; failure to maintain required licenses, permits or certificates; failure to comply with law; unsafe operation of the Spa Center; failure to cure operations in order to meet state and local certifications; medical or other professional licenses restricted, suspended or revoked; criminal convictions or conduct; dishonest or unethical conduct; knowingly misusing the Brand Standards Manual or Confidential Information; failure on 3 or more occasions within 12 months to comply with the Franchise Agreement; failure on 2 or more occasions within 18 months to comply with same obligation under the Franchise Agreement; failure to timely secure and develop the Premises; under reporting of Gross Revenues by 2% or more; maintenance or submission of false books or records; failure to enter into a Management Agreement or have Licensed Medical Provider, if required; default under any other agreement with us and failure to cure the default; false books and records; impairing the value and goodwill of the Spa Center or Marks; commencing operations without approval; use of unauthorized trademark; failure to timely transfer after death or disability; abandonment of the Spa Center; other incurable defaults. Multi-Unit Development Agreement: Bankruptcy, receivership, insolvency and the like.
i.	Your obligations on termination/ nonrenewal	Franchise Agreement §15 Multi-Unit Development Agreement § 9.4	Franchise Agreement: Pay sums owed; cease use of Marks and Confidential Information; cease operations; return our property; transfer telephone, internet, and directory listings to us; payment of amounts due and amounts that would be due; cease operating Spa Center, abide by covenants, cooperate with our right to purchase assets and assign the lease; pay liquidated damages on termination; and others. Multi-Unit Development Agreement: Cease development of businesses that are not subject to a then-existing Franchise Agreement.

PROVISION		SECTION IN AGREEMENT	SUMMARY
j.	Transfer of contract by us	Franchise Agreement § 12.1 Multi-Unit Development Agreement § 6.1	We may assign the Franchise Agreement and Multi-Unit Development Agreement without limitation.
k.	"Transfer" by you - defined	Franchise Agreement § 12.2 Multi-Unit Development Agreement § 6.2	Franchise Agreement: Includes transfer of the Franchise Agreement, the Spa Center, the lease for the Premises, substantially all of the assets of the Spa Center, ownership interest in you or any of your owners, by assignment, sale, gift, or otherwise. Multi-Unit Development Agreement: Sale, transfer, or assignment.
l.	Our approval of transfer by you	Franchise Agreement § 12.2 Multi-Unit Development Agreement § 6.2	Franchise Agreement: We must consent to all transfers. Our approval will not be unreasonably withheld. Multi-Unit Development Agreement: You may not sell, transfer, or assign any right without our prior written consent, which may be withheld in our sole discretion.
m.	Conditions for our approval of transfer	Franchise Agreement §12.3 Multi-Unit Development Agreement § 6.2	Franchise Agreement: Our approval of transferee; sign then current franchise agreement; payment of transfer fee; sign release; pay all amounts and file all reports owed us; transferee has no interest in a Competitive Business; completion of training; landlord consents to transfer of lease; correction of all existing deficiencies of Spa Center; you adhere to non-competition provisions of the Franchise Agreement; and others. Multi-Unit Development Agreement: Our sole discretion.
n.	Our right of first refusal to acquire your business	Franchise Agreement § 12.7 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: We can match any offer within 30 days of receipt of information we request of your intent to transfer. Our right is reinstated if the terms change materially or the transfer is not completed in 90 days. Multi-Unit Development Agreement: Not applicable.
o.	Our option to purchase your business	Franchise Agreement § 15.5 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: We have the right upon termination, non-renewal, or expiration to purchase all your assets from the Spa Center at a purchase price equal to their fair market value (as defined in the Franchise Agreement) Multi-Unit Development Agreement: Not applicable.

PROVISION		SECTION IN AGREEMENT	SUMMARY
p.	Your death or disability	Franchise Agreement § 12.5 Multi-Unit Development Agreement: Not applicable.	Franchise Agreement: Your estate must transfer your interest in the Spa Center to a third party we approve, within six months after death or disability. Multi-Unit Development Agreement: Not applicable.
q.	Non-competition covenants during the term of the franchise	Franchise Agreement § 7 Multi-Unit Development Agreement § 7.1	Includes a prohibition on engaging in competitive business, which is a business that (i) provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application services; massage therapy services; medical aesthetic injectable treatments like neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services, or (ii) provides management services for a business or practice providing one or more of the services set forth in (i) above, or (iii) provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or (iv) any business granting franchises or licenses to others to operate the type of business specified in (i) to (iii).
r.	Non-competition covenants after the franchise is terminated or expires	Franchise Agreement § 15.4 Multi-Unit Development Agreement § 7.2	Includes a 2-year prohibition on a competitive business at the Premises, within the Territory, the territories of other Spa Centers, and within a 20-mile radius of any Glosshouz location.
s.	Modification of the agreement	Franchise Agreement § 17.8 Multi-Unit Development Agreement § 12.7	The Franchise Agreement and Multi-Unit Development Agreement may only be modified by written agreement signed by both parties.
t.	Integration/ merger clause	Franchise Agreement § 17.8 Multi-Unit Development Agreement § 12.7	Only the terms of the Franchise Agreement and Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside of this disclosure document, the Franchise Agreement, or the Multi-Unit Development Agreement may not be enforceable.

PROVISION		SECTION IN AGREEMENT	SUMMARY
u.	Dispute resolution by arbitration or mediation	Franchise Agreement § 17.5 Multi-Unit Development Agreement § 11	Except for certain claims, all disputes not first settled informally must be arbitrated in Centennial, Colorado.
v.	Choice of forum	Franchise Agreement §§ 17.5 and 17.6 Multi-Unit Development Agreement § 12.6	Arbitration in Centennial, Colorado; Colorado courts (if any), which provision is subject to individual state laws.
w.	Choice of law	Franchise Agreement § 17.6 Multi-Unit Development Agreement § 12.6	Colorado, except federal Lanham Act and Federal Arbitration Act, which choice of law is subject to individual state laws.

For information particular to your state, please see the state addenda in Exhibit G.

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item sets forth certain information regarding the performance of one Standard Format Spa Center operated in Centennial, Colorado. This Spa Center is owned by our affiliate and has been open and operating since May 2016. The affiliate owned and operated Standard Format Spa Center included in this financial performance representation is substantially similar to the Standard Format Spa Center for which we are offering franchises in this disclosure document, and its services are the same as those to be offered and sold by franchised Spa Centers. As of the date of this disclosure document, we do not have any franchisees and do not include the performance of any franchisee owned Spa Centers in this disclosure. When a year is referenced in the tables below it refers to an entire calendar year (January 1 to December 31).

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

Table 1: Total Income, Gratuities, Gross Revenues, and
Revenues Generated by BFF Savings Program Members
2021, 2022, and 2023

	2023	2022	2021
Total Income [1]	$3,507,190	$3,317,492	$2,674,581
Gratuities [2]	$217,401	$222,698	$161,751
Gross Revenues of the Spa Center [3]	$3,289,789	$3,094,794	$2,512,830
Retail, Membership & Other Income [4]	$258,730	$207,828	$139,512
Hair & Nail Services	$445,386	$390,049	$269,422
Spa Services	$688,672	$786,470	$638,215
Medspa Services	$1,897,001	$1,710,447	$1,465,681
Revenues Generated from BFF Savings Program Members [9]	$2,364,447	$1,922,026	$1,455,234
Percent of Gross Revenues of the Spa Center Generated by BFF Savings Program Members	72%	62%	58%

Table 2: Net Income
2022 and 2023

	2023	2022
Total Income [1]	**$3,507,190**	**$3,317,492**
Gratuities [2]	$217,401	$222,698
Gross Revenues of the Spa Center [3]	**$3,289,789**	**$3,094,794**
Cost of Goods Sold [4]	$1,070,103	$926,677
Wages [5]	$1,061,723	$1,019,502
Operating Expenses [6]	$365,844	$383,565
Franchise Costs [7] Royalties (6% of Gross Revenues) Brand Fund (2% of Gross Revenues)	$197,387 $65,796	$185,688 $61,896
Net Income [8]	**$528,936**	**$517,466**

Notes for Table 1 and Table 2

Note 1: “Total Income” means Gross Revenues of the Spa Center plus Gratuities.

Note 2: “Gratuities” means the tips and other gratuities paid to staff who provide the services.

Note 3: “Gross Revenues of the Spa Center” means the total revenue derived from the sale of goods and services at the Spa Center, whether or not those goods and services were provided by a lay entity or by a Medical Entity. “Gross Revenues of the Spa Center” includes redemptions of coupons, gift cards, gift certificates, or vouchers, medical aesthetic rebates that are redeemed, and the proceeds of any business interruption insurance. “Gross Revenues of the Spa Center” excludes tips and gratuities paid directly to staff and amounts collected and paid for any sales or excise tax.

Note 4: “Retail, Membership & Other Income” means revenue derived from the sale of retail items and BFF Savings Program Memberships, advertising rebates, payments for events and promotions, and any other income.

Note 5: “Cost of Goods Sold” means costs of products needed to provide the services at the Spa Center, including products for medical aesthetic services.

Note 6: “Wages” means all employment payroll and payroll taxes paid for employee wages as well as payments to contractors. “Wages” does not include any owner compensation. “Wages” does not include tips and gratuities.

Note 7: “Operating Expenses” encompasses all expenses incurred as part of operating the Spa Center including rent, local advertising, technology costs, insurance, utilities, staff benefits, maintenance, laundry, cleaning, office supplies, general supplies, training expense, recruitment expense, and all other operational expenses incurred by the business. Although our affiliate does not have a franchise agreement whereby it is obligated to spend the required amount on local advertising, the amounts that our affiliate spent on local advertising match or exceed the amounts you will be obligated to spend under your Franchise Agreement, which is $625 per week (or $32,500 per year).

Note 8: You must consider your franchised business’s required Royalty Fees and Brand Fund contributions. Under the Franchise Agreement, you are required to pay to us Royalty Fees in the amount of 6% of Gross Revenues and currently must contribute to the Brand Fund 2% of Gross Revenues. Our affiliate did not make these expenditures, but the amounts the affiliate would have paid are reflected in the table above.

Note 9: “Net Income” means Gross Revenues of the Spa Center less Costs of Goods Sold, Wages, Operating Expenses, and Franchise Costs. Net Income is before income tax, depreciation, and amortization.

Note 10: “Revenue Generated from BFF Savings Program Members” means the Gross Revenues of the Spa Center that are attributed BFF Savings Program Member purchases of membership subscriptions, goods, and services during the year indicated. This demonstrates the significance of the revenue generated by BFF Savings Program Members as opposed to revenue generated by clients that may be one-time or repeat visitors but are not BFF Savings Program Members.

Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you will sell or earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Loni Le Van-Etter, 8171 S. Chester St., Centennial, CO 80112, the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	**2021**	**1**	**1**	**0**
	2022	**1**	**1**	**0**
	2023	**1**	**1**	**0**

Table 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	**2021**	**0**
	2022	**0**
	2023	**0**

Table 3
Status of Franchised Outlets
For Years 2021 to 2023

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
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

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
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4
Status of Company-Owned Outlets
For Years 2021 to 2023

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
Colorado	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	**2021**	**1**	**0**	**0**	**0**	**0**	**1**
	2022	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**

Table 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchise Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	0	2	0
Total	**0**	**2**	**0**

The names, addresses, and telephone numbers of our current franchisees appear in Exhibit B.

The name, city and state, and current business telephone number (or if unknown, the last known home telephone number) franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year or have not communicated with us within 10 weeks of the date of this disclosure document are identified on Exhibit C. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed a confidentiality clause during our last 3 fiscal years that would restrict their ability to speak openly about their experience with us. As of the date of this disclosure document, there are no Glosshouz franchisee associations in existence regardless of whether or not they use our trademark.

ITEM 21. FINANCIAL STATEMENTS

Exhibit I includes our audited financial statements dated December 31, 2023 and December 31, 2022. Because we have not been franchising for three years or more, we do not have three years of audited financial statements. Our fiscal year ends December 31.

ITEM 22. CONTRACTS

The following contracts are attached to this Disclosure Document:

- Franchise Agreement (with Attachments)
- Management Agreement (with Attachments)
- Waiver of Management Agreement (with Attachments)
- General Release
- Multi-Unit Development Agreement (with Attachments)

ITEM 23. RECEIPTS

The last two pages of this Disclosure Document (Exhibit M) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this Disclosure Document.

EXHIBIT A
FEDERAL AND STATE REGULATORY AUTHORITIES

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

FEDERAL TRADE COMMISSION

Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA:
Commissioner of Financial Protection & Innovation
Dept. of Financial Protection and Innovation
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

HAWAII:
Commissioner of Securities
of the State of Hawaii
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
Telephone: (808) 586-2722

ILLINOIS (Registered Agent):
Tanya Solov, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):
Kwame Raoul
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:
Chris Naylor, Securities Commissioner
Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

MARYLAND (Registered Agent):
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

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

MICHIGAN (Regulatory Authority):
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):
Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:
Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st FL
New York, NY 10005
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA:
North Dakota Securities Department
Fifth Floor State Capitol, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

RHODE ISLAND:
Division of Securities
1511 Pontiac Ave.
John O. Pastore Complex-Bld 69-1
Cranston, RI 02920
Telephone: (401) 462-9500

SOUTH DAKOTA:
Division of Insurance
Securities Regulation
124 S. Euclid, Ste. 104
Pierre, SD 57501
Telephone: (605) 773-3563

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)
State Corporation Commission,
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

WASHINGTON:
Address for Service of Process:
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
Telephone: (360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO Box 14200
Olympia, WA 98504-1200

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

EXHIBIT B
CURRENT FRANCHISEES

None as of December 31, 2023.

EXHIBIT C
FORMER FRANCHISEES

Below are franchisees who had a Franchise Agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year or have not communicated with us within 10 weeks of the date of this Franchise Disclosure Document. If you buy this franchise your contact information may be disclosed to other buys when you leave the franchise system.

None as of December 31, 2023.

EXHIBIT D
FRANCHISE AGREEMENT

GLOSSHOUZ USA LLC

FRANCHISE AGREEMENT

TABLE OF CONTENTS

		Page
INTRODUCTION		1
1.	GRANT OF FRANCHISE; TERRITORY	2
2.	DEVELOPMENT OF THE SPA CENTER	7
3.	FEES	11
4.	TRAINING AND ASSISTANCE	14
5.	INTELLECTUAL PROPERTY	17
6.	CONFIDENTIAL INFORMATION	20
7.	EXCLUSIVE RELATIONSHIP	21
8.	SYSTEM STANDARDS	22
9.	MARKETING	33
10.	RECORDS, REPORTS AND FINANCIAL STATEMENTS	38
11.	INSPECTIONS AND AUDITS	39
12.	TRANSFER	40
13.	EXPIRATION OF THIS AGREEMENT	45
14.	TERMINATION OF AGREEMENT	46
15.	OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION, NON-RENEWAL OR EXPIRATION OF THIS AGREEMENT	51
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	56
17.	ENFORCEMENT	59
18.	NOTICES AND PAYMENTS	64
19.	ACKNOWLEDGMENTS	65
20.	MISCELLANEOUS	66

Attachments

- Attachment 1: Territory and Fees
- Attachment 2: Listing of Ownership Interests
- Attachment 3a: Nondisclosure and Noncompetition Agreement
- Attachment 3b: Nondisclosure and Non-Solicitation Agreement
- Attachment 4: Assignment Agreement
- Attachment 5: Lease Rider
- Attachment 6: Guaranty and Assumption of Obligations
- Attachment 7: Electronic Funds Transfer Authorization Form
- Attachment 8: Business Associate Agreement
- Attachment 9: Flat Fee Addendum

Glosshouz USA LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into as of the _____ ("Effective Date") (regardless of the dates of the parties' signatures) by and between: Glosshouz USA LLC, a Delaware limited liability company ("we," "us," or "our"), and _____, a _____ ("you" or "your").

INTRODUCTION

A. We and our affiliate(s), because of the expenditure of time, skill, and effort have developed (and continue to develop and modify) a system ("System") for the development, management, operation, and administration of full-service spa centers featuring luxurious amenities in a sophisticated setting. The System currently includes without limitation, creation of a unique client experience, our procedures for sales and operations, proprietary arrangement of technologies, quality and uniformity of services and products offered, BFF Savings Program® innovative client loyalty program, staff retention programs, system and procedures for franchisee business management training and assistance, comprehensive process for service provider training utilizing approved step-by-step protocols, easy-to-manage food and beverage operations, developed compliance adherence processes, advertising and promotional programs, business formats, methods, procedures, our interior and exterior design, state-of the-art applications and technology, special décor elements, layout, furnishings, fixtures, brand guide and color schemes, digital asset management, display units, graphics and designs, sign standards, quality and quantity of equipment, inventory and ordering processes, floorplan layouts, standards, and specifications, which we may change, improve and further develop from time to time.

B. The Glosshouz spas will operate under the "Glosshouz" name and Marks (defined below) and according to our System. The Glosshouz business that you will own, manage, administer and operate under the System is referred to as the "Spa Center".

C. We have the right to use, promote, and license certain trademarks, service marks, and other commercial symbols in connection with Spa Centers, including the mark "Glosshouz," which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Spa Centers (collectively, the "Marks").

D. We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Spa Center using our System and Marks.

E. You have applied for a franchise for a Spa Center. Your application has been approved by us in reliance upon all of the representations made in your application, including those concerning your financial resources and the manner in which the Spa Center will be owned and operated. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System's high standards of quality and service and the uniformity of those standards at all Spa Centers and thereby agree to protect and preserve the goodwill of the Marks, and you must comply with this Agreement and all System Standards (as defined below) in order to maintain the high and consistent quality that is critical for Spa Centers.

F. For purposes of this Agreement, the term "affiliate" shall mean an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

G. As used throughout this Agreement, the term "Spa Center" refers to the total operations of the Glosshouz business including the provision of the any medical services through properly qualified personnel. The term, "Franchised Business" refers to the business that you will operate as the franchisee. If applicable law permits the Franchised Business to directly provide all of the services under the System, or directly contract with personnel to provide all of the services under the System, then the terms Franchised Business and Spa Center will be synonymous. If applicable law requires certain services to be provided by a Medical Entity (defined below), then the Franchised Business will refer only to the management and other services that you as a franchisee provide.

1. GRANT OF FRANCHISE: TERRITORY

1.1 Grant of Franchise. Subject to this Agreement, we grant you the right and license ("Franchise") to locate a Spa Center at the "Premises" set forth in Attachment 1, to own and operate the Franchised Business and use the System at the Premises for a term beginning on the Effective Date and expiring ten (10) years thereafter ("Initial Term"), unless sooner terminated as provided herein. You agree to always perform your obligations under this Agreement faithfully, honestly, and diligently and to use your best efforts to promote the Spa Center. Subject to applicable law, you must identify the Spa Center and all of the products and services provided through it only by the Marks. You have no right to use the System or the Marks for any other purpose other than as expressly provided herein. We and our affiliates reserve any and all rights not expressly granted to you under this Agreement.

1.2 Territorial Rights

(a) After the Premises are accepted as set forth in Section 2.1, the description of the "Territory" will be described either in Attachment 1 or the Site Selection Acceptance Letter (described in Attachment 1). Except as provided for below, and if you and the Spa Center are in full compliance with this Agreement, we and our affiliate(s) will not operate or grant a franchise for the operation of another brick-and-mortar spa operating under the System and the Marks during the Initial Term.

(b) You may not advertise, solicit, or market outside your Territory unless we grant you prior permission. You may not sell products or provide services outside of your Territory or off-Premises unless we grant you prior permission. If you obtain our prior permission, you must follow our policies regarding any out-of-Territory or off-Premises activity. If we grant you permission to conduct any out-of-Territory or off-Premises activity, you do not receive any additional territory or exclusivity rights. We have the right to terminate or suspend your approval to conduct any out-of-Territory or off-Premises activities. You and the Spa Center do not have the rights to sell any items or any other channel of distribution, including the products and services available at other retail sites, Internet, catalog sales, telemarketing, wholesale, or other direct marketing.

(c) You recognize and acknowledge that (i) you and the Spa Center will compete with other Glosshouz businesses which are now, or which may in the future be, located near or adjacent to your Territory and (ii) that such businesses may be owned by us, our affiliates, and/or third parties.

(d) You have no right of first refusal or other options to open any additional Glosshouz businesses.

1.3 Rights We Reserve. We grant franchises and the rights to develop and operate Glosshouz businesses only pursuant to the express terms of written agreements and not orally. All rights that are not granted to you in this Agreement are specifically reserved to us, and we will not be restricted in any manner from exercising them nor will we be required to compensate you should we exercise them. This includes the right, directly or through others and regardless of either (i) proximity to your Premises or Territory or (ii) any actual or threatened impact on sales of the Spa Center to:

(a) use the Marks and System in connection with establishing and operating Glosshouz businesses at any location outside the Territory;

(b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or products) or services anywhere in the world (including within the Territory), whether or not you also offer them, through channels of distribution other than a brick and mortar spa that operates using the Marks and the System, including, for example, other kinds of retail locations, catalogs, mail order, or the Internet, e-commerce, or other electronic means;

(c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory);

(d) use the Marks in connection with soliciting or directing advertising or promotional materials to clients anywhere in the world (including within the Territory); and

(e) whether through ourselves, our affiliates, or third parties, through any channel of distribution, use the Marks or other marks to offer, sell, and provide goods and services other than those you are authorized to offer and sell under the then-current System (including within the Territory).

1.4 Modification of the System. You understand and agree that we may develop and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, to vary System Standards for any franchisee or any Spa Center based upon any conditions that we consider important to that franchisee's or Spa Center's operation. You may request that we grant you a variation or accommodation, but we have no obligation to do so. You acknowledge that the System, the services, and products offered by the Spa Center may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, products, and services) from time to time by us; and you agree to comply, at your expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. You agree there is no limit to our ability to modify the System. You may be required to pay additional or increased fees to us, our affiliates, or third-party suppliers, as a result of these System changes. You recognize and acknowledge that changes to the system may require modification of the structure of the Spa Center's operations, ownership, and contractual relationships, including the requirement to have Licensed Medical Providers (defined below) provide services at the Spa Center or entering into a Management Agreement (defined below) with a Medical Entity (defined below), and you agree to comply with all laws that may be applicable due to a change in the System.

1.5 Corporation, Limited Liability Company, or Partnership. At all times during the Initial Term, you must be a corporation, limited liability company, or general or limited partnership (collectively, an "Entity") duly organized or formed and validly existing in good standing under the laws of the state of your formation. You additionally agree and represent:

(a) You have the authority to sign, deliver, and perform your obligations under this Agreement and all related agreements.

(b) You will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Agreement.

(c) Your organizational documents, operating agreement, partnership agreement, or ownership certificates, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions.

(d) Attachment 2 to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date.

(e) Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised Attachment 2 to reflect any permitted changes in the information that Attachment 2 now contains.

(f) Each of your owners and that person's spouse, will sign a guaranty, in the form we prescribe, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is set out in Attachment 6.

1.6 Structure and Operation of Spa Center.

(a) Laws applicable in your jurisdiction may require Licensed Medical Providers to provide one or more of the Spa Center services. "Licensed Medical Providers" means personnel who are licensed to provide medical services, practice medicine, or practice nursing, including physicians, nurses, or physician assistants. Laws may also require a professional business entity owned by licensed medical professionals ("Medical Entity") to hire or contract with the Licensed Medical Providers, provide the medical services, and/or provide oversight for the Licensed Medical Providers. You and your staff who are not Licensed Medical Providers will provide non-medical goods and services directly to clients. Nevertheless, applicable law may still require non-medical services to be provided by professionally licensed staff. You shall not provide any actual medical services, nor shall you supervise, direct, or control the Medical Entity or its Licensed Medical Providers or employees, nor the manner in which the Medical Entity or its Licensed Medical Providers provides or may provide medical care services to its clients.

(b) If applicable, prior to commencing operations of the Spa Center, you must enter into a Management Agreement ("Management Agreement") we approve with whereby you will provide management and administrative services and support consistent with the System, to support the Medical Entity's medical practice and its delivery of medical services and related products to clients, consistent with all applicable laws and regulations. You may not sign the final Management Agreement with the Medical Entity before you obtain our prior written approval of

the agreement. Our approval of the Management Agreement is not a representation or warranty regarding the effectiveness of, compliance with applicable law, or other merits or risks of the Management Agreement. The Management Agreement must remain in effect with a Medical Entity at all times during the operation of the Spa Center and the Initial Term. You and the Medical Entity may not amend the Management Agreement before you obtain our prior written approval of the terms of any such amendment. If applicable, the Medical Entity shall employ and control all Licensed Medical Providers. The Management Agreement shall be deemed to amend this Agreement where necessary to reflect that you will be administering and managing the Spa Center and not in any way practicing medicine, practicing nursing, or providing medical services.

(c) You must obtain our approval of the Medical Entity candidate. We are not obligated to assist you in finding a Medical Entity candidate. Neither our approval of the Medical Entity nor any of our incidental efforts to help you find a suitable Medical Entity will make us liable for the performance of the Medical Entity. Our involvement in approving or incidental help in locating a suitable Medical Entity will not give us the right to directly or indirectly impinge on or interfere with the ability of the Licensed Medical Providers to exercise professional judgment in practicing medicine or nursing and providing medical services. We have the right but not the obligation to make recommendations as to Medical Entity(ies), Licensed Medical Providers, and/or Licensed Medical Providers. We also have the right to require you to use a designated Medical Entity and/or Licensed Medical Providers. Our recommended or required parties may have a history with the Glosshouz brand, and, as permitted by law, have common ownership with or financial interests in us or our affiliates, and we the same with them.

(d) Neither you nor we shall have any control with respect to the fees charged by the Medical Entity for the services it renders to its clients. The Medical Entity shall be solely responsible for and have full authority and control over the practice of medicine or practice of nursing and the provision of medical services by or at the Spa Center and other aspects of the practice of medicine, practice of nursing, or provision of medical services, including: (i) the control of a client's medical records, including determining the contents thereof; (ii) the selection, oversight, and hiring/firing (as it relates to clinical competency or proficiency) of Licensed Medical Providers; (iii) setting the parameters under which Licensed Medical Providers will enter into contractual relationships with third-party payers; (iv) final decisions regarding coding and billing procedures for medical services; (v) approving of the selection of medical equipment and medical supplies for the Spa Center; (vi) the determination of fees for such care, goods and services; (vii) diagnostic tests, treatment plans, clinical necessity and course of care and the necessity and appropriateness of the foregoing; (viii) hours of operation and scheduling of clients and Licensed Medical Providers, including determining how many clients Licensed Medical Providers must see in a given period or how many hours a Licensed Medical Provider must work; (ix) determining the need for referrals to or consultation with another healthcare provider; (x) equipment and supplies used in treating each client; and (xi) any and all other matters included within the definition of "medicine," "nursing," "practice of medicine," or "practice of nursing" under applicable laws governing the providing of medical services.

1.7 Representations and Warranties.

(a) You understand and agree that you are solely responsible for operating the Franchised Business and causing the Spa Center to be operated in full compliance with all laws. Applicable laws may include Medical Regulations. "Medical Regulations" include without limitation, federal, state and local regulations relating to the practice of medicine and practice of nursing and the operation and licensing of medical services, the relationship of providers and suppliers of health care services, anti-kickback laws, restrictions or prohibition on fee splitting,

self-referral restrictions, telemedicine requirements, laws applying to prescriptions, payment systems for medical benefits available to individuals through insurance and government resources, privacy and security of client records, use of medical devices, advertising of medical services, or any other law applicable to the provision of medical services as they may be revised, enacted to or otherwise modified after the date of this Agreement.

(b) You represent and warrant to us that you have conducted independent research regarding the Medical Regulations that are applicable to spas, medical spas, and medical services generally, and the Spa Center specifically in the Territory, including retaining the services of qualified professional advisers. You acknowledge and agree that if there are (i) any changes in Medical Regulations, (ii) changes in the goods and services that you offer at the Spa Center, or (iii) changes to the System, that would render your operation of the Franchised Business and/or Spa Center in violation of any Medical Regulation you will immediately advise us of such change and of the corrective actions you propose to take in order to come into compliance with Medical Regulations, including (if applicable) entering into or modifying a Management Agreement with a Medical Entity, both of which we must approve. You represent and warrant to us that you understand you are solely and exclusively responsible to ensure that the Spa Center is operated, and that all services and goods the Spa Center and/or the Franchised Business offer are rendered, in accordance with all applicable laws, including the Medical Regulations. You represent and warrant to us that you have engaged the services of legal counsel knowledgeable in the Medical Regulations to (i) to help you determine if one or more of the Spa Center services is required to be provided by Licensed Medical Providers; (ii) to advise you on the applicable laws; (iii) to counsel you on compliance with applicable laws; (iv) to advise you on the permitted structure of the ownership and operations of the Franchised Business and/or Spa Center in your jurisdiction; and (v) to assist you in compliance with all licensing requirements for the Franchised Business and/or Spa Center, its personnel, and Licensed Medical Providers, as applicable.

(c) You represent and warrant that the structure, entity, and agreements you select for ownership and operations of the Franchised Business and/or Spa Center, its relationship to, as applicable, Licensed Medical Providers and a Medical Entity are compliant with and permitted by applicable law, including Medical Regulations.

(d) You acknowledge and agree that we have made no determination of which goods and services provided at the Spa Center constitute goods and services that are subject to the Medical Regulations or which are required to be provided by Licensed Medical Providers.

(e) Nothing in this Agreement, the Brand Standards Manual, the training provided, or otherwise shall be interpreted as authorizing us to exert control over the delivery of medical services, to the extent that any such services require the judgment, treatment, and/or action of a Licensed Medical Provider in the applicable jurisdiction of the Spa Center. Such judgment, treatment, and/or action shall be exclusively determined by a Licensed Medical Provider and the Brand Standards Manual shall be interpreted consistently therewith.

(f) Any training and assistance we provide relates solely to the performance of activities not regulated by Medical Regulations; under no circumstances shall training and assistance constitute the practice of medicine or nursing or providing of medical services. Under no circumstances will our standards, procedures, requirements relate to the delivery of medical services or the practice of medicine or nursing.

2. DEVELOPMENT OF THE SPA CENTER

2.1 Location Acceptance

(a) You must lease, sublease, or acquire a site for the Spa Center, in accordance with all applicable laws. You must have a site to us for acceptance and secured your location no later than six (6) months of the Effective Date of this Agreement (with the target being three (3) months). If you fail to do so, you will be in default and we will have the right to terminate this Agreement. Upon our acceptance of a location, and after you secure the location, that location will be the "Premises" for the Spa Center. If required by us, you must use a real estate agent and/or broker that we designate or approve. We will assist you in your location selection process by providing you with our location guidelines and criteria, some of which may be mandatory or recommended. For a fee per visit, we or our designee will perform an on-site evaluation as we deem advisable in response to your request(s) for site acceptance.

(b) You agree to obtain our written acceptance of the proposed location for the Spa Center before signing any lease, sublease, purchase agreement, or other document for the site. You acknowledge that our acceptance is not a guaranty, warranty, promise or representation that the proposed location will be successful or attain any level of income or profit. Our acceptance merely indicates that the proposed location meets our criteria for Spa Centers. You acknowledge and agree that we will have no responsibility for, or liability to you for, any site review, analysis, evaluation, or recommendation undertaken by or on behalf of any real estate broker or advisor used or retained by you, even if such broker or advisor was approved or recommended by us.

(c) You must submit to us, in the form we specify, a site selection package which must include a copy of the site plan, financial information, and such other information or materials as we may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We will have thirty (30) days after our receipt from you of a complete site selection package and request for acceptance and such information and materials as we may request, to accept or reject, the proposed site as the location for the Spa Center. In the event we do not accept a proposed site by written notice to you within said thirty (30) days, such site will be deemed rejected by us. You must obtain lawful possession of the Premises through a lease or purchase within thirty (30) days after acceptance of the site by us. If the site is rejected you must promptly submit another site selection package for another site. You must obtain our acceptance of the lease for the Premises, as applicable. All leases pertaining to the Premises shall also include an Addendum in the form of Attachment 5 attached hereto, or shall contain terms and conditions substantially similar to those contained in Attachment 5 which we have approved in writing. You shall deliver a copy of the signed lease, sublease or lease assignment to us within ten (10) days of its execution. The term of the leases plus all options for you to renew shall together equal or exceed the Initial Term.

(d) Unless you receive prior written approval from us, you may operate the Spa Center only from the Premises, and you may not relocate the Spa Center except with our prior written consent. Any site to which you desire to relocate must meet our then-current standards. Additionally, you will pay us a relocation fee equal to thirty-five percent (35%) of the then-current initial franchise fee. Half of the relocation fee will be due at the time you request our review of the new site and half will be due at the time we notify you of our acceptance of the site.

(e) The Premises may be used only for the operation of a Spa Center and other related activities approved by us in writing. You shall not allow the Premises of the Spa Center to be used for any other purpose.

2.2 Spa Center Development

(a) You are solely responsible for developing the Spa Center, including completing the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the Spa Center in full and strict compliance with plans and specifications accepted by us, the brand standards, and all applicable statutes, rules, ordinances, building codes and permit requirements. You assume all associated costs, liability, expense, and responsibility. Despite your sole responsibility, we can require you to use our designated or approved supplier of construction management services and to pay all associated fees to us or the third parties we designate. Currently, the construction management services fee is a fee up to Thirteen Thousand Dollars ($13,000). Such construction management services may include selecting an architect and general contractor, reviewing bids, monitoring construction, and verifying that construction complies with the brand standards and specifications.

(b) We may provide certain recommended or required specifications for your Premises, including a general, prototypical recommended layout and design. These recommended or required specifications may include, without limitation, requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. You are solely responsible for ensuring any specifications or designs we provide to you are modified by your architect for compliance with applicable ordinances, building codes, and permit requirements. You must present us with the architectural, engineering, and design plans for the Spa Center and obtain our acceptance of them before commencing any construction or remodeling. You must obtain our acceptance of any material deviations from the construction plans previously accepted. We may provide mandatory and recommended specifications for the recommended or required equipment, fixtures, furniture, décor, materials, signs, and supplies. The duty to provide you with the foregoing is only to the extent that we have them, and nothing shall require us to create a standard or specification where we have none.

(c) We require you to use an architect and general contractor that we approve. If you request that we review an architect or general contractor that we have not previously approved, you agree to pay us a fee. Our review of an architect or general contractor does not obligate us to provide approval, which we may grant in our sole discretion.

(d) You agree to do the following, at your own expense, to develop the Spa Center at the Premises: (i) secure all financing required to develop and operate the Spa Center and (ii) purchase or lease, and install, all required fixtures, furniture, equipment, Technology (as defined below), inventory, supplies, décor, materials, and signs (collectively, “Business Assets”) for the Spa Center. You must purchase from us or our affiliate a package of opening inventory items and supplies and pay the associated fees.

(e) It is your sole responsibility to make sure that the design and construction of the Spa Center and the Premises are in compliance with all applicable laws and regulations including without limitation, the Americans with Disabilities Act. The Franchisee Indemnifying Parties shall indemnify and hold the Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Spa Center fail in any way to comply with any applicable laws, including, without the limitation, the Americans with Disabilities Act.

(f) During the course of the construction and development of the Spa Center, you will (and cause the architect, engineer, contractors, and subcontractors to) cooperate fully with us and our designees for purposes of permitting us and our designees to inspect the Premises, the architectural, engineering, and design plans, and course of development. If we request, you will submit to us reports, photographs, and samples showing progress being made at the frequency prescribed by us.

2.3 Business Assets. The Spa Center may only use only those Business Assets that we approve for Spa Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, lettering, logos, and display materials that we approve from time to time, subject to, and only in strict compliance with, the local rules and regulations regarding the operation and advertising of or for a spa. You agree to purchase or lease approved brands, types, or models of Business Assets only from suppliers we designate, suggest or approve (which may include or be limited to us and/or our affiliate(s)). The foregoing is only to the extent that we have them, and nothing shall require us to provide a designation, suggestion, or approval where we do not have a requirement. You and we acknowledge and agree that the selection and use of any Business Assets, used in connection with medical services provided by the Medical Entity will be subject to the Medical Entity's approval based on the professional opinion of the Licensed Medical Providers.

2.4 Technology.

(a) You must obtain and use the Technology we require from time to time. "Technology" means hardware; electronics; computer systems; mobile devices; applications; software, online services, and cloud-based systems; communications links, systems, providers, and applications; robotics; and other technologies available now or developed in the future, including practice management systems and/or electronic medical records systems. We may modify specifications for and components of the Technology. Our modification of specifications for the Technology might require you to purchase, lease, and/or license new or modified Technologies and to obtain service and support for the Technologies. There are no limitations on the frequency or cost of your obligations to change, upgrade, and update your Technologies. We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Technologies. Although we cannot estimate the future costs of the Technology or required service or support, you agree to incur the costs of obtaining the components comprising the Technology. You must ensure that the installation and operation of the Technology complies with all laws, including the Medical Regulations.

(b) We may develop proprietary or non-proprietary Technology. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us commercially reasonable fees and/or enter into license agreements directly with suppliers. Additionally, if we enter into a license agreement with a supplier and sublicense the Technology to you, we may charge you for all amounts we pay to the supplier based on your use, plus a reasonable amount to compensate us for the services that we or our affiliate provide.

(c) Despite the fact that you agree to buy, use, and maintain the Technology according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Technology; (2) the manner in which your Technology interfaces with our and any third party's computer system; and (3) any and all consequences if the Technology is not properly operated, maintained, and upgraded. You may

not install any software, other than authorized upgrades, or make any hardware modifications to the Technology that might hamper or interfere with the operation of the Technology in the manner we require.

(d) Data that we reasonably believe to be necessary or desirable for the operation or management of the Spa Center is or may be currently stored on your Technology, subject to your and our compliance with the applicable requirements of all applicable state and federal laws and regulations, including Medical Regulations like HIPAA as they may be amended from time to time. We and our agents shall have the right to access all information related to the operation of the Spa Center that is accessed or stored on the Technology, whether in-person or from a remote location, without the need for your consent, at the times and in the manner we prescribe and you must establish and maintain your Technologies so that we can exercise this right 24/7. We may use data from the Technology in any way we deem fit. There is no limitation on our right to access your Technology. You must provide us with usernames, passwords, and other login credentials needed to access your Technology. All of the foregoing is subject to applicable laws.

(e) Neither we nor our affiliates are responsible for, nor shall be liable to any party, for any loss of data related to your business or the Spa Center, including in circumstances where we or our affiliate is the supplier of the Technology with which the data is collected, maintained, stored, or processed and in circumstances where we have required you to use a specific Technology provider. You are solely responsible for the backing up and storage of data related to your business and the Spa Center. You are solely responsible for retaining data in compliance with the requirements of any law, rule, or regulation.

(f) You acknowledge and agree that changes to Technology are dynamic and not predictable. To provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of Technology in the System; and you agree that you will abide by those reasonable new standards established by us, at your sole cost and expense. You may be required to pay additional or increased fees to us, our affiliates, or third-party suppliers, as a result of these changes to Technology. You may be required to purchase new or additional Technology.

(g) You agree to pay us a one-time fee approximately ninety (90) days before you open the Spa Center for our assistance in configuring some of the Technology for Spa Center operations.

2.5 Opening of the Spa Center. You agree not to open the Spa Center until:

(a) we notify you in writing that the Spa Center meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Spa Center complies with any licensing, labor, building, fire, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(b) you have retained legal counsel to advise you on all applicable federal, state and local laws, rules and regulations and to counsel you on your compliance with them, including those regarding licensure and structure of the Spa Center's ownership and operations and Medical Regulations;

(c) you have identified a Medical Entity, the Medical Entity and you have signed the Management Agreement, and the Medical Entity has engaged the services of the sufficient Licensed Medical Providers;

(d) you have received all required state and local government certifications, permits and licenses necessary for the operation of the Spa Center, including any required licenses and certifications for its personnel;

(e) your Spa Manager and at least one owner (if an owner is not the Spa Manager) has satisfactorily completed all training that we require;

(f) you pay the initial fees and all other amounts then due to us;

(g) you have signed all agreements required prior to the opening of the Spa;

(h) you, your owners, and affiliates are not in default under or in violation of any agreements by and between you, you owners, or affiliates and us or any of our affiliate(s) or suppliers;

(i) you give us certificates for all required insurance policies; and

(j) you have received our express authorization to open.

Subject to your compliance with these conditions, and except as we may otherwise approve, you agree to open the Spa Center for business within fifteen (15) months of the execution of this Agreement.

2.6 Telephone. You shall establish a local telephone number for the Spa Center. You shall keep us notified as to the current telephone number for the Spa Center. In no event shall you use such number for any other business. You further covenant that in the event you obtain any additional or substitute telephone service or telephone number at the Spa Center, including any personal cellphone numbers, you will promptly notify us and such additional or substitute number shall be subject to the terms of this subsection. You agree to assign all such numbers to us on our request.

3. FEES

3.1 Initial Franchise Fee. You agree to pay us a nonrecurring initial franchise fee, in the amount set forth in Attachment 1. This fee is due when you sign this Agreement. The initial franchise fee is nonrefundable.

3.2 Royalty. In consideration of the license granted to use the Marks and the System, you agree to pay us, the amount set forth on Attachment 1, in the manner provided in Attachment 1 (or as the Brand Standards Manual otherwise prescribes), a recurring weekly fee ("Royalty Fee). The Royalty Fee must be transmitted in the manner we specify, which may include, as provided for in Section 3.6, an automatic, electronic debit of funds on a weekly basis. You may be required to fill out authorization for EFTA through online or other methods as we require. As requested by us, you agree to send us a signed statement certifying to the Gross Revenues for the time periods we designate. The Royalty Fee shall not commence until the Spa Center has opened for operations. State law may also prohibit us from receiving a royalty based upon your sale of

alcoholic beverages. We have the right to adjust the royalties on the sale of other goods and services at the Spa Center if these laws apply in your jurisdiction.

3.3 Technology Fee. You agree to pay us our then-current "Technology Fee" for our implementation and maintenance of technologies to be accessed and used by our franchisees. We have the sole right to change, modify, delete, and add goods and services provided for the Technology Fee. We have the right to increase this fee with thirty (30) days' notice. You agree to pay us the Technology Fee, as adjusted from time to time by us.

3.4 Insufficient Funds, and Interest. All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees and interest. You acknowledge that this Section 3.4 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Spa Center. We reserve the right to charge you up to Two Hundred and Fifty Dollars ($250) per occurrence for failure to have sufficient funds available for payments due to us.

3.5 Application of Payments. Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliate(s) or key suppliers against any amounts we or our affiliate(s) owe you or your owners. You may not offset or withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.6 Method of Payment. Before the Spa Center opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty Fee, and other amounts due under this Agreement and for your purchases from us and/or our affiliate(s) ("EFTA"). Our current form of EFTA document is attached as Attachment 7. You must advise us at least fifteen (15) days prior to any change in your business checking account or financial institution and no change will be permitted without our prior authorization. We will debit the account subject to the EFTA for these amounts on their due dates. You agree to ensure that funds are available in the account subject to the EFTA to cover our withdrawals. Notwithstanding the foregoing, our access to your business checking account by EFTA shall be utilized by us only for your payments required under this Agreement. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever we deem appropriate. We may require the payments, or automatic debits, be made more or less frequently than specified under the due date of a specific fee. You agree to comply with our payment instructions as they may be modified from time to time. You must comply with all of our payment policies, procedures, and requirements, as described in the Brand Standards Manual, which we may modify from time to time. All payments are due upon the "Due Dates" set forth in this Agreement, the Brand Standards Manual, or other written communications from us and may be changed upon thirty (30) days prior notice. If you have not reported Gross Revenues to us for any fiscal period, we may transfer from your business checking account an amount calculated in accordance with our estimate of the Gross Revenues during the fiscal period. If, at any time, we determine that you have underreported your Gross Revenues, or underpaid the Royalty Fees, or other amounts due under this Agreement, or any other agreement, we may initiate an immediate transfer from the business checking account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the business checking account effective as of the first reporting date after we and you determine that such credit is due.

Alternatively, we shall have the right in lieu of the report submission procedure outlined above to obtain Gross Revenues data derived directly your Technology.

3.7 Payment of Taxes. You must pay in a timely manner all local, state and federal sales, business, property, goods and services taxes and all other taxes, rates, levies and fees levied or assessed by any governmental authority directly or indirectly in connection with the Spa Center. The Franchisee Indemnifying Parties must indemnify and hold harmless the Franchisor Indemnified Parties harmless against any penalties, interest, and expenses incurred by or assessed against us as a result of your failure to withhold taxes or to timely remit them to the appropriate taxing authority.

3.8 Other Fees. If we or our affiliate(s) are the designated supplier for any required product or service for the Spa Center, you shall pay us or our affiliate(s)' then-current rates for such products or services. We also reserve the right to modify the System, which changes may require additional fees and expenses to be paid to us, our affiliates, or third parties. These additional required products and services may include and are not limited to call center services, marketing design services, or digital marketing services. We reserve the right to have suppliers bill us or our affiliate for goods and services that benefit the network of Glosshouz franchisees. You agree to pay us or our affiliate your pro rata share of the costs and fees of these goods and services. If we make a good or service we or our affiliate provide mandatory, we will require substantially all Glosshouz franchisees to purchase it.

3.9 Security Agreement. You agree to give no security interests, pledges or encumbrances in the Spa Center inventory, leasehold, fixtures, vehicles, equipment, securities or franchise agreement without our prior written approval, which shall not be deemed a consent to assignment. We will not unreasonably withhold approval, but we are legitimately concerned to ensure: (a) that you do not lose the business; (b) that the business not be lost to the franchise system; and (c) that we do not have to defend a claim to franchisee rights by anyone it shall not have agreed to accept as a franchisee. In order to secure the prompt performance of your obligations under this Agreement, you grant us and we take a first priority security interest in all of your assets, including without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including your rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds. All items in which a security interest is granted are referred to as the "Collateral". We agree to subordinate our security interest in the Collateral to the prime lender for the purchase of the Spa Center and/or development of the Spa Center. This Agreement and the Franchise granted to you hereunder may not be used by you as collateral or be the subject of a security interest, lien, levy, attachment or execution by your creditors, any financial institution, or any other party, except with our prior written approval. The security interest is to secure payment of the following ("Indebtedness"): (a) all amounts due under this Agreement or otherwise by you; (b) all sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the security interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not we execute any extension agreement or renewal instruments. You will from time to time as we require join with us in executing any

additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us. Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral. You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under the Uniform Commercial Code of Colorado (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above. This Agreement shall be deemed a security agreement and a financing statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

3.10 Modifications Required By Law. If applicable law in a state prohibits us from collecting fees as a percentage of Gross Revenues, we reserve the right to require you to pay us flat fees instead. If applicable, you will sign Attachment 9 as an addendum to this Agreement, which sets for the flat fees for the Royalty Fee and Brand Fund Contribution. You must authorize us to debit your business checking account automatically for the fees. We will debit this account on the specified dates that payments are due.

3.11 Inflation Adjustments. We and our affiliates reserve the right to increase the amount of any flat fee provided for hereunder, or due to us or our affiliates under this Agreement or a related agreement ("Inflation Adjustment"). An Inflation Adjustment shall be in relation to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor, the cost-of-living-adjustment ("COLA") using the COLA factors determined by the United States Department of Labor, or such other measure determined reliable by us. We will notify you of the amount or percentage adjustment thirty (30) days prior to their effective date.

4. TRAINING AND ASSISTANCE

4.1 Initial Training. For an initial training fee of Five Thousand Dollars ($5,000.00), we will conduct an initial training program for up to four attendees, one of which must be your Spa Manager and one of which must be an owner. We will provide the initial training program at our headquarters, online, or at a designated location of our choice. We also reserve the right to implement remote, online training that may be required in addition to the live training or replace elements of the live training. You agree to pay for all travel and living expenses which your Spa Manager, owner, and all of your employees incur and for your employees' wages and workers' compensation insurance while they attend any training program. Your Spa Manager and at least one owner must complete initial training to our satisfaction and receive our certification. If we determine that your Spa Manager and at least one owner cannot complete initial training to our satisfaction, we may terminate this Agreement. As part of the initial training program, we will provide on-site training and support on or around the opening of the Spa Center through at least one (1) representative for at least five (5) days. We will determine the number and experience level of the representatives and the training days necessary to support the opening for the Spa Center based on the experience and training of the planned personnel at the Spa Center.

4.2 Additional Training; Ongoing Training; Training of Replacement Personnel.

(a) If we require you to receive additional training because you are not operating the Franchised Business or causing the Spa Center not to be operated in accordance with our standards or if you request additional training outside of the normal course of training we provide, we reserve the right to charge you an additional training fee. We will charge you our then-current additional training fee, and in all events, you will be solely responsible for the travel, lodging, food and other living expenses of the trainer(s) and your employees. Similarly, from time to time we may make trainings, meetings, and conventions available for franchisees and their representatives to attend. We can mandate attendance at these meetings and charge an attendance fee. You will be solely responsible for the travel, lodging, food and other living expenses of the representatives who attend these meetings.

(b) We may require your Spa Manager, owner, and/or other previously trained and experienced employees to attend and complete satisfactorily various training courses or refresher courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We reserve the right to charge fees for these courses. Additionally, you agree to pay all the travel, lodging, food and other personal costs of the attendees.

(c) At your election, you may send those of your employees who attended the initial training program to our headquarters for additional or refresher training. We reserve the right to charge a tuition fee for these refresher sessions. Additionally, you will be responsible for the travel, living and other costs of attendance of the attendees at any refresher training sessions. Refresher training programs will be conducted simultaneously with the initial training program.

(d) We can require your Spa Manager and other key employees to attend trainings we provide. If you are approved to have a replacement Spa Manager other employee that we require to receive our training, that replacement Spa Manager or employee must satisfactorily complete such training programs as we may require. You agree to pay all travel and living expenses incurred during all training courses and programs by your employees.

(e) We may, at any time, decertify any previously certified personnel if we deem or determine that a person is no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification. We reserve the right to charge for training personnel that have been decertified and to deny recertification to any person who fails to meet our standards and procedures for certification, as we, in our discretion, may determine.

(f) In addition, all management personnel and other personnel working at the Spa Center must satisfactorily complete all state and local government required training and must meet all required licensing requirements.

(g) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

(h) If you request advice, information, or assistance at a level greater than what is provided to other franchisees, we reserve the right to charge you our then-current training fee.

4.3 General Guidance. We will advise you from time to time regarding the Spa Center's operation based on your reports to us and/or our direct or indirect observations, and we will provide general guidance, including, but not limited to: (a) the System and System Standards; (b) operating procedures and methods for a Spa Center; (c) advertising and marketing materials and programs; and (d) administrative, bookkeeping, and accounting procedures. We may, but are not obligated to, provide you with information, recommendations, or suggestions regarding new services, products, methods, techniques and procedures for use in the Spa Center. We will provide guidance through our Brand Standards Manual; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our location or the Spa Center. Our guidance does not constitute and is not intended to be used as a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. To the extent necessary to operate the Franchised Business and implement the System, we shall communicate to you information about the System and System Standards. We will provide you with information on improvements to the System and System Standards to the extent we implement them for all franchisees.

4.4 Brand Standards Manual.

(a) During the Initial Term, we will provide you with access to our Brand Standards Manual ("Brand Standards Manual"), which may include written materials, policy and procedure statements, audio, videos, other electronic media, and information distributed electronically or via the Internet. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") and information on your other obligations under this Agreement. We may modify the Brand Standards Manual in our sole discretion and you must adopt and conform to all changes at your expense within the time we allow, which will be reasonable for the specific type of change that we implement. The Brand Standards Manual is designed to protect our Marks, System, brand image, goodwill, and standards and not to control the day-to-day operations of the Spa Center.

(b) You agree that the Brand Standards Manual's contents are confidential and that you will not disclose the Brand Standards Manual to any person other than your employees and advisors who need to know its contents to perform the duties for which they have been hired or engaged. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual. At all times, the Brand Standards Manual will be our property. You must promptly return the Brand Standards Manual to us upon the expiration, nonrenewal, transfer, or termination of this Agreement for any reason. The Brand Standards Manual is deemed Confidential Information (defined in Section 6 below).

(c) At our option, we may post some or all of the Brand Standards Manual through online or digital methods and provide you with credentials which will allow you to access the Brand Standards Manual. You agree to monitor and access any such methods for any updates to the Brand Standards Manual or System Standards. Any passwords or other digital identifications necessary to access the Brand Standards Manual on online or through digital methods will be deemed to be part of the Confidential Information.

(d) The Brand Standards Manual is intended to be used as a general reference guide, to set out our System Standards, and is not intended to be used as a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Notwithstanding any unanticipated effect of any provision of the Brand Standards Manual, you agree to operate the Spa Center in full compliance with all applicable laws.

4.5 Employee Training. It is solely your responsibility to ensure that all new employees and current employees are trained to perform their duties in a proper manner. You shall implement an employee training program at your expense and subject to our System Standards. You shall ensure that all employees have the necessary certifications or credentials as required by applicable laws to fulfill their responsibilities. In the event that we provide training to your employees upon your request, the Franchisee Indemnifying Parties hereby release, indemnify and hold harmless the Franchisor Indemnified Parties from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or the continuing education of your employees as set forth herein. All management personnel and other personnel working at the Spa Center must satisfactorily complete all state and local government required training and must meet all required licensing requirements. Nevertheless, you shall not have the obligation to train Licensed Medical Providers in matters regarding the practice of medicine, nursing, or any other services requiring professional medical licensure.

4.6 No Practice of Medicine. Training and the Brand Standards Manual are not for the purpose of exercising control over the manner in which Licensed Medical Providers a Medical Entity exercise independent professional judgment or render services. We do not provide any training or assistance for activities regulated by laws applicable to the practice of medicine or the practice of nursing.

5. INTELLECTUAL PROPERTY

5.1 Ownership and Goodwill of Marks. We have the right to use and license the Marks in connection with the franchising, development and operation of Spa Centers. Your right to use the Marks is derived only from this Agreement and limited to the development and operations of the Spa Center and/or Franchised Business according to this Agreement and all System Standards we prescribe. Your unauthorized use of the Marks is a breach of this Agreement and infringes on our and our affiliate's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill arising from the Marks are exclusively for our and our affiliate's benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the Franchise granted). All provisions of this Agreement relating to the Marks apply to any additional trade and service marks we authorize you to use. You may not at any time during or after this Agreement's Initial Term or any successor term contest or assist any other person in contesting the validity, or our or our affiliate's ownership, of the Marks. You shall not commit any act of infringement, any act that impairs the value of the Marks or goodwill associated with the Marks, or take any other action to disparage the Marks. We and/or our affiliates have and retain all rights associated with the Marks other than those expressly licensed herein. You shall execute any documents deemed necessary by us and our affiliates or our counsel for the protection of the System and the Marks or to maintain their validity or enforceability, or to aid us and our affiliates in acquiring rights in or in registering any of the System and the Marks or any trademarks, trade names, service marks, slogans, logos and emblems subsequently adopted by us. You acknowledge and agree that the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks and that any violation of this Agreement would cause substantial and irreparable injury to us, and that we would not have entered into a business relationship with you or enter into this Agreement without receiving your unrestricted promise to use the Marks only in the manner authorized by us.

5.2 Limitations on Your Use of Marks. You agree to use the Marks as the Spa Center's sole identification, except that you agree to identify yourself as its independent operator in the manner we prescribe or as legally required under applicable law (i.e., for tax, licensing, or other purposes). You may not use any Mark, any derivatives of the Marks or similar mark: (1) as part

of any corporate or legal business name, except as a fictitious name pursuant to state law; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any Online Presence without our prior authorization; or (5) in any other manner that we have not expressly authorized in writing. You acknowledge that use of the Marks after termination or expiration of this Agreement constitutes unauthorized use of an identically or virtually indistinguishable Mark. You may not use any Mark in advertising the transfer, sale, or other disposition of the Spa Center or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Spa Center and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. You agree not to attempt to register or otherwise obtain any interest in the Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Marks. You shall not use any of the Marks, in connection with your employee facing labor and employment materials.

5.3 Notification of Infringements and Claims. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, copyright, patent, or of any person's claim of any rights in any Mark, copyright, or patent, and not to communicate with any person other than us, our and/or our affiliate's attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and/or our affiliate may take the action we or they deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office or U.S. Copyright Office, proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our and/or our affiliate's attorneys, are necessary or advisable to protect and maintain our interests in any litigation or other proceeding or otherwise to protect and maintain our interests in the Marks and, as applicable, copyrights, and patents.

5.4 Discontinuance of Use of Marks. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Spa Center's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. Our rights in this Section 5.4 apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions. The use of substitute marks shall be governed by the terms of this Agreement. You must comply with our directions regarding any discontinued or modify marks within thirty (30) days' notice from us, or if such modification or discontinuance is court-ordered, immediately.

5.5 Indemnification for Use of Marks. We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Brand Standards Manual, and other directives from us. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

5.6 Copyrights and Patents. You acknowledge that as between you and us, any and all present or future copyrights and patents relating to the System or the Glosshouz concept, including, but not limited to, designs, the Brand Standards Manual, plans and specifications, and marketing materials belong solely and exclusively to us, whether or not developed by you or us. You have no interest in our copyrights or patents beyond the nonexclusive Franchise granted in this Agreement. We will not indemnify you for any use or misuse of our copyrights, patents, or indicia. If we require, you must immediately modify or discontinue using any copyrighted materials or patents. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification. We or our affiliate has the right to control all litigation related to the copyrighted materials or patents used in connection with the Spa Center. We claim a copyright in our Brand Standards Manual, other training materials, and in the adverting, marketing, and promotional materials used in connect with the Spa Center. You shall execute any documents deemed necessary by us and our affiliates or our counsel for the protection of any of any copyrights or patents we or our affiliates own, or to maintain their validity or enforceability, or to aid us and our affiliates in acquiring rights in or in registering any of copyrights or patents we and our affiliates own. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute copyrights or patents, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of ceasing to use copyrights or patents or implementing use of additional or substitute copyrights or patents.

5.7 Designation as Franchisee. You shall take such additional action as may be necessary under the laws of the state in which the Spa Center is operated to make clear to the public that you are an independent franchisee of us and not owned by us. You shall post on invoices, purchase orders, marketing materials and the like for all Spa Center concepts that "This Glosshouz franchise is independently owned and operated by [your entity name] under license from Glosshouz USA LLC." You shall hold yourself out to the public as an independent contractor, including displaying required signage and identifying yourself as a franchisee on public records, checks, stationery, contracts, receipts, marketing, letterhead, business cards, employment applications, employment documents, invoices and other communications.

5.8 Changes in Laws Affecting Marks. In the event that trademark law is amended so as to render inapplicable any of the provisions of this Agreement, you shall sign any documents and do such other act as in our opinion may be necessary to effect the intent and purpose of the provisions of this Agreement.

5.9 Ownership of Ideas, Etc. All concepts, designs, inventions, ideas, applications, trademarks, service marks, enhancements, modifications, improvements or other processes, methods and designs, technologies, techniques, materials, computer software, electronic code, original works or authorship, formulas, recipes, patents, copyrights, marketing and business plans and ideas, and all improvements and enhancements thereto that you or any of your owners, guarantors, directors, officers, or employees may develop, invent, discover, conceive or originate, alone or in conjunction with any other person or persons during the Initial Term and any successor term that relate in any way, either directly or indirectly, to the Spa Center and/or the System (collectively referred to as "Inventions and Ideas"), either in whole or in part during the Initial Term or any successor term, shall be our exclusive property. You must promptly disclose the existence of any and all Inventions and Ideas to us. To the extent any Invention or Idea does not qualify as a "work made-for-hire" for us, you or any of your owners, guarantors, directors, officers, or employees hereby assign to us, without compensation, all right, title and interest in such Inventions and Ideas, and agree that they will execute any and all instruments and do any and all

acts necessary or desirable to establish and perfect in us the entire right, title and interest in such Inventions and Ideas. We may incorporate such Inventions or Ideas into the System.

6. CONFIDENTIAL INFORMATION

6.1 Definition of Confidential Information. We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Spa Centers. Except as necessary in connection with the operation of the Spa Center and as approved by us, you, your owners, guarantors, and affiliates shall not, during the Initial Term or at any time after the transfer, expiration, non-renewal, or termination of this Agreement, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any Confidential Information. You, your owners, affiliates, and all guarantors of this Agreement will divulge Confidential Information only to personnel, if any, who must have access to it to operate the Spa Center and only while this Agreement is in effect. Further, you will require all personnel having access to any Confidential Information to execute an agreement, requiring them to maintain the confidentiality of information they receive in connection with their employment at the Spa Center. Those agreements will be in a form satisfactory to us. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Spa Center during the Initial Term. You agree not to make unauthorized copies of any Confidential Information. You agree to adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information.

6.2 Client Data. You shall maintain a current list of the names, service history, purchase history, home addresses, work addresses, e-mail addresses, and telephone numbers of, or other information identifying, the clients and past clients who have provided such information to the Spa Center; provided, however, that the protected health information of a client shall not be included ("Client List"). You shall provide the Client List to us upon request. Subject to applicable laws, the Client List shall be our property and we shall have the right to use the Client List for any purposes, in our sole discretion. You shall not collect, use, process, store, share, or sell such information to any person or entity other than us or sell such list(s) or any portions thereof to any person or entity without the express written consent of us. You shall not delete any information that is in the Client List without our prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by us or your Technology (Client List and the other data collectively referred to herein as "Spa Center Data") is deemed to be owned by us and you agree to furnish the Spa Center Data to us at any time that we request it; however, that the protected health information of a client shall not be included. You must use the Technology we designate to create, store, maintain, and share the Spa Center Data. We hereby grant you a limited license to use Spa Center Data while this Agreement or a successor franchise agreement is in effect, but only in accordance with the policies that we establish periodically and applicable law. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, we shall be the exclusive owner of Spa Center Data and you shall not use or disclose the Spa Center Data in any form or manner. You shall not be due any compensation based upon our use of the Spa Center Data. You may not sell, transfer, delete, or use Spa Center Data for any purpose other than marketing Glosshouz products and services and all uses must comply with applicable law. If for any reason you gain an interest in the Client List or Spa Center Data, you shall assign them to us upon expiration, termination, or non-renewal of this agreement. To the extent that confidential or protected data under applicable Medical Regulations cannot be transmitted or shared with us, this Agreement shall be interpreted so as to comply with those limitations. The Client List and Spa Center Data are expressly subject

to the provisions of Section 8.13 and may constitute Personal Information. You may not collect, sell, disclose, share, transfer, or use Spa Center for any purpose other than operating the Spa Center.

7. EXCLUSIVE RELATIONSHIP

7.1 In-Term Covenant Against Unfair Competition. You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You also acknowledge that you will receive valuable, specialized training and Confidential Information regarding the operations of a medspa concept we have developed through our monetary and other resource expenditures that provide competitive advantages to our System. You therefore agree that, during the Initial Term, you, any of your owners, and any of your owners' spouses for yourself (or themselves), or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, unless expressly authorized in writing by us, will not:

(i) own, manage, operate, engage in, franchise or license, advise, make loans to, or have any interest in as a partner, owner, officer, executive, managerial employee, director, sales person, or consultant for a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); or

(ii) become a franchisee or licensee of any Competitive Business; or

(iii) offer or grant franchises or licenses for any Competitive Business; or

(iv) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

7.2 In-Term Covenant of Non-Solicitation. You also acknowledge that you will receive valuable client and supplier information that is considered Confidential Information. You therefore agree that, during the Initial Term, you, any of your owners, and any of your owners' spouses for yourself (or themselves), or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not, unless expressly authorized in writing by us:

(i) solicit, divert or attempt to solicit or divert any client that has done business with or has been a client of Spa Center at any time during the Initial Term, to any Competitive Business; or

(ii) use any supplier relationship established through your association with us for any purpose other than to purchase supplies, products, equipment, merchandise, or services for use or retail sale in the Spa Center.

7.3 The term "Competitive Business" means any business, practice, or commercial activity, other than a Glosshouz Spa Center you are authorized by us to operate, that:

(i) provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application

services; massage therapy services; medical aesthetic injectable treatments like neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services; or

(ii) provides management services for a business or practice providing one or more of the services set forth in (i) above, or

(iii) provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or

(iv) any business granting franchises or licenses to others to operate the type of business specified in (i) to (iii).

7.4 Additional Covenants. You agree to obtain similar covenants from the personnel and persons we specify, including owners, directors, limited liability company managers, officers, the Spa Manager, and owners' spouses. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

8. SYSTEM STANDARDS

8.1 Condition and Appearance of the Spa Center**.** You agree that:

(a) You will maintain the condition and appearance of the Spa Center and its Business Assets and the Premises and facilities in accordance with System Standards and consistent with the image of a Spa Center as an efficiently operated business offering high quality and professional services and products and observing high standards of client service and care, and providing efficient, courteous service, and in that connection will take, without limitation, the following actions during the Initial Term: (i) repainting, repair, and refurbishing of the Premises at intervals we prescribe; (ii) repair or replacement of damaged, worn out or obsolete Business Assets; and (iii) place or display at the Premises only those signs, photographs, artwork, logos, and display and advertising materials that we from time to time approve.

(b) If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises or its Business Assets, do not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. You will have ninety (90) days to comply and make these corrections.

(c) On notice from us, you agree to remodel, expand, redecorate, reequip and/or refurbish the Premises and the Spa Center to reflect changes in the operations of Glosshouz spa centers which we prescribe and require of new franchisees. There is no limitation on the amount you may be required to remodel, expand, redecorate, reequip and/or refurbish the Premises and the Spa Center.

(d) In the event you delay, refuse, or fail to make repairs or modifications to the Premises, we or our agents may enter the Premises, without further notice and without liability for trespass or other tort and with your complete cooperation, and remove, repair, and/or replace, at your expense, any items which do not conform to our then-current standards and specifications

or which are not in conformity with your obligation to maintain the Spa Center and the Premises in the highest degree of repair and condition. In addition to any and all other remedies that we may have in law or in equity, you shall reimburse us for all out-of-pocket expenses we incur in connection with any refurbishing work performed by us pursuant to this section, plus an administrative fee of fifteen percent (15%) of the total aggregate amount of expenses we incur.

8.2 Spa Center Goods, Services, Specifications, Standards and Procedures. Subject to applicable law, you agree that: (1) the Spa Center will provide, all of the goods and services, that we specify from time to time; (2) the Spa Center will offer and sell approved services and products only in the manner we have prescribed; (3) the Spa Center will sell all products and services we designate as mandatory; (4) the Spa Center will not offer for sale or sell any services or products we have not approved; and (5) we have the right to revoke our approval of services or products to be offered or sold at or from the Spa Center, and the Spa Center will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove including by revoking an earlier approval. You must use our standard menu of amenities which may include the requirement for alcoholic beverages, food, and other beverages to be served on-site.

8.3 Approved Products and Suppliers.

(a) We have developed or may develop standards and specifications for types, models and brands of required Business Assets, and other products. We reserve the right from time to time to approve specifications or suppliers of the products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from other suppliers we have approved. The selection and use of any equipment and products used in connection with medical services provided by the Medical Entity will be subject to the Medical Entity's approval based on the professional opinion of the Licensed Medical Providers.

(b) We may designate a single manufacturer, vendor, distributor, or supplier (collectively, "supplier") for any product, service, equipment, supply or material and may approve a supplier only as to certain products. We and our affiliates may be designated as approved or exclusive suppliers. We reserve the right to amend the list of approved products, services, and suppliers.

(c) Approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

(d) Subject to the professional judgment of the Licensed Medical Providers in providing medical services, selling medical goods, or using medical equipment, all products and services made available at the Spa Center, and all Business Assets used in the operation of the Spa Center, must be approved and conform to the specifications and quality standards established by us from time to time.

(e) If you propose to offer, conduct, or utilize any services, products, materials, forms, Business Assets, or any other item in connection with or for sale through the Spa Center that are not approved by us, you shall first notify us in writing requesting approval. We may withhold such approval for any reason at our sole discretion; however, in order to make such determination, we

may require submission of specifications, information, or samples of such services, products, Business Assets, materials, forms, items, or supplies. We will advise you within ninety (90) days of our receipt of all information we require in order to make a decision whether your request meets our specifications; provided, however, that if we have not provided you with written acceptance within such ninety (90) day period, the request will be deemed rejected. We can assess a fee of up to One Thousand Five Hundred Dollars ($1,500) for our review.

(f) If, at any time (including after our initial approval), we determine that you fail to meet our specifications and standards in connection with the provision of any products or services, we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein shall be deemed a waiver of our right to terminate this Agreement pursuant to Section 14 hereof. You must cease to use any product, service, or supplier upon thirty (30) days' notice from us if that product, service, or supplier no longer meets our criteria.

(g) At the time the Spa Center opens for business, you will stock the initial inventory of retail products and Business Assets prescribed by us. Thereafter, you will stock and maintain all types of retail products and Business Assets which we prescribe or are required, in quantities sufficient to meet reasonably anticipated client demand.

(h) Notwithstanding anything to the contrary contained in this Agreement, you acknowledge and agree that, at our sole option, we may establish one or more preferred supplier programs with one or more nationally or regionally known suppliers who are willing to supply all or some Glosshouz spa centers with some or all of the products and/or services that we require for use and/or sale in the development and/or management of Glosshouz spa centers. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products and other products and services, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of Glosshouz spa centers. We will have the unlimited right to approve or disapprove of the suppliers who may be permitted to sell products to you.

(i) We reserve the right to create purchase and/or distribution cooperatives.

(j) We or our affiliates may receive payments or other compensation from suppliers on account of the suppliers' dealings with us, our affiliates, you, or other franchisees. We, our affiliates, and our owners reserve all rights to receive rebates or other benefits from your use, lease, or purchase of products or services or use of suppliers. If we or our affiliate receives payments or other compensation from a supplier, we have no obligation to pass these amounts on to you or to use them for your benefit. Further if we and our affiliates sell any goods and services to you, we and our affiliates may make a profit. You hereby agree that we and our affiliates are entitled to such profits, payments, discounts, or other compensation. We and our affiliates will have sole discretion for use of these payments and other forms of compensation.

(k) You shall have the right during the Initial Term to set prices provided that, subject to applicable laws, such pricing: (1) complies with any minimum or maximum prices set by us; and (2) complies with any prices specified by us; and (3) conforms to any bona fide promotional programs periodically established by us. We retain the right to modify its pricing policies from time to time in its sole discretion. Upon request, you must provide to us a price list containing all of the prices charged for the products and services supplied by the Spa Center. We specifically reserve the right, in out sole discretion and as it may deem in the best interests of you or other franchisees, to vary pricing standards and policies for the Spa Center or any other Spa Center based upon

peculiarities of particular location or circumstances, including, but not limited to, density of population and other demographic factors, size of a franchisee's territory, business practices or customs, cost of a franchisee's rent or mortgage payments, or any other condition which we deem to be of importance to the operation of such Spa Center or the network of Spa Centers. You acknowledge that because of these factors and others, there may be variations from standard pricing policies and practices throughout the network of Spa Centers and that you shall not be entitled to require us to grant like or similar variations or privileges to you. If required by law, we will not set the prices for the medical services provided by the Medical Entity and/or Licensed Medical Providers.

8.4 Compliance with Laws, Licensing Regulations, and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Spa Center and the other licenses applicable to the operation of spas, and must operate the Spa Center in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all applicable labor and employment laws and regulations, Medical Regulations, laws applying to the production, distribution, sale, and consumption of alcoholic beverages, all data privacy laws, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You and the Medical Entity must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You and the Medical Entity must comply with all state and local laws and regulations regarding the staffing and management of a spa, cosmetic, medspa, and aesthetic services business. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Spa Center must in all dealings with its clients, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Glosshouz spa centers. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Spa Center and of any notice of violation of any law, ordinance, or regulation relating to the Spa Center. You shall at all times operate the Spa Center in a financially sound and business-like manner and, without limiting the generality of the foregoing, pay all your bills and accounts promptly and take no action, or omit to take any action, which would tend to disrupt, damage, or jeopardize your relationship with suppliers, clients, our reputation or the reputation of our other franchisees.

8.5 Management of the Spa Center.

(a) You must designate an individual to serve as the "Spa Manager" for the Spa Center, which may be an owner or employee. The Spa Manager shall meet the following qualifications:

(1) The Spa Manager shall devote full time and best efforts to the management, supervision, and conduct of the development and operation of the Spa Center to ensure compliance with this Agreement and to maintain our high standards. Management responsibility shall include, without limitation, maintaining the highest standards of service, sanitation, product quality and consistency and supervising employees to ensure that the highest standard of service is provided and to ensure that

your employees deal with clients, suppliers, us, and all other persons in a courteous and polite manner.

(2) The Spa Manager shall participate in and complete to our satisfaction the initial training requirements and all additional training as may be reasonably required by us. The Spa Manager shall agree in writing to be bound by non-compete and confidentiality provisions substantially similar to those contained in Sections 7 and 15 of this Agreement.

(3) If at any time for any reason the Spa Manager no longer qualifies to act as such, you shall promptly designate another Spa Manager subject to the same qualifications set forth in this Section 8.5. We must receive advanced written notice of any change in the Spa Manager.

(b) You acknowledge that ultimately you are responsible for the day-to-day operation of the Spa Center, including hiring, wages, scheduling, hours of work, workplace health and safety, assignment, rules regarding the manner, means, or methods of work performance; setting the conditions of employment, supervision, discipline and termination of all personnel, purchases and maintenance of equipment and supplies, preparing your own marketing plans and funding and implementing those marketing plans, maintenance of employment records, and daily maintenance, safety, security and the achievement of compliance with the Brand Standards Manual. Our ability to approve certain matters, to inspect the Spa Center and its operations and to enforce our rights, exists only to the extent necessary to protect our interest in the System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to you. You shall at all times operate the Spa Center in a financially sound, prudent and business-like manner and, without limiting the generality of the foregoing, pay all your bills and accounts promptly when due and shall take no action, or omit to take any action, the result of which would be to tend to disrupt, damage or jeopardize your relationship with suppliers or clients, our good reputation, or the good reputation of our other franchisees. You will not engage in any trade practice or other activity which is harmful to the goodwill or reflects unfavorably on the reputation of you, us, the Spa Center, the Marks, the services and/or products sold at the Spa Center, or constitutes deceptive or unfair competition or otherwise is in violation of any applicable laws.

8.6 Insurance. During the Initial Term (and including before the Spa Center is open), you must obtain and maintain, at your sole expense, the insurance coverage we require, which include the following minimum types of insurance, with the required minimums to be set forth in the Brand Standards Manual as they may be updated from time to time: (1) comprehensive public, professional, product, sexual harassment, medical malpractice and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Spa Center or otherwise in conjunction with your conduct of the Franchise pursuant to this Agreement, under one or more policies of insurance containing minimum liability coverage amounts as set forth and updated from time to time in the Brand Standards Manual; (2) general casualty insurance, including theft, cash theft, fire and extended coverage, vandalism and malicious mischief insurance, for the replacement value of the Spa Center and its contents, and any other assets of the Spa Center; (3) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by statute; (4) business interruption insurance for a period adequate to reestablish normal business operations, but in any event not less than six (6) months; (5) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements; and (6) umbrella liability coverage with limits of not less than One Million Dollars ($1,000,000) per

occurrence of Three Million Dollars ($3,000,000) in aggregate, or such other amounts that we may establish in the Brand Standards Manual. You or the Medical Entity, as applicable, must obtain medical liability occurrence-based coverage with limits of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) in aggregate. You must also obtain additional insurance as we may specify in the Brand Standards Manual, all containing the minimum liability coverage we prescribe from time to time. We may periodically increase or decrease the amounts of coverage required under these insurance policies and/or require different or additional types insurance coverages at any time, including excess liability coverage, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us, our affiliates, members, directors, employees, and agents we designate as additional insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. Deductibles must be in reasonable amounts and are subject to review and written approval by us. You must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums no less than annually or upon our request. Prior to the expiration of the term of each insurance policy, you must furnish us with a copy of a renewal or replacement insurance policy and appropriate certificates of insurance. If you at any time fail or refuse to obtain and maintain the insurance we specify, to furnish satisfactory evidence thereof, or to name all required parties as an additional insured, in addition to our other remedies, we may (but need not) obtain such insurance for you, the Franchised Business and/or the Spa Center on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee of Five Hundred Dollars ($500) for our time incurred in obtaining such insurance, plus any applicable attorney's fees. We encourage you to seek advice from an independent risk management provider who may specify higher limits. All insurance policies must be underwritten by companies having an A.M. Best rating of A or higher. We have the right to designate which insurance company you must use. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including our insurance; (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s)' liability; (iii) shall not contain any special limitations on the scope of coverage afforded to us; (iv) shall provide that any failure by you or any of your employees, agents, subcontractors, or suppliers, to comply with any notice, reporting, or other similar provisions of such policies shall not affect the coverage provided to us. Additionally, your insurance policy must waive on behalf of your insurer any right of subrogation by the insurance company against us and our officers, owners, and employees. You understand that doing so does not necessarily furnish you with protection levels adequate to your needs and that your obligation to indemnify us as set forth above in this Agreement may exceed the amount of insurance you are required to obtain or do obtain. Your insurer must be required to defend both you and us and any other additional insured in any action while reserving our right to involve counsel of our own choosing in protection of our own and system side interests. We and our insurer shall have the right to participate in discussions with your insurance company or any claimant regarding with any claim of liability, and you agree to adopt our reasonable recommendations regarding the settlement of any such claims. You are responsible for all claims, losses or damages, including to third persons, originating from, in connection with, or caused by your failure to name us as an additional insured on each insurance policy. The Franchisee Indemnifying Parties agree to defend, indemnify, and hold the Franchisor Indemnified Parties harmless of, from, and with respect to any such claims, loss or damage arising out of your failure to name us as additional insured, which indemnity shall survive the termination or expiration and non-renewal of this Agreement. Your maintenance of insurance does not cancel your obligations to indemnify us as set forth in this Agreement. In addition to the requirements of the foregoing paragraphs, you must

maintain all insurance coverage in such amounts and under such terms and conditions as may be required in connection with your lease or purchase of the Premises. Your obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations.

8.7 Compliance with System Standards. You acknowledge and agree that, unless otherwise required or prohibited by applicable law, owning, operating and maintaining the Franchised Business and/or Spa Center according to System Standards is essential to preserve the goodwill of the Marks and all Glosshouz spa centers. Therefore, you always agree to operate and maintain the Franchised Business and/or Spa Center according to all of our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards it is your sole right and responsibility to engage in the day to day management of and implement and maintain System Standards at the Spa Center and/or Franchised Business. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to operate the Franchised Business and/or Spa Center, and/or take other actions to enforce the System Standards. You agree that the System Standards we prescribe in the Brand Standards Manual, or otherwise communicate to you in writing or another tangible form (for example, via digital systems), are part of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as modified from time to time. However, System Standards will not control the Medical Entity's practice of medicine or nursing as the Medical Entity shall be solely responsible for and have full authority and control over the practice of medicine or nursing, the Licensed Medical Providers and the provision of medical care by or at the Spa Center.

8.8 Modification of System Standards. We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Spa Center and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Spa Center, buying new Business Assets, adding new services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date. You agree there is no limit to our ability to modify the System and the System Standards. You may be required to pay additional or increased fees to us, our affiliates, or third-party suppliers, as a result of these System or System Standard changes. If any System Standards change results in the need for Licensed Medical Providers to provide any goods or services at the Spa Center, you will be obligated to comply with all applicable laws. Compliance may require you to identify a Medical Entity and enter into or modify a Management Agreement in order to accommodate the changed System Standards.

8.9 Quality Assurance. We may, in our sole discretion, institute various programs for verifying client satisfaction and/or your compliance with all operational and other aspects of the System and System Standards, including, without limitation, marketing research surveys, a toll-free number, quality assurance programs, client comment cards, secret shoppers, or otherwise. We will share with you the results of such programs as they pertain to your business and you agree to reimburse us for all costs associated with any and all such programs and to pay a fee for these programs, which amounts may be drafted by EFT at the sole discretion of us or we may require you to pay the third-party suppliers directly. You will not be required to pay more than Five Hundred Dollars ($500) per year for a secret shopper program.

8.10 Promotional Requirements / Membership Program. We have the right to require you to participate in membership programs, gift card programs, loyalty programs, and national,

regional, and local giveaways and promotions at your expense. You may be required to provide free or discounted products or services as a result of such membership programs, gift card programs, loyalty programs, giveaways or promotions. We are not required to reimburse you for your costs and expenses incurred as a result of these membership programs, gift card programs, loyalty programs, giveaways and promotions. You will be required to participate in the BFF Savings Program® membership program, as we may modify the program from time to time. You must honor coupons, value cards, gift cards, or membership sold or distributed by other Spa Centers if we require it. This may mean that you are obligated to provide services to clients in accordance with the terms of the membership program, even if the Spa Center is not the clients' primary service provider. You must ensure the form of membership agreement we provide complies with all applicable laws, rules, and regulations. You must not use any form of membership agreement that we have not approved or make any changes to the membership agreement that we have not approved. You must not issue or offer any gift certificate, gift card, loyalty, or membership program without or prior approval. Nevertheless, if required by law, we will not set the prices for the medical services provided by the Licensed Medical Providers or Medical Entity, as applicable. You must accept as payment for products and services any valid gift card or other such indication of prepayment or credit, no matter where such credit was issued or such prepayment was made. You must sell, issue, redeem, and honor gift card, memberships, loyalty program incentives, and promotions we require in accordance with our procedures and policies.

8.11 Crisis. You shall notify us immediately upon the occurrence of any situation that may have a material impact on you, us, the Spa Center, or which would have a deleterious effect on the Glosshouz brand, Marks or System. You shall follow all of our policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by us or as specified in the Brand Standards Manual, whether or not you have retained outside counsel or a public relations firm to assist with such matters. A "Crisis" includes, but is not limited to, any event that occurs at, with, or about the Premises that has or may cause harm or injury to clients, or employees. Examples include, but are not limited to, foodborne illness, medical malpractice, medical emergency, significant adverse event, injuries, car accidents, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Marks, or image or reputation of the Spa Center, the System or us. You will cooperate fully with us with respect to our response to the Crisis. In the event of the occurrence of a Crisis, we may establish emergency procedures which may require us to temporarily cease to operate the Spa Center to provide services to clients in which event we shall not be liable to you for any loss or costs, including consequential damages or lost profits occasioned thereby. We have the right to take control of the management of communications if we determine that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Spa Center, Franchised Business, Marks, System, or us. You will obtain our consent before any press releases, interviews or public statements are issued by you, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Spa Center, Franchised Business, Marks, System, or us.

8.12 Fines. For each instance where you fail to obtain prior written approval for advertisements, fail to attend required training or sponsored conventions, offers unauthorized products or services or otherwise fails to comply with our operating standards set forth in the Brand Standards Manual, or otherwise breach this Agreement, we shall, at our option, have the right to levy a fine in an amount up to One Thousand Dollars ($1,000) per occurrence. The imposition of a fine pursuant to this subsection shall not act as a waiver of any of our other remedies under this Agreement. Furthermore, we have the right to collect any such fines by means of EFT.

8.13 Data.

(a) As used in this Agreement, "Personal Information" shall mean (i) any information that can be used to identify, locate, or contact an individual or household, including but not limited to your employees and clients and (ii) information that is defined as protected, personal information under any Privacy Law.

(b) You shall comply with, or, as applicable, adopt policies consistent with the then-current version of our data protection and security policies as may be described in the Brand Standards Manual ("Data Protection and Security Policies"). Such policies may govern how Spa Center Data and Personal Information contained in such data shall be collected, used, stored, processed, shared, or destroyed. We have the right, but not the obligation to create such Data Protection and Security Policies. You acknowledge that we may supplement, modify, or amend the Data Protection and Security Policies from time to time in our sole discretion, and you shall comply with such modifications or amendments within thirty (30) days of notice from us. We may require you to institute a data privacy policy for the Spa Center. You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

(c) You agree that you shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council ("PCI-DSS"), (ii) those mandatory Data Protection and Security Policies, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, "Privacy Laws").

(d) You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, SMS text message, or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail, electronic, or SMS text message advertisements or solicitations; and (b) your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), and to use of automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 ("TCPA"), as amended from time to time. You must comply with the Fair and Accurate Credit Transactions Act (FACTA) and all other consumer protection laws and regulations.

(e) You must cooperate with us in any audit that we may conduct from time to time of your data storage and management systems and your storage of Personal Information. In addition, if you become aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction or other compromise or acquisition of or access to any (i) Personal Information; (ii) that is subject to any of the Privacy Laws and/or PCI-DSS; or (iii) that might reasonably expose us to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into your or our computers, networks, servers, IT resources, or paper files (a "Security Breach"), you must immediately notify our officer via telephone of such matter and shall thereafter cooperate with us to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized

access or breach shall be made by you unless we have authorized the provision of notice and the form of such notice in writing. You shall reimburse us for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by us arising out of or in connection with any such Security Breach that is directly or indirectly caused by you or your personnel. "Notification and Remediation Related Costs" shall include our internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to clients, agents or others as we deem reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., client service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with our investigation of and response to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. The Franchisee Indemnifying Parties agree to hold harmless, defend and indemnify the Franchisor Indemnified Parties and our employees from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which we shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or your or your officers', directors', agents' or employees' violation of any Privacy Law or regulation, consumer protection-related law or regulation, e-mail marketing and other marketing laws and regulations, and the PCI-DSS.

(f) We, through our employees and/or any agents designated from time to time, may at any time during business hours, and without prior notice to you enter upon and inspect the Premises and examine your Technology, databases, business records and other supporting records and documents in order to verify compliance with its Data Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at our expense, provided that if such inspection is necessitated by your repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, this Agreement, we may charge you for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of our employees and/or agents.

(g) You are responsible for obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from its clients, employees, and other parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. You shall retain copies of the consent and store them and share them with us in the manner we require. You shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts you seeking to exercise any right under law pertaining to Personal Information, you shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Brand Standards Manual, the Privacy Laws, and as otherwise instructed by us. If requested by us, you must cooperate or coordinate with us to provide information about the way that you have collected, used, stored, processed, and shared Personal Information.

(h) You warrant and represent and covenant that you shall not collect, use, store, process, or share Personal Information unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Brand Standards Manual, (iv) Privacy Laws, and if, applicable, (v) our written approval. You shall

collect, use, store, process, and share Personal Information only for purposes of operating the Spa Center. You shall not sell Personal Information. You shall not re-identify any Personal Information that has been de-identified. If you engage any supplier that will collect, use, store, process, or share Personal Information, you must contractually bind the supplier to the data protection obligations that we require.

(i) You agree to use such credit card processing services approved by us and to purchase and maintain, at your expense, any equipment necessary to permit such credit card processing functionality. Notwithstanding the credit card processing requirement, we do not represent, nor does we certify or warrant, to you or your client that the credit card processing service approved by us is compliant, whether or not certified as such, with the PCI Data Security Standards.

8.14 Client Complaint. If you receive a client complaint, you agree to follow the complaint resolution process that we specify in the Brand Standards Manual to protect the goodwill associated with the Marks and the System.

8.15 Payments Accepted. You hereby agree that we have the right to require you not to accept any state or federal government funded benefit plans, private payor health insurance, or fiscal intermediaries for the goods and services provided by the Spa Center. We have the right to require you to use a designated supplier of client financing services for some or all of the goods and services provided at the Spa Center. You agree to accept all payment types we require and to not accept any payment type we prohibit, which approvals we can change in our sole discretion. We have the right to require you to provide client credit, or to use a supplier's credit programs, to finance services that clients receive.

8.16 Advisory Council. We reserve the right to create a franchisee advisory council ("Advisory Council") comprised of Glosshouz franchisees or representatives of franchisees for the purpose of fostering communications among franchisees and with us. If we create an Advisory Council, you must participate and contribute such dues that may be required, if any, of, or assessed to, franchisees to support the Advisory Council by the members of the Advisory Council. We reserve the right to establish the legal, administrative, and organizational framework for the Advisory Council. The Advisory Council will serve in an advisory capacity only and will have no operational or decision-making power.

8.17 Anti-Terrorism Laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.1.

8.18 No Warranties. We, our affiliates, and representatives make no warranty with respect to any products, services, equipment, supplies or other items we, our affiliates, and representatives approve, designate, or supply, and we, our affiliates, and representatives expressly disclaim all warranties, express and implied, including implied warranties of

merchantability and fitness for a particular purpose, with respect to any such products, equipment, supplies, or other approved, designated, or supplied products or services.

9. MARKETING

9.1 Generally. You acknowledge and recognize the value of the Glosshouz Marks, the need to develop, enhance, and promote the Glosshouz Marks, and the need to advertise and market the Glosshouz name. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the Glosshouz name. Therefore, you agree to: (i) make local advertising and marketing expenditures pursuant to Section 9.2; (ii) make contributions to the Brand Fund pursuant to Section 9.3; and (iii) if created, join and make contributions to a Cooperative pursuant to Section 9.4.

9.2 Marketing by You.

(a) You must spend at least Ten Thousand Dollars ($10,000) on grand opening advertising, marketing and promotional programs for the Spa Center. We must approve the grand opening marketing program. We will provide assistance in creating the grand opening marketing program and provide guidance on generating pre-opening sales of membership programs. You must spend this minimum amount within the ninety (90) the periods we require preceding and following opening. Your grand opening expenditures will be counted toward the local advertising and promotional expenditures described below. We may require you to submit proof of expenditures upon demand. We require you to provide us with at least Five Thousand Dollars ($5,000), which we will spend on your behalf on digital marketing during the grand opening period.

(b) You must spend at least Six Hundred and Twenty-Five Dollars ($625) per week on local marketing for the Spa Center. As we may require, you must send us, in the manner we prescribe, an accounting of your expenditures for local marketing at such times, and for such reporting periods, as we may specify from time to time. Failure to expend the required minimum amount constitutes a default of this Agreement. We may require you to submit proof of expenditures upon demand. We also have the right to require you to use designated suppliers or managers for local marketing activities, which may be us or another designee. You may also have the option to use us as the designated supplier or manager for local marketing activities.

(c) You have the right to conduct in your separate expense supplemental marketing and advertising in addition to the expenditures specified above. All such marketing and advertising shall be prepared by or approved by us. Your local marketing must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Online Presences in the manner we designate.

(d) You may not develop, maintain, or authorize, without our prior written approval, any Online Presence that mentions or describes you, the Franchised Business and/or the Spa Center or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. You may use direct advertising only directed to clients located within your Territory. If required by applicable law, the advertising that you conduct to promote the Spa Center must also identify the name of the Medical Entity that furnishes the Licensed Medical Providers that render medical services at the Spa Center.

9.3 Brand Fund

(a) You shall contribute to the brand fund ("Brand Fund") such amount as we may designate from time to time, which amount shall not exceed three percent (3%) of Gross Revenues. We have the sole discretion to settle or forgive any accrued and unpaid Brand Fund contributions owed by any franchisee. You shall make your weekly contribution to the Brand Fund on the date and in the manner as we may designate from time to time. The Brand Fund contributions shall not commence until the Spa Center has opened for operations.

(b) We have the sole discretion to determine where the Brand Fund contributions will be spent to promote, enhance, or further the growth of the Glosshouz brand, businesses, and System, including, but not limited to: development and administration of a client membership program; research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies or paying the salaries of in-house personnel to assist in developing the Glosshouz brand; developing, evaluating, or using technologies that we believe may benefit the brand, the clients, the franchisees, or the brand's reputation; developing new goods and services and franchisee revenue sources; expenses associated with listings on an Online Presence, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand; and expenses related to the administration or direction of the Brand Fund, including the cost of personnel to create and implement programs paid for by the Brand Fund. While we do not anticipate that any part of Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations or recognition of the Glosshouz brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available" or similar language.

(c) The Brand Fund is not and shall not be an asset of us or our designee. The Brand Fund is administered by our accounting and marketing personnel under our direction. The Brand Fund is not audited. We have no obligation to provide you with an accounting. At our option, we can create a separate entity to be the recipient of Brand Fund contributions and you agree, upon our request, to tender Brand Fund payments to said entity. We, in our sole discretion, may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year, and the Brand Fund may borrow from us or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus. You acknowledge that other franchisees may not be required to contribute to the Brand Fund or may be required to contribute at a different rate. We are not obligated to maintain the Brand Fund contributions or income earned in a separate account from our other funds. We may terminate the Brand Fund at any time. We will not terminate the Brand Fund, however, until all money in the Brand Fund has been spent for brand development purposes or returned to the contributors of the Brand Fund on the basis of their respective contributions. Brand Fund contributions that we, our affiliates, or third parties elect to contribute to the Brand Fund shall be subject to the same terms of the Brand Fund as set forth in this Agreement.

(d) You agree and acknowledge that we do not undertake any obligation to ensure that expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Fund by franchisees operating in such geographic area or that you or the Spa Center will benefit directly or in proportion to its contribution to the Brand Fund.

(e) Neither we nor our affiliates nor any of the respective officers, directors, agents or employees, shall be liable to you with respect to the maintenance, direction or administration of the Brand Fund, including without limitation, with respect to contributions, expenditures, investments or borrowing, except for acts constituting willful misconduct. THE BRAND FUND IS NOT A TRUST FUND. WE SHALL HAVE NO FIDUCIARY DUTY TO YOU IN CONNECTION WITH THE COLLECTION OR USE OF THE BRAND FUND MONIES OR ANY ASPECT OF THE OPERATION OF THE BRAND FUND. YOU ACKNOWLEDGE AND AGREE THAT WE WILL HAVE NO LIABILITY TO YOU FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED TO THE BRAND FUND OR ANY ADVERTISING PROGRAMS OR OUR MODIFICATION OR DISCONTINUANCE FOR ANY REASON OF THE BRAND FUND OR ANY MARKETING, BRANDING, OR ADVERTISING PROGRAMS, OR YOUR PARTICIPATION THEREIN.

9.4 Cooperatives. We have the right at any time, and from time to time, to create Co-op Advertising Regions ("Cooperatives"). If and when we create a Cooperative for the geographic region in which the Spa Center is located, you will become a member and participate in the Cooperative. Each Cooperative will be organized (including, but no limited to bylaws and other organizational documents) and governed in a form and manner that we set forth in writing in advance. At all meetings of the Cooperative, each participating franchisee and affiliate-owned unit shall be entitled to one (1) vote for each Spa Center located within the geographic boundaries of the Cooperative. All matters concerning operation of a Cooperative shall be decided by majority vote and such vote will bind all members of the Cooperative. Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, approved in advance by us, in writing. Each Cooperative will be organized for the exclusive purposes of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval. Any disputes arising among or between you, other members of the Cooperative, and/or the Cooperative, will be resolved according to the rules and procedures set forth in the Cooperative's written governing documents, which you (when the Cooperative is established), can review upon request. If a majority of the members of the Cooperative agree, an unaudited financial statement for the Cooperative will be prepared annually and will be made available to you upon request. We will not financially support the Cooperative. Each member can be required to contribute to the Cooperative, an amount as determined by a majority of the Cooperative's members eligible to vote. In the event of the approval of Cooperative advertising contributions, each franchisee, including you, shall submit its required contribution to the Cooperative, together with such statements as may be required by the Cooperative. The maximum fee that will be imposed is 50% of the local marketing fee. All franchisees and affiliate-owned units will contribute at the same rate if they are members of the Cooperative. Your payment of any Cooperative obligation, in accordance with this subsection, will be credited against your local advertising requirement described in Section 9.2. Although once established, each Cooperative is intended to be of perpetual duration, we will have the right to terminate any

Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for advertising and/or promotional purposes.

9.5 Approvals. For any advertising you conduct, you must use advertising, marketing, and promotional plans approved or provided by us. Unless provided by us, for all proposed advertising, marketing, and promotional plans, you will submit samples of such plans and materials to us (by means described in Section 18 below), for our review and prior written approval (except with respect to prices to be charged by you). If written approval is not received by you from us within ten (10) days of the date of receipt by us of such samples or materials, we will be deemed to have not approved them. You acknowledge and agree that any and all copyright in and right to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must sign such documents (and, if necessary, require your independent contractors to sign such documents) as may be deemed reasonably necessary by us to give effect to this provision. We may disapprove of any advertising, marketing, and promotional materials at any time. You shall not use any disapproved items, even if they were previously approved by us. We may disapprove of any advertising, marketing, and promotional materials at any time. You shall not use any disapproved items, even if they were previously approved by us.

9.6 Online Presence and Email Address.

(a) You will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to us, the System, the Franchised Business, or the Spa Center without our written consent, which we are not obligated to provide. An "Online Presence" includes (1) a website, other webpages, URLs, or domain names, (2) accounts, pages, or profiles on social media sites, social networking sites, news sites and groups, online, internet, or digital directories, video, photography, audio, and messaging services, blogs, or forums, (3) e-commerce sites or accounts, (4) digital or online advertising and marketing content and services, (5) mobile applications, (6) virtual reality platforms, (7) identifiers of an Online Presence, or (8) a presence on any other type of online, internet, or digital tool, good, or service that may be developed. Similarly, you shall not develop an email address for use with the Spa Center without our consent. If approved to establish an Online Presence or email address, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Online Presence or email address. We shall have the right to modify the provisions of this Section 9.6 relating to any Online Presence as we shall solely determine is necessary or appropriate.

(b) The Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email address, unless specifically approved by us, which approval we are not obligated to provide. You will not post, and will take such steps as necessary to ensure your employees do not post, any information to an Online Presence relating to us, the System, the Marks, or the Spa Center that (a) does not comply with our then-current brand, social media, or Online Presence guidelines described in the Brand Standards Manual, (b) is derogatory, disparaging, or critical of us, the System or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks. You shall not use the Marks or any abbreviation or other name associated with us and/or the System as part of any of your Online Presence or email addresses, except as permitted by our then-current policies.

(c) You shall not establish or permit or aid anyone else to establish any links to any Online Presence which we may create. You agree that any Online Presence will be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under this Agreement. We alone have the right, but not the obligation, to establish, maintain, modify or discontinue all internet and electronic commerce activities pertaining to the System, including

through any Online Presence. We shall not be liable for downtime that may occur to any Online Presence or brand email address, whether such downtime is caused by us or a third-party. We alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material you may furnish to us for use on an Online Presence. Ownership of all URLs and other identifiers with any such Online Presence shall vest exclusively in us. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

(d) We shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe you or the Spa Center, with such webpage(s) or Online Presence to be located within our website or another Online Presence. You shall comply with our policies with respect to the creation, maintenance and content of any such web page(s) and any other Online Presence and email addresses; and we shall have the right to refuse to post and/or discontinue posing any content and/or the operation of any webpage or Online Presence. You shall not establish a separate website or Online Presence or business email address, without our prior written approval (which we shall not be obligated to provide). We will modify content that you submit (e.g., new photography, number changes) on your behalf. We will own all content you submit. If requested by us, you shall assign to us any contractual rights or copyright you acquire in any content.

(e) For any Online Presence (and all URLS and other identifiers related to any Online Presence) or email address you are approved to create or use, we reserve the right, at our sole option and discretion, to have the Online Presence directly owned by us or to require any such Online Presence or email address be transferred to us upon the termination, expiration, or non-renewal of this Agreement for any reason. We have the right to require that any Online Presence or email address you are permitted to create, use, or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to create, use, or maintain. We have the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of our policies and we may take ownership of any Online Presence upon expiration, non-renewal, transfer, or termination of this Agreement and operate it in our sole discretion.

9.7 Directory. You shall arrange for the listing of the Spa Center's telephone number, address, and email address in print or online directories we designate under the names we designate. All directory listings shall be subject to our approval. We have the right to arrange for such listings at your expense.

9.8 Franchisor Advertising. We may, from time to time, expend our own funds to produce such promotional materials and conduct such advertising as we deem necessary or desirable. In any advertising conducted solely by or for us, we shall have the sole discretion to determine the products and geographical markets to be included, and the medium employed, and we shall not have any duty or obligation to supply you with any advertising or promotional materials produced by or for us at our sole expense. We may, from time to time, offer to provide to you such approved advertising and promotional plans and materials as we deem advisable. We expressly disclaim and you hereby acknowledge that you have not received or relied upon any warranty regarding the success of any advertising and/or promotional plans or materials recommended by us for use by you. Further, you acknowledge and agree that all advertising and promotional plans and materials created in whole or in part by us are and remain our exclusive property.

9.9 Ownership of Advertising. We shall be the sole and exclusive owner of all materials and rights which result from advertising and marketing program produced and conducted, whether by you, us, the Cooperative or the Brand Fund. Your participation in any advertising, whether by monetary contribution or otherwise, shall not vest you with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including, copyrights, generated by such advertising. If requested by us, you shall assign to us any contractual rights or copyright you acquire in any advertising.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS

(a) You shall maintain during the Initial Term and shall preserve for at least five (5) years from the dates of their preparation, and shall make available to us at our request and at your expense, full and complete and accurate books, records, and accounts in accordance with generally accepted accounting principles. We have the right to require you to grant us unlimited, remote, 24/7 access to your books, records, and accounts that are provided through Technology. You agree to prepare, and if requested by us, to provide to us or our designee, in the manner and format that we prescribe from time to time:

(i) unless we designate otherwise with thirty (30) days prior notice to you, (i) a report on Gross Revenues (including a report of management service fees you receive from the Medical Entity, as applicable) due weekly in the form and type and (ii) a profit and loss, statement of cash flows, balance sheet, and a report of other operating statistics in the form and type that we require, due on or by the tenth (10^{th}) day of each month for the prior month;

(ii) within forty-five (45) days after the end of each calendar year or our fiscal year, the operating statements, financial statements, statistical reports, and other information we request regarding you and the Spa Center and/or Franchised Business covering the previous calendar year or our fiscal year; and

(iii) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Spa Center and/or Franchised Business.

(b) You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we or our designee may, as often as we deem appropriate (including on a continual basis), access the Technology and retrieve all information relating to the Spa Center's operation.

(c) In the event you have been in default of any financial, payment, or reporting obligation under this Agreement, even if cured, more than twice during the Initial Term, in addition to any other remedy available to us pursuant to this Agreement or under applicable law, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

(d) You agree to preserve and maintain all records in a secure location at the Spa Center for at least five (5) years (including, but not limited to, sales receipts, purchase orders,

invoices, payroll records, client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

(e) We reserve the right to require you to use a designated accounting services provider and/or Technology (like software benchmarking tools). At all times you must implement and use the chart of accounts, accounting procedures, and formats for the income and balance sheets we specify.

(f) You also shall immediately notify us in writing when one (1) or more liens or judgments are filed against the you, the Spa Center, Franchised Business, and/or any of the personal guarantors, under this Agreement. You shall use only such forms as are approved by us.

(g) We have the right to request the same information from the Medical Entity, as applicable.

11. INSPECTIONS AND AUDITS

11.1 Our Right to Inspect the Spa Center. To determine whether you and the Spa Center are complying with this Agreement and to assess your operations and adherence to System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect and observe the operation of the Spa Center; (2) interview the Spa Center's personnel and any of your architects, designers, suppliers, or contractors and as applicable, interview the Licensed Medical Providers and owners of the Medical Entity; (3) inspect and observe the construction, remodeling, and upfitting of the Spa Center; and (4) inspect and copy any books, records, and documents relating to the Spa Center's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Spa Center's operation. We may conduct inspections remotely via communications technology and may photograph and/or videotape during the inspection. Your cooperation includes having your representatives use communications technology to facilitate the remote inspection by us or our agents. You will take such steps as may be necessary to correct any deficiencies detected during our inspections and immediately desist from any use of the Premises of Spa Center that does not conform to our then-current plans and specifications. You will pay us our costs and expenses to re-inspect the Spa Center if you fail any inspection.

11.2 Our Right to Audit. We and our designated agents have the right at all reasonable times to examine the Franchised Business's and/or Spa Center's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with us, our representatives, accountants, auditors, representatives, and/or contractors in any examination. We may conduct our audit or examination at our offices, the Spa Center or the locations of our representative, accountant, auditor, or contractor. We have the right to remove copies of your books and records from your Premises. If any examination discloses an understatement of the Franchised Business's and/or Spa Center's Gross Revenues, you agree to pay us, within ten (10) days after receiving the examination report, the Royalty Fee due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Revenue exceeding two percent (2%) of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without

limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to our other remedies and rights under this Agreement and applicable law. Upon our written request, you must audit the books and records of the Medical Entity and Licensed Medical Providers for the Spa Center so that we may verify the accurate reporting to us of all Gross Revenues.

12. TRANSFER

12.1 By Us. We may change our ownership or form and/or assign this Agreement and any other agreement and/ or all of our rights and/or obligations under them to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. We may be sold and/or we may sell any or all of our assets to a competitive or other entity, or we may participate in an initial or other public offering, merge or acquire other assets and/or entities (competitive or not); undertake refinancing or any other transaction. You waive any and all claims, demands, and/or damages with respect to any such transactions.

12.2 By You.

(a) You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance on your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval (which we will not unreasonably withhold if the terms and conditions of this Section 12 are satisfied): (i) this Agreement (or any interest in this Agreement); (ii) the Franchised Business and/or Spa Center; (iii) the lease for the Premises; (iv) substantially all of the assets of the Franchised Business and/or Spa Center; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your owners (if they are legal entities).

(b) In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. Any transfer without our approval is a breach of this Agreement and is of no effect. A transfer includes the following events:

(i) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(ii) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(iii) any sale of a security convertible to an ownership interest;

(iv) transfer of an interest in you, this Agreement, the Franchised Business and/or Spa Center or substantially all of their assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(v) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Franchised Business and/or Spa Center

or substantially all of their assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(vi) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Franchised Business and/or Spa Center, or your transfer, surrender, or loss of the Franchised Business's and/or Spa Center's possession, control, or management.

12.3 Conditions for Approval of Transfer

(a) If you (and your owners) are fully complying with this Agreement and other agreements between you, your owners, or your affiliates and us and our affiliates, then, subject to the other provisions of this Section 12 (including our right of first refusal), we will approve a transfer that meets all of the requirements in this Section 12.3.

(b) If you are an Entity, your owners add a non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) then the conditions for transfer are as follows: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for a franchisee (including no ownership interest in or performance of services for a Competitive Business); (2) you give us prior written notice of the transfer; (3) you and the new owner execute the documents we require to document the additional owner and have such owner agree to be bound by the terms of this Agreement, the personal guaranty, and non-compete agreement, and (4) you pay us a transfer fee equal to One Thousand Five Hundred Dollars ($1,500), due at the time you notify us of the transfer. A "non-controlling ownership interest" means an ownership interest that is less than the percentage of the voting rights in an Entity necessary to make binding decisions for the Entity under its governing documents.

(c) For any other proposed transfer, all of the following conditions must be met before or concurrently with the effective date of the transfer:

(i) the transferee has sufficient business experience, aptitude, and financial resources to operate the Franchised Business and/or Spa Center and provide us with all documentation that we reasonably require;

(ii) you have paid all Royalty Fees and other amounts owed to us and our affiliate(s) and have submitted all required reports and statements, and are not in violation of this Agreement at the time of transfer. You will remain liable for all obligations to us in connection with the Franchised Business and/or Spa Center which arose prior to the effective date of the transfer;

(iii) neither the transferee nor its owners (if the transferee is an Entity) or affiliate(s) have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(iv) the transferee satisfactorily completes our training program at the then-current training cost;

(v) your landlord allows you to transfer the lease or sublease the Premises to the transferee;

(vi) the transferee must (if the transfer is of this Agreement), or you must (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement. This agreement will terminate once an approved transfer is completed;

(vii) you pay us a transfer fee equal to one of the fees below:

(1) For a transfer to an Out-of-Network Transferee, a fee equal to seventy-five percent (75%) of the then-current initial franchise fee. A non-refundable deposit of Five Thousand Dollars ($5,000) shall be due at the time you notify us of your intent to transfer with the remainder due at the time of transfer. "Out-of-Network Transferee" means a person or party who is not a current Glosshouz franchisee in good standing; or

(2) For a transfer to an In-Network Transferee, a fee equal to fifty percent (50%) of the then-current initial franchise fee. A non-refundable deposit of Five Thousand Dollars ($5,000) shall be due at the time you notify us of your intent to transfer with the remainder due at the time of transfer. "In-Network Transferee" means a person or party who is a current Glosshouz franchisee in good standing.

(viii) you, your owners, guarantors, (each for itself and on behalf of your and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns) sign a general release, in a form satisfactory to us, of any and all claims arising before the effective date of the transfer against us, our predecessors, and affiliates; and our and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities;

(ix) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchised Business and/or Spa Center;

(x) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Spa Center are subordinate to the transferee's obligation to pay Royalty Fees, and other amounts due to us, our affiliate(s), and third party suppliers and otherwise to comply with this Agreement;

(xi) you have corrected any existing deficiencies of the Spa Center of which we have notified you in writing or by electronic communications, and/or the transferee agrees to upgrade and refurbish the Spa Center in accordance with our then current requirements and specifications for Glosshouz spa centers within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken); and

(xii) you and your transferring owners (and your and your owners' spouses) will comply with the covenants and obligations contained in Article 15, as applicable.

We may review all information regarding the Spa Center that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Spa Center.

12.4 Transfer to a Wholly Owned Corporation or Limited Liability Company. Despite Section 12.3 above, if you, your owners, and affiliates are fully complying with this Agreement, and other agreements with us and our affiliate(s), and after providing us with written notice, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Franchised Business and/or Spa Center and, if applicable, other Spa Centers, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests without applicability of our right of first refusal and without payment of a transfer fee, provided that all of the Spa Center's assets are owned, and the Franchised Business's and/or Spa Center's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12.3 above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

12.5 Your Death or Disability.

(a) Upon the death or disability of you or an owner, the executor, administrator, conservator or other personal representative of such person shall transfer his interest to a party approved by us within six (6) months thereof. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all conditions set forth in this Article 12, including our right of first refusal, provided that if the transfer is by devise or inheritance, the transferor will not be obligated to pay a transfer fee. Failure to so dispose of such interest within said period of time shall constitute a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the owner from operating the Franchised Business and/or Spa Center in the manner required by this Agreement and the Brand Standards Manual or from performing its, his, or her obligations under this Agreement and the Brand Standards Manual.

(b) Upon the death or disability of you or an owner, the executor, administrator, conservator or other personal representative of such person shall within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a Spa Manager unless you or an owner had previously appointed a Spa Manager who remains responsible for the day-to-day operation of the Spa Center. The manager must complete our standard training program at your sole cost, sign our then-current form of confidentiality and non-compete agreement, and comply with any of our then-current requirements for approval of a Spa Manager.

12.6 Effect of Consent to Transfer. Our consent to a transfer, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Franchised Business's and/or Spa Center's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement. Further, our consent to a transfer will not a constitute a waiver of any claims we have against the transferring party nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement.

12.7 Our Right of First Refusal.

(a) If you (or any of your owners) at any time engage in a transfer (except as in a transaction described in 12.3(a) and 12.4), you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, signed written offer (which may include a letter of intent) relating exclusively to the interests, agreements, and/or assets to be transferred. The offer must include details of the payment terms of the proposed transfer and the sources and terms of any financing for the proposed purchase price. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

(b) We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(i) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately held entity);

(ii) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(iii) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and

(iv) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable.

(c) We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.7.

(d) If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.2 and 12.3 above.

(e) If you do not complete the transfer to the proposed buyer within ninety (90) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the transfer (which you agree to tell us about promptly), we or our designee will have an additional right of first refusal during the thirty (30) day period following either the expiration of the ninety (90) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

(f) Upon the close of the sale of the Franchised Business and/or Spa Center to us, this Agreement shall terminate and you and your owners shall comply with the covenants and obligations set forth in Article 15, as applicable.

13. EXPIRATION OF THIS AGREEMENT

If you (and each of your owners and affiliates) have (a) substantially complied with this Agreement or other agreements with us or our affiliates during the Initial Term, or, as applicable, the First Successor Term; (b) are, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards and are current with all debts and obligations you undertook under this Agreement; (c) you have not received more than three (3) notices of default during any consecutive two (2) year period during the Initial Term or, as applicable, the First Successor Term; (d) you give us written notice of your intent to obtain a successor term not less than nine (9) months nor more than twelve (12) months prior the expiration of the Initial Term, or, as applicable, the First Successor Term; (e) you shall make or provide for in a manner satisfactory to us, such renovating, upgrading, and equipping of the Spa Center as we may require, including without limitation, renovation, upgrading, and/or replacement of signs, equipment, furnishings, fixtures, Technology, and décor, to reflect the then-current standards and image of the System; (f) you and your owners and Spa Managers comply with our then-current training requirements; and (g) provided that (i) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Premises, add or replace improvements and Business Assets, and otherwise modify the Spa Center as we require to comply with System Standards then applicable for new Spa Centers, or (ii) at your option, you secure substitute premises that we accept and you develop those premises according to System Standards then applicable for Spa Centers, and continue to operate the Spa Center at the Premises until operations are transferred to the substitute premises; then, subject to this Section 13, you may acquire up to two (2) successor franchises to operate the Spa Center for a "First Successor Term" of five (5) years and, if all requirements are met at the expiration of the First Successor Term, a "Second Successor Term" of five (5) years. You agree to sign the franchise agreement we then use to grant franchises for Spa Centers (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided that we will waive the initial franchise fee ("Successor Franchise"). However, you must pay a fee in an amount equal to Fifty Percent (50%) of the then-current initial franchise fee. If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a Successor Franchise and on the date on which the term of the Successor Franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a Successor Franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement under Section 14. Additionally, you, your owners, guarantors, (each for itself and on behalf of your and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns) sign a general release, in a form satisfactory to us, of any and all claims against us, our predecessors, and affiliates; and our and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities. If you fail to perform any of the acts set forth above in a timely fashion, your failure will be deemed your election not to exercise your right to obtain a Successor Franchise and will cause your right to expire without further action or notice by us. You will have no further right to operate the Spa Center following the expiration of the final term unless we grant you another franchise or agree to further renewals, in our sole discretion. As necessary the Successor Franchise agreements may be amended to reflect this provision. If this Agreement is a Successor Franchise agreement, the renewal provisions in your

original franchise agreement will dictate the length of the term of this Agreement, as well as your remaining successor franchise rights, if any.

14. TERMINATION OF AGREEMENT

14.1 Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or Business Assets is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business and/or Spa Center shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2 Regulatory Termination. If, prior to the expiration of the Initial Term, any federal, state or local regulatory body or board, the Department of Health and Human Services, or the Internal Revenue Service determines that this Agreement violates a law, or otherwise materially affects either party's ability to perform under this Agreement, then the affected party shall give the other party such notice as is reasonable under the circumstances and shall make available a reasonable period within which to cure. If no cure is implemented by the parties, then we, in our sole discretion, may terminate this Agreement with such notice as is, in our sole discretion, reasonable under the circumstances.

14.3 Termination Upon Notice Without Opportunity to Cure. You shall be deemed to be in default, and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you upon the occurrence of any of the following events or upon the occurrence of any default that is not curable:

(a) you (or any of your owners) have made or make any misrepresentation or omission in your application for, or in acquiring, the license and franchise rights, or in operating the Franchised Business and/or Spa Center or breach any warranty or representation made to us, whether in this Agreement or otherwise;

(b) you (or any of your owners) make or attempt to make any transfer in violation of Section 12;

(c) you, (or any of your owners), the Medical Entity, or Licensed Medical Providers fail to obtain or maintain any required licenses, permits, or certifications to open or operate the Spa Center;

(d) you (or any of your owners), Spa Manager, the Medical Entity, Licensed Medical Providers fail to comply with any federal, state, or local law regulation;

(e) you (or any of your owners) or a Spa Manager operate the Franchised Business and/or Spa Center in an unsafe or unhealthy manner or any of the medical services provided by the Medical Entity and/or Licensed Medical Providers are provided in an unsafe or unhealthy manner;

(f) you, any of your owners, the Medical Entity, the owners of the Medical Entity, the Licensed Medical Providers, or any of your employees fail to meet the state and local certifications or other requirements regarding spa, cosmetic, medspa, and aesthetic businesses, or you, any of your owners, fail to meet state and local certifications or other requirements for the operation or employment of estheticians, cosmetologists, massage therapists, Licensed Medical Providers, and other professionals in a spa, cosmetic, medspa, and aesthetic business, and you fail to cure this default within ten (10) days after you receive notice thereof, or alternatively, you fail to prohibit any such employees from working in the Spa Center until the requirements are met;

(g) you (or any of your owners), Spa Manager, the Medical Entity, or the Licensed Medical Providers are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony; you or any of your owners are convicted of, or plead guilty or no contest to, (A) a felony, (B) a crime involving moral turpitude, (C) a crime harming children, (D) fraudulent conduct, or (E) any other crime or offense that is reasonably likely to have an adverse effect on the Spa Center, the Marks or the goodwill associated therewith, or you or any of your owners are proven to have engaged in any of the above;

(h) you (or any of your owners), Spa Manager, or the Licensed Medical Providers engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Spa Center's reputation or the goodwill associated with the Marks;

(i) you (or any of your owners), Spa Manager, the Medical Entity, or the Licensed Medical Providers knowingly make any unauthorized use or disclosure of any part of the Brand Standards Manual or any other Confidential Information;

(j) you (or any of your owners) (i) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you; or (ii) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation under this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

(k) you fail to secure an accepted site and, as applicable, a lease for the Spa Center or fail to open the business within the time periods required in this Agreement;

(l) you knowingly understate your Gross Revenues for any period by three percent (3%) or more or knowingly maintain false books or records or knowingly submit false books or records to us;

(m) you or any of your owners or affiliates are in default of any other agreement with us or any of our affiliate(s), and you have failed to cure the default within the time period, if any, provided for such cure under such agreement(s);

(n) you fail to enter into a Management Agreement and remain bound by its terms through the remainder of the Initial Term, or fail to have a Licensed Medical Provider at all times, if it is or becomes necessary to do so under applicable laws, rules, or regulations;

(o) you (or any of your owners), Spa Manager, or Licensed Medical Provider fail to comply with any of the covenants set forth in this Agreement or its attachments;

(p) you (or any of your owners), Spa Manager, or Licensed Medical Provider by act or omission, materially impairs the value of, or the goodwill associated with, the Spa Center, any of the Marks, or the System;

(q) you begin operations of the Spa Center prior to receiving prior written approval from us;

(r) you operate under any trademark not approved by us or otherwise use any trademark we do not approve;

(s) a transfer is not effected within six (6) months after the death or disability of any individual franchisee or an owner;

(t) you abandon or fail actively to operate the Spa Center for three (3) or more consecutive business days, unless you close the Spa Center for a purpose we approve, or you lose the right to do or transact business in your jurisdiction;

(u) as applicable, your, the Licensed Medical Provider, or the Medical Entity's license to practice medicine or practice nursing in any state is restricted, suspended, or revoked;

(v) you (or any of your owners), Spa Manager, or Licensed Medical Providers commit any default which is incapable of being cured.

14.4 Termination After Opportunity to Cure. Except as otherwise provided in Sections 14.1 to 14.3 above, upon any other default by you of your obligations hereunder which is capable of being cured, including those identified below, we may terminate this Agreement by giving written notice of termination, setting forth the nature of such default to you at least fifteen (15) days prior to the effective date of termination or any shorter period set forth below; provided, however, that you may avoid termination if the default is curable by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us, all within the fifteen (15) day or shorter period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the fifteen (15) day or shorter period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you have an opportunity to cure the default to avoid termination:

(a) you (or your Spa Manager and an owner) do not satisfactorily complete the initial training program;

(b) you (or any of your owners), Spa Manager, or Licensed Medical Providers misuse or make any unauthorized use of the System or the Marks;

(c) you fail to operate the Spa Center during the days and hours specified in the Brand Standards Manual without our prior approval, which we will not unreasonably withhold;

(d) you fail to operate the Spa Center from the Premises or any substitute premises accepted by us;

(e) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Spa Center's operation, unless you are in good faith contesting your liability for these taxes;

(f) you fail to promptly pay your suppliers, including any of our affiliate(s), when such payments are due except in connection with a good faith dispute that you have with third-party suppliers;

(g) you or the Medical Entity fail to obtain or maintain the insurance we require or you or the Medical Entity fail to repay us for the insurance that we have paid on your behalf and you do not correct the failure within thirty (30) days after we deliver written notice of that failure to you or the Medical Entity;

(h) you fail to pay us (or our affiliate(s)) any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you, or immediately if payment has not been made within thirty (30) days of its due date;

(i) you (or any of your owners), a Spa Manager, the Medical Entity, or the Licensed Medical Provider violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Spa Center and fail to correct such violation within seventy-two (72) hours after you receive notice from us or any other party; provided, however, that if the violation is curable but is (a) of a nature which cannot reasonably be cured within such seventy-two (72) hour period and (b) not of a nature which presents an imminent health or safety concern, and you have commenced and are continuing to make good faith efforts to cure the violation, you will be given an additional reasonable period of time to complete the cure of the violation, not to exceed thirty (30) days, in the aggregate; provided that if the notice from the governmental agency sets a shorter time period for correction of the violation, such shorter time period shall control;

(j) you maintain false books or records or submit any false report to us;

(k) you fail to obtain our prior permission to conduct any off-Premises or out-of-Territory activities or you fail to cease any off-Premises or out-of-Territory activities upon notice from us;

(l) we receive repeated client complaints about the Spa Center;

(m) the Spa Center makes use of any unauthorized supplier, good or service, or offers or sells any unauthorized good or service;

(n) you or the Spa Center fails to comply with any term or requirement of the membership, loyalty, gift card or rewards program;

(o) the Spa Center is operated in any other way that violates this Agreement, the Brand Standards Manual, or any System Standard, whether such action is undertaken by you, your owners, the Medical Entity, or the Licensed Medical Personnel; or

(p) you (or any of your owners) fail to comply with any other provision of this Agreement, the Brand Standards Manual, or any System Standard.

14.5 Extended Notice of Termination. If any law applicable to this Section 14, or Section 13 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor franchise agreement, than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement. Notwithstanding anything to the contrary in this Agreement, we reserve the right to grant to you in our sole discretion an extended cure period for any breach. You acknowledge that our decision to grant such an extended cure period shall not operate as a waiver of any of our rights and that we may choose to condition such an extension upon the signing of a general release by you and your owners, guarantors, and affiliates.

14.6 Remedies other than Termination. If you commit any act, or any other event occurs, which constitutes grounds for termination of this Agreement by us under any provision of this Agreement, we may instead elect to reduce the Territory or terminate your territorial protection set forth in Section 1.3, which will take effect immediately upon our written notice to you or institute an appropriate legal proceeding. Our election of any of these remedies will not preclude us from invoking our right to terminate if the act or event constituting grounds for termination continues to exist.

14.7 Notification. You authorize us to notify any of your lenders, creditors, clients, suppliers, or landlords upon the occurrence of any default, or any event or circumstance which the giving or notice or passage of time or both would constitute an event of default, and to otherwise communicate with such lenders, creditors, clients, suppliers, or landlords with respect to any such default, event, or circumstance.

14.8 Limitation of Service or Benefit. We shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to you hereunder in lieu of exercising our right to terminate this Agreement pursuant to the terms hereof, including, without limitation, eliminating your right to use any Online Presence, eliminating your right to participate in the membership, reward, gift card, or loyalty programs, restricting or removing your right to purchase products directly or indirectly from the us or our affiliates, and restricting or removing your right to use the Technology. If you default under this Agreement, we have the right to modify the Territory and the protections described in Section 1.2. Nothing in this subsection constitutes a waiver of any of our other rights and remedies under this Agreement. You acknowledge that our exercise of its rights pursuant to this subsection shall not be deemed a constructive termination. Any services, Territory protections, or benefits removed or limited pursuant to this subsection may be reinstated at any time in our sole discretion.

14.9 Cross Defaults. Any default by you, your owners, or affiliates under this Agreement shall be a default under any other agreement between us (or our affiliates) and you (or any of your owners or affiliates). Any such default under any other agreement or any other obligation between us (or our affiliate) and you (or any of your owners or affiliates) shall be a default under this Agreement. Any default by you (or any of your owners or affiliates) under any lease, sublease, loan agreement, or security interest may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you (or any of your owners or affiliates) and us (or our affiliates).

14.10 Termination by You. If we fail to perform any material obligation imposed upon us by this Agreement, and such failure is not cured within ninety (90) days after you deliver written notice of such failure to us, then, provided you are otherwise compliant with your obligations under

this Agreement and any other agreement with us, you may terminate this Agreement at any time thereafter by delivering thirty (30) days' written termination notice to us. You must comply with our instructions for the orderly wind-down of the Spa Center during the thirty (30) day period.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION, NON-RENEWAL, OR EXPIRATION OF THIS AGREEMENT

15.1 Payment of Amounts Owed to Us. You agree to pay us within fifteen (15) days after this Agreement expires, does not renew, or is terminated, or on any later date that we determine, the Royalty Fees, interest, and all other amounts owed to us (and our affiliate(s)) which then are unpaid. You agree to pay us the damages, costs, and expenses we incur due to any of your defaults or the termination of the Agreement. You shall promptly pay to us all damages, costs and expenses including reasonable attorneys' fees, incurred by us subsequent to the termination, non-renewal, or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement. You shall promptly pay to us all damages incurred by us because of any early termination of this Agreement, which can include lost profits and Royalties.

15.2 Other Responsibilities. When this Agreement expires, does not renew, or is terminated for any reason:

(a) you may not at any time or in any manner (except as we may otherwise approve, and except with respect to other Spa Centers you own or as required by law, or as necessary to accurately respond to any inquiry, or as required by law, regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former Spa Center or as one of our current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Spa Center, including trade dress, in any manner or for any purpose as such provides us with the right to seek appropriate remedies under the counterfeiting provisions of the Federal Trademark Act (the Lanham Act); or use for any purpose any trade dress, trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(b) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(c) you agree to deliver to us within thirty (30) days all (i) signage, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Spa Center that we request and (ii) all property held or used by the Spa Center which is owned by us, and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Spa Center;

(d) if we do not have or do not exercise an option to purchase the assets of Spa Center under Section 15.5 below, you agree promptly and at your own expense to make the alterations we specify in our Brand Standards Manual (or otherwise) to remove any Glosshouz trade dress and to distinguish the Spa Center and the Premises clearly from its former appearance and from other Spa Centers in order to prevent public confusion;

(e) in connection with your obligations under Attachment 4, you agree to notify the telephone company, all telephone directory publishers, and all domain name registries and Internet service providers, or any provider of an Online Presence, of the termination or expiration

of your right to use any telephone, facsimile, Online Presence, or other numbers names and telephone directory listings associated with any Mark; to authorize the transfer of these numbers, names, Online Presence, and directory listings to us or at our direction; and/or to instruct the telephone company, domain name registries, Online Presence service provider, and Internet service providers to forward all calls, e-mails and electronic communications made to your names, numbers, or addresses to names, numbers, or addresses we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(f) you agree to immediately cease to operate the Franchised Business and as applicable cause the Spa Center to cease operations;

(g) you agree to immediately deliver to us all login credential associated with any Technologies, directory, marketing, Online Presence, point of sale, social media, and all other accounts and systems affiliated with the Spa Center;

(h) you and your owners must comply with the covenants contained in this Agreement, including but not limited to the covenants against unfair competition and the covenant of confidentiality;

(i) if we so request, assign to us or our designee any interest which you have in any lease for the Premises or any other agreement related to the Premises. You will do whatever is necessary to effectuate and complete the assignment;

(j) you immediately transfer at our request all ownership interest in Client List and Spa Center Data, at our request and in accordance with all applicable law;

(k) in addition to any procedures required by applicable laws and any instructions that we may provide, you must notify all members of the Spa Center immediately that the Spa Center will cease to operate under the Marks (using a notice that we have approved in writing) and offer to such members the option to terminate their membership and receive a pro rata refund of all membership fees and other charges which were prepaid by such members related to any period after the effective date of termination or expiration of this Agreement. You are solely responsible for paying such refunds to your members. We may contact and offer such members continued rights to use one or more Spa Centers on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising out of or relating to any membership agreement or act or failure to act by you or the Spa Center. You and your owners and guarantors will cooperate with us to preserve member goodwill;

(l) if we so request and if you own the real property on which the Spa Center is located, lease the Premises to us on substantially the same terms and conditions contained in your lease for the Premises, or if no lease exists or if the existing lease is not commercially reasonable, then on commercially reasonable terms. The lease shall be for an initial five (5) year term, with two (2) five (5) year renewal terms (at our option). If the parties cannot agree on the rent to be charged under the lease within thirty (30) days after the expiration, termination, or non-renewal of the Agreement, the rent will be determined by a qualified independent appraiser. Each party shall present its proposed rent, and the independent appraiser will select the most commercially reasonable rent from the two proposals. The independent appraiser's determination will be binding on the parties. If the parties are not able to agree on an independent appraiser within forty-five (45) days of the termination, non-renewal, or expiration of this Agreement, each party will select an independent appraiser. The independent appraisers chosen will then select a

third independent appraiser whose determination will be binding on the parties. The parties agree to select their respective appraisers within fifty-five (55) days after the termination, non-renewal, or expiration of this Agreement and the two appraisers chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party-appointed appraisers is appointed. Each party will bear the cost of its own appraisers and share equally the reasonable fees and expenses of the third appraiser. The parties will take reasonable actions to cause the third appraiser to complete his or her appraisal within fifteen (15) days after the third appraiser's appointment;

(m) At our election, you must either refund to the client or pay to us the value of any unredeemed gift cards or other client benefits;

(n) you shall comply with our instructions relating to the Technology; and

(o) You agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3 Confidential Information. You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including Technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us all copies of the Brand Standards Manual and any other confidential materials that we have loaned you.

15.4 Covenant Against Unfair Competition and Solicitation.

(a) Upon termination, expiration, transfer, or non-renewal of this Agreement, for any reason:

(i) You and your owners agree that, for two (2) years beginning on the later to occur of (a) the effective date of termination, transfer, non-renewal, or expiration or (b) the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4 or (c) if legal proceedings are necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction or arbitrator enforcing the Agreement ("Restrictive Period"), you and your owners, and your and their spouses, for yourself or themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not do any of the following in the Restrictive Territory (defined below):

(1) own, maintain, operate, engage in, franchise or license, advise, make loans to, or have any controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) for any Competitive Business (as defined in Section 7 above); provided, however that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 15.4.

(2) engage in any Competitive Business as an operator, employee, consultant, salesperson, managerial employee, or independent contractor in any capacity in

which such person would be in a position to use or disclose Confidential Information.

(ii) You and your owners agree that, for during the Restrictive Period, you and your owners, and your and their spouses, for yourself or themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not do any of the following in the Restrictive Territory:

(1) solicit, divert, or attempt to solicit or divert to any Competitive Business any client to which the Spa Center sold any product or for which the Spa Center performed any service at any time within the one (1) year period prior to the termination, expiration, or non-renewal of this Agreement or any prospective client that the Spa Center called on at any time or had any communications within the one (1) year period prior to the termination, expiration, or non-renewal of this Agreement.

(2) solicit, divert, or attempt to solicit or divert, any supplier that has done business with the Spa Center within one (1) year of the Restrictive Period to provide supplies, products, equipment, merchandise, or services to a Competitive Business or to cease to provide supplies, products, equipment, merchandise, or services to Glosshouz businesses.

(b) For purposes of this Section 15, the term "Restrictive Territory" means the following:

(i) An area which combined includes any area which is within twenty (20) miles of any Glosshouz business as of the date of termination, expiration, transfer, or non-renewal of this Agreement, including the Premises; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of any Glosshouz business as of the date of termination, expiration, transfer, or non-renewal of this Agreement, including the Premises; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of the Premises, as of the date of termination, expiration or non-renewal of this Agreement, including the Premises; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad the Territory defined in Attachment 1 as of the date of termination, expiration or non-renewal of this Agreement, including the Premises; or

(v) Only in the event the foregoing is determined by a court of law to be too broad, the Premises, defined in Attachment 1.

(c) The foregoing covenants against unfair competition and solicitation with respect to similar Competitive Businesses shall apply regardless of how or why the Agreement terminates, expires, or does not renew. The parties agree that the foregoing covenants contained in this Section 15 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or our other business interest and our franchisees, and the provisions do not prevent you or your

owners from earning a living. You agree that the scope of activities prohibited in this Section 15, and the length of the term and geographical restrictions in this Section 15, are necessary to protect the legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Your full, uninhibited, and faithful observance of each of the covenants in this Section 15 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 15 will not impair your or your owners' ability to obtain employment commensurate with your or your owners' abilities or on terms fully acceptable to you or otherwise to obtain income required for the comfortable support of you or your owners and their families, and the satisfaction of the needs of all of your and your owners' creditors. Your and your owners' special knowledge of the Spa Center and of Competitive Businesses (and anyone acquiring this knowledge through you or your owners) is such as it would cause us serious injury and loss if you and your owners (or anyone acquiring this knowledge through you and your owners) were to use this knowledge to the benefit of a competitor or were to compete with us or our franchisees. The covenants in this Section 15 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim you or any of your owners may have against us or any of our affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against you or your owners. In the event of any violation of the provisions of this Section 15, the Restrictive Period shall be extended by a period of time equal to the period of the violation. You and we agree that the running of the applicable post-termination Restrictive Period shall be tolled during any period of such violation.

(d) You agree to obtain similar covenants from the personnel and persons we specify, including owners, directors, limited liability company managers, officers and owners' spouses. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

15.5 Our Right to Purchase Certain Assets of the Spa Center

(a) Upon termination of this Agreement, non-renewal, or upon expiration of this Agreement if you do not enter into a successor franchise agreement, we will have the right and option, but not the obligation, to purchase any and all of the assets of the Spa Center at a purchase price equal to their Fair Market Value (defined below). If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect any assets at any time prior to or during this thirty (30) day period. If we elect to purchase the assets, we will be entitled to, and you must provide, all customary warranties and representations relating to the assets purchased, including, without limitation, representations and warranties as to the maintenance, function and condition of the assets and your good title to the assets (including that you own the assets free and clear of any liens and encumbrances).

(b) "Fair Market Value" shall mean the fair market value of the assets excluding the value of the Franchise, the Marks, client base, and other assets owned by us and the assets' associated goodwill.

(c) If you disagree with our determination of Fair Market Value, then you must, within ten (10) days of receiving our proposal of the Fair Market Value, give us notice, which notice shall contain your alternative calculation of the Fair Market Value of the assets, applying the same methodology discussed above. Within ten (10) days of you giving notice of your disagreement, we and you shall mutually agree upon a qualified independent appraiser who shall select from the two proposals of Fair Market Value the one that is the most commercially reasonable. The

independent appraiser's determination shall be binding on the parties. If you do not provide written notice of your disagreement with the Fair Market Value determined by us within ten (10) days of receiving our proposal, then our determination of the Fair Market Value shall be deemed accepted.

(d) Notwithstanding the foregoing, we shall be entitled to offset the purchase price by the amount of money used by you to us for any payments necessary to acquire clear title to the property or for other debt. If we exercise our option to purchase, pending the closing of such purchase, we have the right to appoint a manager to maintain operation of the Spa Center, or we may require that you close the Spa Center during the period without removing any assets. You are required to maintain in force all insurance policies required under this Agreement until the date of closing.

15.6 Continuing Obligations. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. You must continue to comply with your obligations under Article 6 of this Agreement.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors.

(a) You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with clients, suppliers, public officials, Spa Center personnel, and others as an independent owner and operator of the Franchised Business we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

(b) Your employees are solely yours; we have no control, obligation, or responsibility for or to your employees or your employment policies or decisions. As to your employees, you are solely responsible for: their hiring, firing; promotion or demotion; employment policies, including employee relations; human resources matters; controlling work schedules and conditions of employment (e.g., meal and rest breaks, time-keeping); determining pay rates, method of payment and classification; benefits and maintenance of employment records; monitoring performance; and training and supervision. You shall obtain from each of your employees and acknowledgement signed by such persons providing that such individual understand, acknowledges, and agrees that (i) he or she is an employee of you and not us and (ii) he or she shall look to you and not to us, or our affiliates, agents, or employees, for his or her compensation and for other employment matters.

(c) While we have responsibility for the integrity, promotion and quality of the Glosshouz brand, the Marks and the services associated therewith, you are solely responsible for the day-to-day decisions and operations of the Franchised Business consistent with System Standards.

(d) Our ability to approve certain matters, to inspect the Spa Center and/or the Franchised Business and its operations and to enforce our rights, exist only to the extent necessary to protect our interest in the System, the System Standards, and the marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are reserved for you. Furthermore, you acknowledge that, if applicable law requires that you enter into a Management Agreement with a Medical Entity, the Medical Entity shall be solely responsible for and have full authority and control over the practice of medicine or nursing and the provision of medical care, and by or at the Spa Center and other aspects of the clinical practice of medicine or nursing.

16.2 No Liability for Acts of Other Party**.** We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Spa Center's operation or the Franchised Business's operation.

16.3 Taxes**.** We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, employment, or other taxes, whether levied upon you or the Spa Center, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16.4 Indemnification.

(a) You and any of your owners and guarantors ("Franchisee Indemnifying Parties") agree to fully protect, indemnify, defend, reimburse, and hold us; our predecessors, and affiliates; and ours and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), or arising from, any of the following: (1) Franchisee Indemnifying Parties' actual or alleged violation of any law, rule, regulation, or ordinance; (2) damage to property; (3) injury to or death or disability of any person; (4) negligence, recklessness, misconduct, or criminal conduct by the Franchisee Indemnifying Parties', any Medical Entity, or any of your employees or agents or the Licensed Medical Providers; (5) data breaches; (6) Franchisee Indemnifying Parties' breach of this Agreement or any representations and warranties they make herein; (7) infringement of any intellectual property rights; (8) product recalls; (9) any failure to warn or give instructions related to any products or services provided by Franchisor Indemnified Parties or by you; (10) any labor or employment law disputes relating to the Premise or the Spa Center or claims arising out of Franchisee's employment practices, including claims that any of the Franchisor Indemnified parties are the employer, joint employer, or co-employer of you or your agents, employees, or contractors; (11) any acts, errors, or omissions of the Spa Center, the Franchised business, the Franchisee Indemnifying Parties, the Medical Entity and their employees, contractors, and agents; (12) any third party claim that arises from or is connected that explicitly or implicitly is premised on any of Franchisor Indemnified Parties' direct and vicarious liability or arises from your or the Medical Entity's employment and personnel decisions, including wrongful termination, wage and hour violations, and employee harassment

and discrimination; (13) medical malpractice or the unauthorized practice of medicine; or (14) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of the Premises, the Franchised Business, and the Spa Center. Franchisee Indemnifying Parties agree that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Franchisor Indemnified Parties. Franchisee Indemnifying Parties hereby waive all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee Indemnifying Parties or the Medical Entity or their employees, contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of the Premises, the Franchised Business, and the Spa Center.

(b) You will also notify us by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at your expense and risk, to: (1) retain counsel of their own choosing to represent them with respect to any claim; and (2) control the response thereto and the defense thereof, including the right to enter into settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee Indemnifying Parties must reimburse Franchisor Indemnified Parties for all of Franchisor Indemnified Parties' costs, expenses, and all attorneys' fees immediately upon Franchisor Indemnified Parties' request. Franchisee Indemnifying Parties shall not, without the prior written consent of the Franchisor Indemnified Party, (A) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Franchisor Indemnified Parties, or (B) settle or compromise any claim in any manner that may adversely affect the Franchisor Indemnified Parties. Franchisee Indemnifying Parties agree to give their full cooperation to Franchisor Indemnified Parties in assisting with the defense of any such claim. Franchisor Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee Indemnifying Parties' obligations to indemnify Franchisor Indemnified Parties and to hold Franchisor Indemnified Parties harmless. Under no circumstance will Franchisor Indemnified Parties be required to seek recovery from any insurer or other third party or otherwise mitigate Franchisor Indemnified Parties' or the third parties' losses to maintain a claim for indemnification against Franchisee Indemnifying Parties. Franchisee Indemnifying Parties agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnified Parties from you.

(c) Any and all of the Franchisee Indemnifying Parties' indemnification obligations under this Agreement shall survive the expiration, non-renewal, or sooner termination of this Agreement.

16.5 Business Associate**.** You are solely responsible for determining if you are a "covered entity" or "business associate" as defined by the Health Insurance Portability and Accountability Act of 1996, including all pertinent regulations (45 CFR Parts 160 and 164) issued by the U.S. Department of Health and Human Services, as either have been amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5) (collectively "HIPAA"). If you determine you are a covered entity, you are solely responsible for all compliance under HIPAA and applicable state laws and regulations. If you determine you are covered entity you understand and agree that certain protected health information may be disclosed to us in the course of providing services hereunder, and we may be considered a "business associate" of yours, as defined in HIPAA. If you are a "covered entity" or

"business associate" under HIPAA, we may require you to enter into our form of Business Associate Agreement, the form of which may vary depending on your status under HIPAA.

16.6 Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

17. ENFORCEMENT

17.1 Severability and Substitution of Valid Provisions.

(a) Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

(b) If any covenant which restricts unfair competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

(c) If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

17.2 Waiver of Obligations.

(a) We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

(b) We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement

before the Initial Term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Spa Centers; the existence of franchise agreements for other Spa Centers which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

17.3 Damages; Costs and Attorneys' Fees. If we incur damages, costs, losses, and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement during or after the Initial Term or any successor term, you agree to reimburse us for all of the damages, costs, losses and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Spa Center or Premises, the parties' relationship, or the Spa Center will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in the prosecution or defense of any such claim, lawsuit, litigation or arbitration.

17.4 Rights of Parties are Cumulative**.** Our rights under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this Agreement will not preclude our exercise or enforcement of any other right or remedy which we are entitled by law to enforce.

17.5 Dispute Resolution

(a) Subject to the exception below, before you (and if applicable, your owners or affiliates) and we may bring an action against the other, you (and if applicable, your owners or affiliates) and we must first meet to mediate the dispute. Any such mediation shall be conducted by a mediator mutually agreeable to the parties, in Centennial, Colorado, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding the previous sentence, the parties may mutually agree on procedures and/or venue for mediation. The mediation provided for under this Section 17.5(a) shall be commenced by the party requesting mediation ("complainant") providing written notice of the request for mediation ("request") to the party with whom mediation is sought ("respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to us if we are not a complainant or respondent. Mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service. The mediator selected shall have at least ten (10) years' experience in franchise matters.

(b) You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in the State of Colorado, where our decision-making authority is vested, franchise operations are conducted and supervised, and where Agreement was rendered binding. Therefore, the parties agree that, subject to the exception below, to the extent that any disputes cannot be resolved directly between you (and if applicable, your owners or affiliates) and us, and following compliance with the applicable mediation requirements set forth in Section 17.5(a) above, any action arising out of or relating to this Agreement or the making, performance, or interpretation thereof shall upon thirty (30) days written notice by either party be resolved, upon application by any such party by binding arbitration in Centennial, Colorado, in accordance with the Federal Arbitration Act under the Commercial Arbitration Rules then prevailing of the American Arbitration Association, including without limitation the Optional Rules for Emergency Measures of Protection, and not under any state arbitration laws, and judgment on the arbitration award may be entered in any court of competent jurisdiction. You (and as applicable, your owners or affiliates) and we agree that arbitration shall be conducted on an individual - not a class-wide basis. Any award by the arbitrator(s) shall be final, binding and non-appealable. The matter shall be heard by one (1) arbitrator mutually selected by the parties who shall have at least ten (10) years' experience in practicing franchise law during which franchise law is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. The arbitrator need not be affiliated with the American Arbitration Association. You understand that by agreeing to arbitrate you give up jury and appeal and other rights you might have in court.

(c) Notwithstanding Section 17.5(a) and (b) and anything else in the Agreement to the contrary, nothing in this Agreement bars our right to seek and obtain specific performance of the provisions of this Agreement and injunctive relief against actual or threatened conduct that that (i) could materially damage the goodwill associated with the System, the Marks, and the network of franchisees (including but not limited to conduct related to trademark or other intellectual property infringement), (ii) that involves the disclosure or use of our Confidential Information, or (iii) that relates to your, the owners', the guarantors', or a managerial employee's covenants against unfair competition and solicitation. You (and as applicable, your owners or affiliates) agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You (and as applicable, your owners or affiliates) agree that we will not be required to post a bond to obtain injunctive relief and that your (and as applicable, your owners' or affiliates') only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). If you (and as applicable, your owners or affiliates) counter, as you may, by initiating arbitration, we agree to arbitrate the entire dispute thereafter except preliminary injunctive relief (and permanent injunctive relief also, if you will not agree that the preliminary injunction shall remain effective indefinitely until the arbitrator shall dissolve it), leaving the court action pending, if it chooses, to facilitate enforcement.

17.6 Governing Law and Venue. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties (and as applicable, your owners' or affiliates') under this Agreement and any other claim or controversy between the parties (and as applicable, your owners or affiliates) shall be governed by and construed under the laws for the State of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Colorado, which laws shall prevail in the event of any conflict of law. The venue for any arbitration concerned with the enforcement and interpretation of this Agreement shall be Centennial,

Colorado. Nothing in this Section 17.6 is intended, or shall be deemed, to make any Colorado law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you (and as applicable, your owners or affiliates) and us, or your ownership or operation of the Franchised Business and/or Spa Center, brought by you (and as applicable, your owners or affiliates) against us, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

17.7 Waiver of Certain Damages, Jury Trial, and Class Action Rights.

EXCEPT FOR (I) THE FRANCHISEE INDEMNIFYING PARTIES' OBLIGATIONS TO INDEMNIFY THE FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT, OR (II) CLAIMS WE BRING AGAINST YOU (AND YOUR OWNERS AND AFFILIATES) FOR ANY UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED USE OF DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF ANY NON-COMPETITION AND NON-SOLICITATION COVENANTS, WE AND YOU (AND YOUR OWNERS AND AFFILIATES) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, CONSEQUENTIAL, MULTIPLE, INCIDENTAL, OR EXEMPLARY DAMAGES AGAINST THE OTHER IN EXCESS OF ECONOMIC DAMAGES ACTUALLY SUSTAINED AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU (AND YOUR OWNERS AND AFFILIATES), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU (AND YOUR OWNERS AND AFFILIATES) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

NEITHER YOU (AND YOUR OWNERS AND AFFILIATES) NOR WE SHALL SEEK TO ARBITRATE OR LITIGATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT.

NO LITIGATION, ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN YOU (AND AS APPLICABLE YOUR OWNERS AND AFFILIATES) AND US AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, YOU OR US, UNLESS BOTH YOU AND US CONSENT IN WRITING. WE HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. YOU (AND YOUR OWNERS AND AFFILIATES) AGREE AND ACKNOWLEDGE THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN YOU, YOUR OWNERS, AND YOUR AFFILIATES AND ANY OF OUR AFFILIATES WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION. YOU, YOUR AFFILIATES, AND YOUR OWNERS AGREE THAT YOUR AND THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST US OR OUR SUCCESSORS AND ASSIGNS.

YOU AND YOUR OWNERS AND AFFILIATES AGREE THAT OUR MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND AFFILIATE(S) SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN US OR OUR AFFILIATE(S) AND YOU OR YOUR OWNERS OR AFFILIATES. WE, YOU AND YOUR OWNERS AND AFFILIATES FURTHER AGREE THAT, IN CONNECTION WITH ANY SUCH PROCEEDING, EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE, WILL BE FOREVER BARRED. THE PARTIES AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS, AND THAT A PROCEEDING BETWEEN US AND YOU, YOUR AFFILIATES, OR YOUR OWNERS MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN US AND ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN US AND YOU AND YOUR OWNERS AND AFFILIATES. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT.

17.8 Binding Effect**.** This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Brand Standards Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly authorized officers. This Agreement shall not take effect until its acceptance and execution by our authorized officer. We shall have the right to delegate our duties under this Agreement to any affiliate or non-affiliated entity agent, or employee and you agree to such assignment without any right to approve such actions.

17.9 Our Discretion and Judgment. Whenever we have expressly reserved in this Agreement a right and/or discretion (or we are deemed to have a right and/or discretion) to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, which includes what we believe to be the best interests of the franchise network at the time our decision is made or our right or discretion is exercised even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our financial or other individual interest; or (3) our decision or the action we take may apply differently to different franchisees or our company-owned or affiliate-owned operations. You acknowledge that this Agreement grants us the discretion to make decisions, take actions, and refrain from taking actions not inconsistent with our explicit rights and obligations. The exercise of such discretion may favorably or adversely affect your interests. We shall have no liability to you for the exercise of our discretion so long as our discretion is not exercised in bad faith towards you and in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment of ours so exercised. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. No covenant of good faith and fair dealing shall be implied into this Agreement; but if applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

18. NOTICES

Except as otherwise provided in this Agreement, all notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii) by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for us, addressed to:

Glosshouz USA LLC
8171 S. Chester St.,
Centennial, CO 80112

With a copy that shall not constitute notice to:

Manning Fulton & Skinner, P.A.
3605 Glenwood Ave, Suite 500
Raleigh, NC 27612
Attn: Ritchie W. Taylor

If intended for you, addressed to:

The notice address set forth in Attachment 1, or,

If you have opened the Spa Center, the address of the accepted Premises of the Spa Center, or

in either case, to such other address as may have been designated by notice to the other party.

Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, we may provide the notice described in this section by email or other electronic system to (a) the email address set forth on the Attachment 1, (b) the email address we have approved or provided for you to use with the Spa Center, or (c) another electronic account that we have approved or provided for you to use with the Spa Center. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless we receive notice of rejected delivery by the email account or other electronic account.

19. ACKNOWLEDGMENTS

YOU ACKNOWLEDGE THAT WE HAVE PROVIDED YOU WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN FOURTEEN (14) DAYS BEFORE THE EXECUTION OF THIS FRANCHISE AGREEMENT, OR FOURTEEN (14) DAYS BEFORE ANY PAYMENT OF ANY

CONSIDERATION, UNLESS STATE LAW REQUIRES A DIFFERENT PERIOD. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTAND ITS CONTENTS. IF REQUIRED BY STATE LAW, WE PROVIDED YOU WITH A FRANCHISE DISCLOSURE DOCUMENT AT THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A GLOSSHOUZ FRANCHISE.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO REVIEW THIS FRANCHISE AGREEMENT, AS WELL AS THE FRANCHISE DISCLOSURE DOCUMENT, AND THAT YOU HAVE CONSULTED WITH AN ATTORNEY OR OTHER PROFESSIONAL ADVISOR.

YOU ACKNOWLEDGE THAT IT IS A REQUIREMENT THAT YOU RETAIN INDEPENDENT HEALTH CARE COUNSEL TO ASSIST YOU IN COMPLYING WITH ALL APPLICABLE FEDERAL AND STATE LAWS BEARING ON THE STRUCTURING, ESTABLISHMENT AND OPERATION OF THE BUSINESS LICENSED BY THIS FRANCHISE AGREEMENT. THIS FRANCHISE AGREEMENT, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, THE STARK LAW (42 U.S.C. § 1395nn) AND ITS EXCEPTIONS, THE FEDERAL ANTI-KICKBACK STATUTE (42 U.S.C. § 1320a-7b(b)) AND ITS SAFE HARBORS, THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, 21 U.S.C. § 301 ET. SEQ., AND THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, AS AMENDED.

YOU ALSO CONFIRM YOUR UNDERSTANDING THAT THE SUCCESS OF THE BUSINESS LICENSED BY THIS FRANCHISE AGREEMENT IS SPECULATIVE AND DEPENDS TO A LARGE EXTENT ON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON AS WELL AS OTHER FACTORS. YOU ALSO RECOGNIZE AND ACKNOWLEDGE THAT YOU MAY INCUR EXPENSES OR OBLIGATIONS WHICH THIS FRANCHISE AGREEMENT MAY NOT ADDRESS.

YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT RECEIVED ANY REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF A SPA CENTER. IN FACT, YOU ACKNOWLEDGE THAT YOU HAVE ENTERED INTO THIS FRANCHISE AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE BUSINESS AND OF US.

YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE OF OUR FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

YOU AGREE AND ACKNOWLEDGE THAT WE ARE NOT OBLIGATED TO PROVIDE ANY TRAINING OR ASSISTANCE TO YOUR LEVEL OF SATISFACTION, BUT AS A FUNCTION OF OUR EXPERIENCE, KNOWLEDGE, AND JUDGMENT. YOU ALSO ACKNOWLEDGE THAT WE ARE NOT OBLIGATED TO PROVIDE ANY SERVICES THAT ARE NOT SET FORTH IN THIS AGREEMENT. IF YOU BELIEVE WE HAVE FAILED TO ADEQUATELY PROVIDE ANY PREOPENING OR POST-OPENING SERVICES TO YOU, YOU MUST NOTIFY US IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF THE SPA CENTER OR YOU WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING AND OPENING SERVICES REQUIRED TO BE PROVIDED BY US WERE SUFFICIENT AND SATISFACTORY IN YOUR JUDGMENT AND COMPLIED WITH ALL REPRESENTATIONS MADE TO YOU. IF YOU FAIL TO NOTIFY US, YOU WILL BE DEEMED TO HAVE WAIVED

ALL CLAIMS RELATING TO OR ARISING FROM OUR OBLIGATIONS TO PROVIDE PREOPENING ASSISTANCE.

YOU RECOGNIZE THAT THE SYSTEM AND THE SYSTEM STANDARDS MAY EVOLVE AND CHANGE OVER TIME.

20. MISCELLANEOUS

The preambles, background, exhibits, and Brand Standards Manual are a part of this Agreement, and this Agreement and the exhibits and attachments hereto, constitute the entire, full and complete agreement between the parties hereto, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements. There are no other oral or written understandings or agreements between us and you, or oral representations by us, or written representations by us (other than those set forth in our Franchise Disclosure Document that we provided to you), relating to the subject matter of this Agreement, the franchise relationship, the Franchised Business, or the Spa Center. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. However, and notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim any representations made by us in the Franchise Disclosure Document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or constrict the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliate(s) with whom you deal. “Control” means the power to direct or cause the direction of management and policies. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, as the case may require.

If two (2) or more persons are at any time the owners of the Franchise, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), the Franchise, this Agreement, the Franchised Business, and/or the Spa Center and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

You agree and acknowledge that time is of the essence with regarding to your obligations hereunder and that all of your obligations are material to us and this Agreement.

If you or one of your owners has a change in marital status, you shall promptly inform us of that change and you agree that any new spouse will sign our Guaranty and Assumption of Obligations and agree jointly and severally guaranty your obligations under this Agreement. These individuals must also sign our form of confidentiality, non-solicit, and non-competition agreements.

You and your owners and guarantors, as applicable, agree to execute the following attached documents: Telephone Listing and Internet Authorization Agreement.

All acknowledgements, warranties, representations, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement as Franchisee.

This Agreement shall be binding upon the heirs, successors, permitted assigns and legal representatives of the parties.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. The parties to this Agreement may utilize electronic means, including electronic mail and facsimile, to execute and transmit the Agreement or PDF copies of the Agreement and all such electronically transmitted copies of the Agreement shall be deemed as valid as originals. Electronic signatures shall be treated for all purposes as originals.

You acknowledge that this Agreement shall not take effect until its acceptance and execution by our authorized officer.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly signed as of the day and year first above written.

FRANCHISOR:

Glosshouz USA LLC

By: _____

_____
Print Name and Title

FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED PREMISES IN OHIO: You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

FRANCHISEE

_____
Name of Entity

By: _____

_____
Print Name and Title

FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED PREMISES IN OHIO

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier service, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Glosshouz USA LLC, 8171 S. Chester St., Centennial, CO 80112], 720-439-3600, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED PREMISES IN OHIO

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier service, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Glosshouz USA LLC, Glosshouz USA LLC, 8171 S. Chester St., Centennial, CO 80112, 720-439-3600, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

Attachment 1
TERRITORY AND FEES

Accepted Premises and Territory (if applicable):

The Premises of the Spa Center will be located at: _____

The Territory shall be: _____

Unassigned Premises and Territory (if applicable):

If no site or Premises has been determined at the time this Franchise Agreement is executed, then the site will be within the following area, provided the exact location will be subject to our review and approval: _____ ("Site Selection Area").

If you have not received our acceptance of a site at the time the Franchise Agreement is accepted, we reserve the right to sell franchises—and grant territories to others who will operate Spa Centers—in and around the Site Selection Area. You may then be required to choose a final location outside of any territory given to any other franchisee, and that territory may be outside of the Site Selection Area set forth above.

When you select your desired location for the Spa Center, you must follow the process set forth in Section 2.1 of the Franchise Agreement. If we accept your proposed site, we will send you our form site acceptance letter ("Site Selection Acceptance Letter") confirming the site and Territory. The site set forth in the Site Selection Acceptance Letter shall constitute the "Premises" of the Spa Center for purposes of the Franchise Agreement and the territory set forth in the Site Selection Acceptance Letter shall constitute the "Territory" for purposes of the Franchise Agreement.

Fees:

The initial franchise fee shall be Forty-Five Thousand Dollars ($45,000).

The Royalty Fee shall be Six Percent (6%) of Gross Revenues.

"Gross Revenues" means the total revenues of the franchisee for all goods and services provided in connection with the Spa Center, whether received at or away from the Spa Center, and all other revenue of every kind and nature related to the operations of the franchised business, whether for cash, cash equivalents, credit, or trade, and regardless of collection. "Gross Revenues" includes, without limitation, proceeds from the redemption (not sale) of gift cards, gift certificates, and vouchers; proceeds from business interruption insurance; membership fees; rebates of any kind; all management service fees or other revenues earned under a Management Agreement with a Medical Entity or other arrangements with a Licensed Medical Provider; and other forms of consideration. "Gross Revenues" excludes tips and gratuities paid directly to the people providing the services and amounts collected and paid by the franchisee for sales or other excise tax.

You may be required to use our designated supplier for third party financing for some of the services and may use third party advertising group buying services. In these circumstances, "Gross Revenues" includes the total amount paid by the client through your point of sale system, whether or not such amount is ultimately paid to you via the third party. Amounts recorded as

being paid by clients in the point-of-sale system will not be lower than the amount the client paid to the third party service.

For certain services, the manufacturer of the products used in providing the services (for example, aesthetic injectables) may provide a coupon discount to the client and a rebate to you or the Medical Entity. In these circumstances, the total revenues from the medical aesthetic service provided includes the discounted amount paid by the client plus the rebates received from the manufacturer for redeeming the coupon.

Notice:

The designated address for notices for the Franchisee under Section 18 of the Agreement shall be as follows:

_____
_____
_____

Telephone: _____
Email: _____
Attn: _____

Attachment 2
LISTING OF OWNERSHIP INTERESTS

Effective Date: This Attachment 2 is current and complete as of _____.

1. ENTITY (CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP)

Registered Name: _____
Date Organized: _____
State of Organization: _____

The following is a list of your directors or managers, if applicable, and officers as of the effective date shown above:

Name of Each Director/Manager/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____

2. OWNERS

The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners (if an Entity), and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name	Percentage/Description of Interest
_____	_____
_____	_____
_____	_____

Glosshouz USA LLC	**FRANCHISEE**
	_____
By: _____	By: _____
_____	_____
Print Name and Title	Print Name and Title

Attachment 3A
NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into as of _____ ("Effective Date") by and between Glosshouz USA LLC, ("Franchisor"), and _____ ("Associate"), who resides at _____. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. Franchisor is engaged in the business of selling franchises for the operation of a full-service spas operating in sophisticated settings and featuring special, luxurious amenities ("Spa Center"). The Spa Centers are operated under the Company's trademark "Glosshouz" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting Spa Centers ("System") pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor;

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and client service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with _____ ("Franchisee"), a franchisee of Franchisor that operates a Spa Center in _____ in the capacity of an owner, officer, partner, director, or agent of the Spa Center, or is a spouse or domestic partner of an owner of a Spa Center, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or personal guaranty; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisee using Franchisor's Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Competitive Business" as used in this Agreement means any business, practice, or commercial activity, other than a Spa Center under a franchise agreement with Franchisor, that

(i) provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application services; massage therapy services; medical aesthetic injectable treatments like

neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services; or

(ii) provides management services for a business or practice providing one or more of the services set forth in (i) above, or

(iii) provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or

(iv) any business granting franchises or licenses to others to operate the type of business specified in subsections (i) to (iii).

(b) "Confidential Information" means (without limitation) the following information not generally known to the public or within the spa, cosmetic, medspa, and esthetic industries: (i) training and operations materials and manuals, including the Manual; (ii) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating the Spa Center and providing spa, cosmetic, medspa, and esthetic services to clients; (iii) marketing and advertising programs for the Spa Center; (iv) employee recruitment, training, retention programs; (v) knowledge of specifications for and suppliers of Business Assets, and other products; (vi) any Technology which is proprietary to Franchisor or the System; (vii) spa, cosmetic, medspa, and esthetic services know-how; (viii) trade secrets; (ix) formulas for products and any recipes for food products; (x) client lists, contact information, records, and identification; (xi) passwords, usernames, and other credentials used to access the Manual; (xii) knowledge of the operating results and financial performance of Spa Centers (subject to compliance with law and other requirements); (xiii) site selection and territorial criteria; and (xiv) any information Franchisor designates secret or confidential.

(c) "Franchise Agreement" shall mean the franchise agreement between Franchisor and Franchisee**,** as amended or renewed from time to time.

(d) "Premises" shall mean the accepted location of Franchisee's Spa Center.

(e) "Restrictive Territory" shall mean:

(i) An area which combined includes any area which is within twenty (20) miles of any Glosshouz business as of the first date of the Restrictive Period, including the Premises; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of any Glosshouz business as of the first date of the Restrictive Period, including the Premises; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of the Premises as of the first date of the Restrictive Period, including the Premises; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad the Territory as of the first date of the Restrictive Period, including the Premises; or

(v) Only in the event the foregoing is determined by a court of law to be too broad, the Premises as of the first date of the Restrictive Period.

(f) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Spa Center ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(g) "Term" shall mean the period between the Effective Date and the first date of the Restrictive Period.

(h) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that is developed and utilized in connection with the operation of the Spa Center is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Spa Center, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Unfair Competition. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for, any Competitive Business; or

(ii) offer or grant franchises or licenses for any Competitive Business; or

(iii) become a franchisee or licensee of any Competitive Business; or

(iv) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

5. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restrictive Territory, engage in any of the following:

(i) own, maintain, operate, engage in, franchise or license, advise, make loans to, be employed by, or have any controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, manager, managerial employee, consultant, or sales person for any Competitive Business; provided, however that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subsection.

(ii) engage in any Competitive Business as an operator, manager, employee, consultant, or independent contractor in any capacity in which Associate would be in a position to use or disclose Confidential Information.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars ($500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation or arbitration concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an

agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) If Associate is not an owner or guarantor of Franchisee, the following terms apply: The laws of Colorado (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation or arbitration, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:	GLOSSHOUZ USA LLC
_____	By: _____
[Print Name]	Name: _____
_____	Title: _____
[Signature]	

Attachment 3B

NONDISCLOSURE AND NON-SOLICITATION AGREEMENT

This Nondisclosure and Non-Solicitation Agreement ("Agreement") is made and entered into as of _____ ("Effective Date") by and between Glosshouz USA LLC, ("Franchisor"), and _____ ("Associate"), who resides at _____. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. Franchisor is engaged in the business of selling franchises for the operation of a full-service spas operating in sophisticated settings and featuring special, luxurious amenities ("Spa Center"). The Spa Centers are operated under the Company's trademark "Glosshouz" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting Spa Centers ("System") pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor;

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and client service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with _____ ("Franchisee"), a franchisee of Franchisor that operates a Spa Center in _____ in the capacity of an owner, officer, partner, director, or agent of the Spa Center, or is a spouse or domestic partner of an owner of a Spa Center, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or personal guaranty; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to the solicitation of clients and suppliers by Associate. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor's Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Competitive Business" as used in this Agreement means any business, practice, or commercial activity, other than a Spa Center under a franchise agreement with Franchisor, that:

(i) provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application services; massage therapy services; medical aesthetic injectable treatments like

neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services; or

(ii) provides management services for a business or practice providing one or more of the services set forth in (i) above, or

(iii) provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or

(iv) any business granting franchises or licenses to others to operate the type of business specified in subsections (i) to (iii).

(b) "Confidential Information" means (without limitation) the following information not generally known to the public or within the spa, cosmetic, medspa, and esthetic industries: (i) training and operations materials and manuals, including the Manual; (ii) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating the Spa Center and providing spa, cosmetic, medspa, and esthetic services to clients; (iii) marketing and advertising programs for the Spa Center; (iv) employee recruitment, training, retention programs; (v) knowledge of specifications for and suppliers of Business Assets, and other products; (vi) any Technology which is proprietary to Franchisor or the System; (vii) spa, cosmetic, medspa, and esthetic services know-how; (viii) trade secrets; (ix) formulas for products and any recipes for food products; (x) client lists, contact information, records, and identification; (xi) passwords, usernames, and other credentials used to access the Manual; (xii) knowledge of the operating results and financial performance of Spa Centers (subject to compliance with law and other requirements); (xiii) site selection and territorial criteria; and (xiv) any information Franchisor designates secret or confidential.

(c) "Franchise Agreement" shall mean the franchise agreement between Franchisor and Franchisee**,** as amended or renewed from time to time.

(d) "Premises" shall mean the accepted location of Franchisee's Spa Center.

(e) "Restrictive Territory" shall mean:

(i) An area which combined includes any area which is within twenty (20) miles of any Glosshouz business as of the first date of the Restrictive Period, including the Premises; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of any Glosshouz business as of the first date of the Restrictive Period, including the Premises; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, any area which is within ten (10) miles of the Premises as of the first date of the Restrictive Period, including the Premises; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad the Territory as of the first date of the Restrictive Period, including the Premises; or

(v) Only in the event the foregoing is determined by a court of law to be too broad, the Premises as of the first date of the Restrictive Period.

(f) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Spa Center ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(g) "Term" shall mean the period between the Effective Date and the first date of the Restrictive Period.

(h) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that is developed and utilized in connection with the operation of the Spa Center is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Spa Center, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Non-Solicitation Covenant. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(i) use any supplier relationship established through Associate's association with Franchisor or Franchisee for any purpose other than to purchase supplies, products, equipment, merchandise, or services for use or retail sale in the Spa Center.

(ii) solicit, divert or attempt to solicit or divert any client of the Franchisee, to any Competitive Business.

5. Post-Termination Non-Solicitation Covenant. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restrictive Territory, engage in any of the following:

(i) solicit, divert, or attempt to solicit or divert, any supplier that has done business with Franchisee within the one (1) year period prior to first day of the Restrictive Period to provide supplies, products, equipment, merchandise, or services to a Competitive Business or to cease to provide supplies, products, equipment, merchandise, or services to Glosshouz businesses.

(ii) solicit, divert, or attempt to solicit or divert to any Competitive Business any client to which the Spa Center sold any product or for which the Spa Center performed any service at any time within the one (1) year period prior to first day of the Restrictive Period or any prospective client that the Spa Center called on at any time or had any communications within the one (1) year period prior to the first day of the Restrictive Period.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars ($500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation or arbitration concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) If Associate is not an owner or guarantor of Franchisee, the following terms apply: The laws of Colorado (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation or arbitration, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:	GLOSSHOUZ USA LLC
_____	By: _____
[Print Name]	
	Name: _____
_____	Title: _____
[Signature]	

Attachment 4
Assignment Agreement

THIS ASSIGNMENT AGREEMENT is entered into as of _____ by and between Glosshouz USA LLC ("Franchisor") and _____ (hereinafter referred to as "Franchisee").

Franchisor has expended time, money, and effort to develop a unique system for operating full-service spas featuring luxurious amenities in a sophisticated setting. The methods of operation are referred to herein as the "System."

Franchisor and Franchisee have entered into a Franchise Agreement dated _____ ("Franchise Agreement"), pursuant to which Franchisee was granted the right to operate a Glosshouz franchised business ("Spa Center") under the System; and

It is the desire of and in the best interests of Franchisor and the System that in the event the Franchise Agreement terminates, expires, or is not renewed, the telephone numbers (including any personal or other cellphone numbers used with the Spa Center), telephone directory listings, internet addresses, and social media accounts used by Franchisee in connection with the operation of its Glosshouz franchised business are assigned to Franchisor.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Franchisee hereby agrees to assign to Franchisor: (i) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating the Spa Center, including any personal or other cellphone numbers used in connection with the franchised business, (ii) all email addresses that use the Marks or that are used by Franchisee in connection with the operation of the Spa Center, (iii) any Online Presence (as that term is defined in the Franchise Agreement) which uses the Marks, which Franchisee uses in connection with the operation of the Center, or which Franchisee has been permitted by Franchisor to create, and (iv) all rights, title, and interest in the content of any Online Presence, whether now-existing or adopted by Franchisee in the future (collectively, the "Listings").

2. This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee's use of the Listings unless and until Franchisor notifies the telephone company, listing agencies, internet service providers, or other parties that provide the Listings (collectively, the "Providers") to effectuate the assignment pursuant to the terms hereof.

3. Upon termination, expiration, or nonrenewal of the Franchise Agreement (without renewal or extension), Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to Franchisor, Franchisor's affiliates, or Franchisor's approved suppliers under existing contracts for the Listings and immediately, at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect, cancel, delete,

remove, or discontinue the Listings; (iv) relist any Listing in a different location or with a new provider, whether published or online; (v) modify the Listing and any content in the Listing; (vi) provide all login or other access credentials to the Listings; and/or (vi) cooperate with Franchisor or its designated agent in undertaking any or all of the foregoing.

4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any Provider to transfer or modify such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, termination, or nonrenewal of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

5. The parties agree that the Providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination, expiration or nonrenewal of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon a Provider's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Providers require that the parties execute the Providers' assignment forms or other documentation at the time of termination, expiration or nonrenewal of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination, expiration, or non-renewal of the Franchise Agreement.

6. The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

FRANCHISEE:	GLOSSHOUZ USA LLC
_____	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachment 5
LEASE RIDER

This Lease Rider is executed as of this date of _____, by and between _____ ("Tenant") and _____ ("Landlord") as a Rider to the lease dated _____ (as amended, renewed, and/or extended from time to time, the "Form Lease") for the Premises located at _____ ("Premises").

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Form Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control.

1. Permitted Use. The Premises are leased to Tenant for the operation of a spa offering cosmetic, medspa, and aesthetic services. Landlord covenants that from and after the date hereof, Landlord shall not permit any other tenant to operate a business or spa in the same shopping center as the Premises that provides spa, cosmetic, medspa, and aesthetic services.

2. Signage. Notwithstanding anything contained within the Form Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary marks and identification on both the exterior and within the interior of the Premises as approved by Glosshouz USA LLC, a Delaware limited liability company, and franchisor of the Glosshouz concept **("Franchisor")**.

3. Assignment and Subletting. Landlord's consent to an assignment of the Form Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant's assets or business or an assignment or sublet to Franchisor, any parent, subsidiary or affiliated entity of Tenant or Franchisor, or another Glosshouz franchisee. Landlord shall approve as an assignee or sublettee any tenant who has become a transferee of the Franchise Agreement by and between Tenant and Franchisor ("Franchise Agreement") as a result of a merger, reorganization or sale of all or substantially all of Tenant's assets. Tenant shall also have the right, without the consent of Landlord, to assign the Form Lease to an entity formed or to be formed by Tenant or a partnership formed or to be formed by Tenant, provided that Tenant owns or beneficially controls a majority of the issued and outstanding shares of capital stock or the membership interests of the company or is the managing general partner of the partnership.

4. Notices; Opportunity to Cure. Copies of any demand letters, default notices or other similar notices of non-compliance **("Notice")** sent by Landlord to Tenant shall also be sent to Franchisor at the following address:

Glosshouz USA LLC
8171 S. Chester St.,
Centennial, CO 80112
Attn: Loni Le Van-Etter

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a

timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease.

5. Option to Lease. Landlord hereby agrees that, (i) in the event of the termination, expiration, or non-renewal of the Franchise Agreement by and between Tenant and Franchisor; (ii) in the event of the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods; (iii) in the event of Tenant's failure to exercise any extension option contained in the Form Lease or (iv) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease;

(b) If Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee elects to lease the Premises, such party shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after (1) termination, expiration, or non-renewal of the Franchise Agreement; (2) Franchisor's receipt of Notice from Landlord that the Form Lease has been terminated; or (3) receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease;

(c) If Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee elects to lease the Premises under any of the conditions set forth in Section 5(i) to (iv) above, Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee shall sign and deliver to Landlord a lease containing all of the same terms and conditions (including rental rates, terms and remaining options to extend the term of the Form Lease) as are contained in the Form Lease; provided, however, that such party's leasehold interest shall not be subject to any defaults or claims that may exist between Landlord and Tenant and any such lease shall permit Franchisor or any parent, subsidiary or affiliated company of Franchisor to assign the lease or sublease the Premises to a franchisee of Franchisor for use as a Glosshouz franchised location; and

(d) Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Form Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Form Lease.

6. De-identification. Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as a Glosshouz franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination, expiration, or non-renewal as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's sole cost and expense.

7. Assignment of Interest. This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary, or affiliated company of Franchisor, or another Glosshouz franchisee are intended beneficiaries of this Rider, provided such parties shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

8. Non-disturbance from Mortgage Lenders. It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

9. Security Interest. Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

LANDLORD:

_____

By: _____
Its: _____
Name: _____

TENANT:

_____

By: _____
Its: _____
Name: _____

Agreed to:

FRANCHISOR:

Glosshouz USA LLC

By: _____
Name: _____
Title: _____

Attachment 6
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given as of _____, by the undersigned guarantors.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by Glosshouz USA LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the Initial Term (including extensions or successor terms) and afterward as provided in the Agreement, that _____, a _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements. This Guaranty to pay monetary obligations arising under the Agreement includes, but is not limited to Royalty Fees, other recurring or non-recurring fees, payments owed to us, any claims under the indemnification provisions of the Agreement (including, without limitation, Section 16.4), and any judgments or claims that are reduced to monetary claim.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Initial Term (including extensions and any successor terms), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; provided, however, that in the event of a complete and total transfer of all assets and ownership interests in Franchisee and in the Franchised Business, such that a Guarantor has no ownership interest in Franchisee on the Franchised Business ("Transfer"), this Guaranty shall terminate as of the date of the Transfer with respect to any obligations that arise as of or after the Transfer.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice

of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in a state or federal court of competent jurisdiction in the state or judicial district in which we have our principal place of business at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and judgment orders in the courts of the state or states in which he or she is domiciled. In all events, the laws of the State of Colorado shall apply to the construction, interpretation and enforcement of this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was signed.

GUARANTOR(S)

By: _____
Name: _____
Title (Owner or Spouse): _____
Percent Ownership in Franchisee: ____

By: _____
Name: _____
Title (Owner or Spouse): _____
Percent Ownership in Franchisee: ____

By: _____
Name: _____
Title (Owner or Spouse): _____
Percent Ownership in Franchisee: ____

By: _____
Name: _____
Title (Owner or Spouse): _____
Percent Ownership in Franchisee: ____

Attachment 7
ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes Glosshouz USA LLC ("Franchisor" or "Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

Name of Person or Legal Entity of Franchisee: _____
Bank: _____
Branch: _____
City: _____ State: _____ Zip Code: ___
Bank Transit/ABA Number: _____
Account Number: _____

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

FRANCHISEE/PAYOR:

By: _____
Name: _____
Title: _____
Date: _____

INDEMNIFICATION AGREEMENT
To the above named Payee and the Bank designated:

The Payor agrees with respect to any action taken pursuant above authorization:

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.

2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

3. To defend at Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

BE SURE THAT ALL INFORMATION ASKED FOR IS PROVIDED

Attachment 8
BUSINESS ASSOCIATE AGREEMENT

This Subcontractor Business Associate Agreement ("Agreement") is entered into as of _____ ("Effective Date") by and between _____ ("Business Associate") and ("Subcontractor").

Each of Business Associate and Subcontractor may be referenced in this Agreement as a "Party" and collectively as the "Parties."

Whereas the Business Associate entered into a Business Associate Agreement with _____ ("Covered Entity") dated _____ ("Master Business Associate Agreement").

Whereas Business Associate and Subcontractor have entered into a Franchise Agreement dated _____ ("Franchise Agreement").

Whereas pursuant to the terms of the Franchise Agreement, Subcontractor will create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate.

Therefore, the Parties, intending to be legally bound, hereby agree as follows:

I. Definitions.

a. Except as otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the meanings set forth in HIPAA.

b. "Breach" shall mean the acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the HIPAA Privacy Rule that compromises the security or privacy of the Protected Health Information as defined, and subject to the exceptions set forth, in 45 CFR § 164.402.

c. "Electronic Protected Health Information" shall mean Protected Health Information that is transmitted or maintained in Electronic Media.

d. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended and supplemented by the HITECH Act and its implementing regulations, as each is amended from time to time.

e. "HIPAA Breach Notification Rule" shall mean the federal breach notification regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Part 164 (Subpart D).

f. "HIPAA Privacy Rule" shall mean the federal privacy regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Parts 160 and 164 (Subparts A & E).

g. "HIPAA Security Rule" shall mean the federal security regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Parts 160 and 164 (Subparts A & C).

h. “HITECH Act” shall mean Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, 42 U.S.C. §§ 17921-17954, and all its implementing regulations, when and as each is effective and compliance is required.

i. “Protected Health Information or PHI” shall mean Protected Health Information, as defined in 45 CFR § 160.103, and is limited to the Protected Health Information received, maintained, created or transmitted on behalf of, Business Associate by Subcontractor in performance of the Underlying Services.

j. “Underlying Services” shall mean, to the extent and only to the extent they involve the creation, maintenance, use, disclosure or transmission of Protected Health Information, the services performed by Subcontractor for Business Associate pursuant to the Underlying Services Agreement.

k. “Underlying Services Agreement” shall mean the written agreement(s) (other than this Agreement) by and between the parties as amended as set forth in the attached schedule by and between the Parties pursuant to which Subcontractor has access to, receives, maintains, creates or transmits PHI for or on behalf of Business Associate in connection with the provision of the services described in that agreement(s) by Subcontractor to Business Associate or in performance of Subcontractor’s obligations under such agreement(s).

II. Permitted and Required Uses and Disclosures of Protected Health Information by Subcontractor.

a. Subcontractor may use or disclose Protected Health Information solely (1) as necessary to provide the Underlying Services to Business Associate and in compliance with each applicable requirement of 45 CFR §164.504(e), (2) as Required by Law or (3) as expressly otherwise authorized under this Agreement. Subcontractor shall not use or disclose Protected Health Information for any other purpose or in any other manner.

b. Subcontractor may, if necessary, use or disclose Protected Health Information for the proper management and administration of Subcontractor or to carry out the legal responsibilities of Subcontractor; provided, that (1) any disclosure is Required by Law or (2) Subcontractor obtains reasonable advance written assurances from the person or party to whom the Protected Health Information is disclosed that (Y) the Protected Health Information will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person or party, and (Z) the person or party immediately notifies Subcontractor of any instances of which it is aware in which the confidentiality of the information has been breached.

III. Obligations of Subcontractor.

a. Subcontractor shall use appropriate safeguards, and, comply, where applicable, with the HIPAA Security Rule with respect to Electronic Protected Health Information, to prevent use or disclosure of the information other than as provided for by this Agreement.

b. Subcontractor shall mitigate any harmful effect of a use or disclosure of Protected Health Information by Subcontractor in violation of the requirements of this Agreement.

c. Subcontractor shall immediately report to Business Associate: (i) any use or disclosure of Protected Health Information not provided for by this Agreement of which it becomes aware in accordance with 45 CFR §164.504(e)(2)(ii)(C); and/or (ii) any Security Incident of which Subcontractor becomes aware in accordance with 45 CFR § 164.314(a)(2)(i)(C).

d. Subcontractor shall notify the Business Associate within ten (10) days after Subcontractor's discovery of any incident that involves an unauthorized acquisition, access, use, or disclosure of Protected Health Information; even if Subcontractor believes the incident will not rise to the level of a Breach. Subcontractor agrees that such notification will meet the requirements of the HIPAA Breach Notification Rule set forth in 45 CFR § 164.410. Subcontractor shall provide to the Business Associate the names and contact information of all individuals whose Protected Health Information was or is believed to have been involved, all other information reasonably requested by the Business Associate to enable the Business Associate to perform and document a risk assessment in accordance with the HIPAA Breach Notification Rule with respect to the incident to determine whether a Breach occurred, and all other information reasonably necessary to provide notice to Individuals, the Department of Health and Human Services and/or the media in accordance with the HIPAA Breach Notification Rule. In the event of an incident that is required to be reported under this Section III(d), Business Associate shall elect in its sole discretion whether Business Associate, Subcontractor or a third party shall be responsible for conducting an investigation of that incident and providing any required notices as set forth in this Section III(d).

e. In accordance with 45 CFR 164.502(e)(1)(ii) and 45 CFR 164.308(b)(2), Subcontractor shall ensure that any subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Subcontractor, agree to the same restrictions and conditions, in writing, that apply through this Agreement to Business Associate with respect to such Protected Health Information, including but not limited to the extent that subcontractors create, receive, maintain, or transmit Electronic Protected Health Information on behalf of the Subcontractor, it shall require the subcontractors to comply with the HIPAA Security Rule.

f. To the extent Subcontractor is to carry out Business Associate's obligations under the HIPAA Privacy Rule, Subcontractor shall comply with the requirements of the HIPAA Privacy Rule that apply to Business Associate in the performance of such obligations.

g. Subcontractor shall provide access to Business Associate, no later than fifteen (15) days after receipt of a request from Business Associate, to Protected Health Information in a Designated Record Set, or, if requested by Business Associate, to an Individual, all in accordance with the requirements under 45 CFR § 164.524, including, providing or sending a copy to a designated third party and providing or sending a copy in electronic format, to the extent that the Protected Health Information in Subcontractor's possession constitutes a Designated Record Set.

h. Subcontractor shall make available and make any amendment(s) to Protected Health Information in a Designated Record Set within fifteen (15) days after receipt of a request from Business Associate or an Individual, all in accordance with the requirements of 45 CFR § 164.526.

i. Subcontractor shall document disclosures of Protected Health Information and information related to such disclosures as would be required for Business Associate to respond to a

request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528 and, as of the date compliance is required by final regulations, 42 U.S.C. § 17935(c).

j. Subcontractor shall make available to Business Associate, within fifteen (15) after receipt of a request, information collected in accordance with Section III(i) of this Agreement to permit Business Associate to respond to a request by an Individual for an accounting of disclosures of Protected Health Information, or make that information available directly to an Individual, all in accordance with 45 CFR § 164.528 and, as of the date compliance is required by final regulations, 42 U.S.C. § 17935(c).

k. Subcontractor shall notify Business Associate in writing within three (3) days after Subcontractor's receipt directly from an Individual of any request for access to or amendment of Protected Health Information, or an accounting of disclosures, as contemplated in Sections III(g), III(h), III(i) and III(j) of this Agreement.

l. Subcontractor agrees to make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Subcontractor on behalf of, Business Associate available to the Business Associate or to the Secretary, for purposes of the Secretary determining Business Associate's compliance with HIPAA.

m. Subcontractor shall request, use and/or disclose only the minimum amount of Protected Health Information necessary to accomplish the purpose of the request, use or disclosure; provided, that Subcontractor shall comply with 45 CFR §§ 164.502(b) and 164.514(d).

n. Subcontractor shall not directly or indirectly receive remuneration in exchange for any Protected Health Information as prohibited by 45 CFR § 164.502(a)(5)(ii).

o. Pursuant to the authorizations obtained by the Business Associate and in accordance with the terms of 45 CFR §§ 164.508(a)(3), Subcontractor may make or cause to be made any marketing communication about a product or service as defined in 45 CFR §§ 164.501.

p. Subcontractor shall take all necessary steps, at the request of Business Associate, to comply with requests by Individuals not to send Protected Health Information to a Health Plan in accordance with 45 CFR § 164.522(a).

q. Subcontractor shall take reasonable steps to ensure that its employees' actions or omissions do not cause Subcontractor to breach the terms of this Agreement or violate provisions of HIPAA that apply to Subcontractor.

r. Notwithstanding anything to the contrary, Subcontractor may deidentify any Protected Health Information in accordance with the standard in 45 CFR § 164.514(a). Once data is properly de-identified, Subcontractor may use the deidentified information for any lawful purpose and is not required to destroy such information upon termination of this Agreement.

IV. Term and Termination.

a. The term of this Agreement shall commence as of the Effective Date and shall terminate concurrently with the Underlying Services Agreement unless earlier terminated, by mutual written agreement of the Parties, or in accordance with this Section IV.

b. Notwithstanding anything in this Agreement to the contrary, if Business Associate knows of a pattern of activity or practice of Subcontractor that constitutes a material breach or violation of this Agreement then Business Associate shall provide written notice of the breach or violation to Subcontractor that specifies the nature of the breach or violation. Subcontractor must cure the breach or end the violation on or before thirty (30) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to Business Associate within the specified timeframe, or in the event the breach is reasonably incapable of cure, then Business Associate may, terminate this Agreement.

c. Within thirty (30) days after termination or expiration of this Agreement, Subcontractor will return or destroy, if feasible, all Protected Health Information received from or created or received by Subcontractor, including all Protected Health Information in possession of Subcontractor's agents or subcontractors, on behalf of Business Associate that Subcontractor still maintains in any form and retain no copies of such information. To the extent return or destruction of the Protected Health Information is not feasible, Subcontractor shall notify Business Associate in writing of the reasons return or destruction is not feasible and, if Business Associate agrees, may retain the Protected Health Information subject to this Section. Under any circumstances, Subcontractor shall extend any and all protections, limitations and restrictions contained in this Agreement to Subcontractor's use and/or disclosure of any Protected Health Information retained after the expiration or termination of this Agreement, and shall limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

V. Miscellaneous.

a. The Parties to this Agreement do not intend to create any rights in any third parties. The obligations of Subcontractor under this Section and Section IV(c) of this Agreement shall survive the expiration, termination, or cancellation of this Agreement, the Underlying Service Agreement, and/or the business relationship of the Parties, and shall continue to bind Subcontractor, its agents, employees, contractors, successors, and assigns as set forth herein.

b. This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement shall be governed by the laws of the State of Colorado. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion. The Parties agree that, in the event that any documentation of the arrangement pursuant to which Subcontractor provides Underlying Services to Business Associate contains provisions relating to the use or disclosure of Protected Health Information which

are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will control. The provisions of this Agreement are intended to establish the minimum requirements regarding Subcontractor's use and disclosure of Protected Health Information. This Agreement, together with the Underlying Services Agreement, constitutes the entire agreement of the Parties relating to Subcontractor's use or disclosure of Protected Health Information.

c. The terms of this Agreement to the extent they are unclear, shall be construed to allow for compliance by Business Associate with HIPAA and the HITECH Act. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event Business Associate believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of HIPAA, Business Associate shall notify Subcontractor in writing. For a period of up to thirty (30) days, the Parties shall address in good faith such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, after such thirty-day period, the Agreement fails to comply with the requirements of HIPAA, then Business Associate has the right to terminate upon written notice to the Subcontractor.

d. Subcontractor understands and agrees that it will not assign, delegate, or subcontract any of its rights or obligations under this Agreement to individuals or entities residing outside the United States.

e. This Agreement may be executed in counterparts, each of which will constitute an original and all of which will be one and same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Business Associate:	Business Associate Subcontractor:
_____	Glosshouz USA LLC
By: _____	By: _____
Name:_____	Name: _____
Title: _____	Title: _____

Schedule 1 to Business Associate Agreement

The Franchise Agreement dated _____ between Glosshouz USA LLC and _____

Attachment 9
FLAT FEE ADDENDUM

[To be completed only if flat fee structure is required under state law]

Glosshouz USA LLC ("we" or "us") and _____ ("you") have this day of _____ ("Effective Date") entered into a Glosshouz Franchise Agreement ("Franchise Agreement") and desire to amend its terms as set out below in this Flat Fee Addendum ("Addendum"). The parties hereto agree as follows:

1. Pursuant to information provided by your legal counsel, you and we have determined that to comply with laws of the state of _____, the manner of calculating certain fees owed to us under the Franchise Agreement requires adjusting.

2. Therefore, pursuant to our right in Section 3.10 of the Franchise Agreement, the Franchise Agreement and Attachment 1 is amended to adjust the fees as follows:

Royalty Fee Flat Rate	Brand Fund Contribution Flat Rate

For the above charts, each new year begins on the anniversary of the Effective Date of the Franchise Agreement. Payment of the fees shall be made in accordance with the terms of the Franchise Agreement.

3. To the extent of any conflict between the Franchise Agreement and this Addendum, this Addendum shall control. Any terms that are capitalized and undefined in this Addendum shall have the meaning given them in the Franchise Agreement. In all other respects, the terms of the Franchise Agreement are ratified and confirmed. This Addendum together with the Franchise Agreement contain the entire agreement among the parties hereto with respect to the matters contemplated hereby and supersedes all prior agreements and undertakings between parties with respect to such matters.

4. The provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado. The proper venue for any dispute under this Addendum shall be the venue designated in the Franchise Agreement.

Glosshouz USA LLC	[FRANCHISEE]
By: _____	By: _____
_____	_____
Print Name and Title	Print Name and Title

EXHIBIT E
MANAGEMENT AGREEMENT

[FORM OF MANAGEMENT AGREEMENT; NEGOTIATIONS PERMITTED AND SUBJECT TO FRANCHISOR'S APPROVAL; ILLUSTRATIVE PURPOSES ONLY; DOES NOT CONSTITUTE LEGAL ADVICE; MUST BE MODIFIED TO REFLECT LAWS IN FRANCHISEE'S INDIVIDUAL STATE]

THIS MANAGEMENT AGREEMENT ("**Agreement**") is made and entered into as of _____ ("**Effective Date**"), by and among _____ ("**Manager**"), _____, a _____ professional corporation [or other professional entity] ("Medical Entity"), and the undersigned owners of the Medical Entity (each an "**Owner Medical Provider**"), under the laws of the State of _____ ("**State**").

RECITALS

A. Medical Entity is a professional corporation [or other professional entity] duly organized under the laws of the State that is permitted to operate a medical practice ("**Practice**") providing medical services to patients ("**Specialty Services**").

B. Medical Entity desires to obtain the assistance of Manager in providing administrative and related services to manage the business aspects of the Specialty Services provided at _____ _____ ("**Office**"). References in this Agreement to the Practice shall means the activities of the medical practice conducted at the Office. The Medical Entity shall have no rights as a lessee of or any other possessory or occupancy right to or any interest in the Office except for the right to perform medical services at the Office as expressly set forth in this Agreement.

C. Manager desires to provide Medical Entity with the necessary support to manage the business aspects of the Practice at the Office, including the services set forth on Attachment 1.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

I. Manager Responsibilities

(a) Engagement. Medical Entity hereby engages Manager to provide or arrange for the business services for the Practice at the Office as are more particularly described on Attachment 1 to this Agreement ("Business Services"). The parties acknowledge and agree that the Business Services do not include the practice of medicine, practice of nursing, or other medical services. Any such Specialty Services will be provided subject to the absolute control and direction of Medical Entity and the terms and conditions of this Agreement, and Manager

accepts such engagement, subject to the terms and conditions of this Agreement and applicable law.

(b) Limitation on Manager's Engagement. Notwithstanding any provision of this Agreement, any other agreement entered into by Manager, or any law or regulation, all Business Services provided by Manager under this Agreement shall consist only of services that a non-professional corporation or non-professional business entity may lawfully provide under the laws of the State and other applicable statutes, regulations, common law and other applicable laws governing the practice of medicine or nursing, the rules and regulations of the State board of medicine, State board of nursing, and common law interpreting those laws (such statutes, rules, regulations and common law, collectively, the "**Medical Regulations**"). Nothing in this Agreement is intended, nor shall be construed, to permit or require Medical Entity or its Licensed Medical Providers to practice medicine or nursing outside the scope of the Medical Regulation; interfere with the ability of Medical Entity or its Licensed Medical Providers to exercise its or their professional and ethical judgment in the performance of patient care responsibilities; nor delegate to Manager any of the professional responsibilities or judgment of Medical Entity or its Licensed Medical Providers. "**Licensed Medical Providers**" means personnel requiring professional medical licensure, including all physicians, physician assistants, registered nurses, and nurse practitioners, providing medical services at the Practice. Manager shall not select, oversee, nor terminate any Licensed Medical Providers.

(c) Changes in Applicable Laws. If (i) there shall be a change in any Medical Regulation or other applicable law or the interpretation or application thereof, or the adoption, enactment, promulgation, issuance, rendering or interpretation or application of any new applicable law, any of which are reasonably likely to adversely affect the manner in which either party may perform or be compensated for its services under this Agreement or which shall make this Agreement or the arrangements hereunder unlawful or illegal, or (ii) Owner Medical Provider alleges or claims that this Agreement or the arrangements hereunder are unlawful or illegal, then the parties shall immediately enter into good faith negotiations regarding amendment of this Agreement or a new service arrangement or basis for compensation for the services furnished pursuant to this Agreement that complies with the applicable law, interpretation or application, and that approximates as closely as possible the economic arrangements and position of the parties hereunder. If the parties are unable to resolve the matter through good faith negotiations within thirty (30) days, then either party may initiate the dispute resolution procedures set forth in below.

(d) Cooperation. The parties will cooperate with each other in good faith in carrying out the parties' respective obligations under this Agreement and compliance with applicable laws. Medical Entity, Owner Medical Providers, and Manager, from time to time, shall sign and deliver any further documents, instruments and other assurances, and shall take any other action consistent with the terms of this Agreement and applicable law, that may reasonably be requested by a party for the purpose of effectuating this Agreement.

(e) Non-Medical Employees. Notwithstanding anything to the contrary regarding Medical Entity's employment of Licensed Medical Providers, Medical Entity and Manager recognize and agree that Manager may employ other staff who do not require any medical licensure. These staff members may, as permitted by Medical Regulation and other applicable laws in the State, provide services to clients of the Practice.

(f) Office. Manager will provide the Office for use by the Medical Entity at which it shall conduct and provide the Specialty Services during the term of this Agreement. This Agreement

shall not be construed as a lease or sublease of the Office and shall not be deemed to create a relationship of that of landlord and tenant. The Medical Entity shall have no rights as a lessee of or any other possessory or occupancy rights to or any interest in the Office except for the right to perform professional medical services on the Office as expressly set forth in this Agreement.

(g) Equipment. During the term of this Agreement, Manager grants to Medical Entity the right to use certain Services and Specialty Services equipment (collectively "**Equipment**"), on the terms and conditions hereinafter set forth. All Equipment selected for use at the Office for the provision of Specialty Services must be reviewed and approved by Medical Entity. If the Medical Entity determines that other equipment is necessary for the provision of Specialty Services, the Manager may acquire such equipment and treat it as part of the Equipment provided under the terms of this Agreement. The Medical Entity shall use, and shall cause its Licensed Medical Providers to use, the Equipment only in connection with the Office. Title to the Equipment, including any improvements thereto, shall be and remain in the Manager at all times. Medical Entity agrees to take no action that would adversely affect Manager's title to or interest in the Equipment. During the term of this Agreement, Medical Entity shall be responsible for maintaining the Equipment in good condition and repair, reasonable wear and tear from normal use excepted, including, when necessary, the replacement or substitution of parts. All maintenance, repair and replacement, if necessary, of the Equipment shall be performed by Manager on behalf of Medical Entity. Medical Entity agrees to assume the cost and expense of all supplies used in connection with the Equipment, and Medical Entity agrees to make the Equipment available for inspection by Manager or its designee at all times. Medical Entity shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Equipment, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created by Manager. Upon the termination or expiration of this Agreement, Manager shall retain all Equipment and the Medical Entity will relinquish control thereof free and clear of all liens, encumbrances, and right of others. During the term of this Agreement, Medical Entity engages Manager and Manager agrees to perform, or subcontract for the performance of, all maintenance, repair, and servicing as may be necessary for the Equipment to be maintained in good working condition, reasonable wear and tear excepted. In addition to Medical Entity's right to approve Equipment Medical Entity shall advise Manager with respect to the selection of additional and replacement equipment or furnishings for the Office, and with respect to any proposed additions or improvements to the Equipment. Medical Entity will ensure that all Equipment is used in a safe and appropriate manner. Medical Entity shall promptly notify Manager of any defective Equipment.

II. Service Fees

(a) Service Fee. In consideration of the Business Services. Medical Entity shall pay a weekly service fee ("**Service Fee**") to Manager as described in Attachment 2. Medical Entity expressly authorizes Manager to make payments of Service Fees to itself from time to time as such Service Fees become due and payable, from any funds of Medical Entity or that are available for such payment, without any notice to or further authorization from Medical Entity. To the extent that any of the Business Services are subject to any applicable sales and use taxes, Medical Entity shall be responsible for payment of any applicable sales and use taxes. The parties agree to review the Service Fee at least annually and make appropriate adjustments as the parties may mutually agree to ensure that the Service Fee on a go-forward basis comports with the fair market value of the Business Services provided by Manager.

(b) Fair Market Value. The Service Fees reflect the parties' negotiated agreement as to the fair market value of the Business Services given, among other things, the capital that may

be expended or made available by Manager with respect to the Practice, the considerable expenses and business risks to be incurred by Manager in providing Business Services under this Agreement, and the valuable expertise and proprietary know-how of Manager that will be made available to Medical Entity under this Agreement.

(c) No Referral of Patients or Splitting of Fees. No payment of Service Fees or other amounts under this Agreement is or shall be in return for the referral of patients, and no such payment is or shall be construed as splitting or sharing of the professional fees of Medical Entity or its Licensed Medical Providers or any kind of commission, rebate or other remuneration for the referral of patients. No party is required to refer patients to the other or to any of their respective affiliates, and nothing in this Agreement shall be construed as (i) directing, influencing, requiring, inducing, soliciting or reimbursing the referral of any patients, nor (ii) restricting, directing, controlling, influencing or interfering with the professional judgment of Medical Entity or any of the Licensed Medical Providers.

(d) Manager's Right to Audit. From time to time, Manager shall have the right to engage an independent third party to audit the books and records of Medical Entity, at Manager's expense, to confirm the accuracy of the calculation of the Service Fees payable hereunder and to confirm the value of the all of the goods and services sold at the Office, whether or not they are the Specialty Services. In the event such an audit determines that the aggregate Service Fees payable hereunder were calculated indirectly, Manager shall refund to Medical Entity any overpayment, and Medical Entity shall pay Manager any underpayment, within thirty (30) days following the completion of the audit.

III. Billing, Collections, Office, and Equipment

To facilitate the provision of Business Services by Manager, the parties agree to the following provisions, subject to control of the Practice by Medical Entity:

(a) Billing and Collections. Medical Entity hereby appoints Manager as Medical Entity's true and lawful agent and attorney-in-fact to take the following actions:

(i) To bill patients on Medical Entity's behalf for goods and services provided by or on behalf of Medical Entity and to respond to client inquiries about the bills;

(ii) To collect and receive and take possession of and endorse on Medical Entity's behalf all checks, money orders, and any other instruments received in payment of goods or services rendered by or on behalf of Medical Entity, or pursuant to accounts receivable generated by such billings and claims for reimbursement, and to administer such accounts; and

(iii) To sign checks, drafts, bank notes or other instruments on behalf of Medical Entity, and deposit all such collections into a designated bank account(s).

Such appointment shall survive the termination of this Agreement for all accounts receivable arising from billing for goods and services provided prior to such termination, until all obligations of Medical Entity owed to Manager shall have been paid in full.

(b) No Liability. Medical Entity acknowledges and agrees that Manager cannot guarantee or control the creditworthiness of any patient or payor, the exercise of discretionary authority by any payor or the satisfaction of any patient with services provided and, therefore,

Manager shall not be liable for any failure to collect or receive payments on behalf of Medical Entity hereunder, except for any failure directly arising out of Manager's gross negligence or willful misconduct. To facilitate Manager's collections of Medical Entity's accounts receivable, upon request Medical Entity shall assist Manager in its collection efforts.

(c) Disbursements. As part of its Business Services to be provided hereunder, Manager shall disburse funds in payment of the Direct Expenses (defined below) and Service Fees. Such disbursements include accounts payable or other amounts owed by Medical Entity with respect to the Practice or in payment for goods or services on behalf of Medical Entity with respect to the Practice. Manager is authorized to make payment to itself and its affiliates of any amount due to it or any of them Medical Entity under this Agreement or otherwise, including payment of Service Fees or other amounts. Medical Entity will timely make available or provide funds to Manager to fund all of such disbursements by Manager. Such disbursements shall be made in the following order of priority to the extent funds are available therefor: (i) all Direct Expenses due and payable; and (ii) all Service Fees due and payable to Manager.

(d) Residual Amounts. Any amount accrued on behalf of Medical Entity during each month that remains after accrual or recognition of all of such disbursements and expenses, and all Service Fees or other amounts payable to Manager, for such month ("**Residual Amount**"), shall be remitted to or deposited into a bank account designated by Medical Entity for the benefit of Medical Entity during the following month. If the underlying amounts used in calculating the Residual Amount are determined to be lower or higher than the actual amounts, based upon periodic accruals, audits or reviews, then appropriate adjustments will be made in subsequent amounts deposited on behalf of Medical Entity.

(e) Direct Expenses. Medical Entity shall be solely responsible for all Direct Expenses. For purposes of this Agreement, "**Direct Expenses**" shall include the following:

(i) All salaries, wages and the cost of employee benefits for all Licensed Medical Providers employed by Medical Entity as in effect from time to time, including life, disability, medical and workers' compensation insurance premiums, pension plan contributions and other employee benefits, and all taxes and assessments payable to local, state and federal governments in connection with the employment of such personnel.

(ii) All fees payable for services provided by any Licensed Medical Providers contracted by Medical Entity.

(iii) All federal, state and local income, franchise or gross receipts taxes, and any other taxes payable in lieu of income taxes, paid or payable by Medical Entity or its Owner Medical Provider(s).

(iv) Costs of maintaining malpractice insurance, professional licenses, continuing professional education, and similar expenses for Medical Entity and Licensed Medical Providers.

(f) Management and Financial Reports. Following the end of each calendar month, but not later than the end of the following month, Manager shall provide a management and financial report listing all revenues of the Medical Entity, all Direct Expenses, all Service Fees, and all allocations of costs and expenses incurred by Manager from third party suppliers for the benefit of Medical Entity.

(g) Payment Type. Manager and Medical Entity hereby agree that Medical Entity will not accept Medicare, Medicaid, or any other state or federal government funded benefit plans or fiscal intermediaries. If required by Manager, Medical Entity agrees use the services of a designated third-party financing suppliers to provide credit services and deferred payment options for patients.

IV. Responsibilities of the Medical Entity

(a) Control of Practice by Medical Entity. The parties acknowledge and agree that the Medical Entity is, and shall remain throughout the term hereof, the owner, operator and conductor of the Practice, with sole control over the Practice and sole authority and responsibility for owning, operating, conducting and maintaining the Practice. Medical Entity acknowledges and agrees that Manager does not, and shall not, own, operate, conduct, maintain or control the Practice. Medical Entity shall be solely responsible for and have full authority and control over the practice of medicine, the practice of nursing and the provision of medical services, medical and patient care by or at the Practice and other aspects of the clinical providing of medical services, including: (i) the control of a patient's medical records, including determining the contents thereof; (ii) the selection, oversight, and hiring/firing (as it relates to clinical competency or proficiency) of Licensed Medical Providers; (iii) final decisions regarding coding and billing procedures for patient care services; (iv) approving of the selection of medical equipment and medical supplies for the Practice; (v) the determination of fees for such care, goods and services; (vi) diagnostic tests, treatment plans, clinical necessity and course of care and the necessity and appropriateness of the foregoing; (vii) hours of operation of the Practice and scheduling of patients and Licensed Medical Providers, including determining how many patients Licensed Medical Providers must see in a given period or how many hours a Licensed Medical Providers member must work; (viii) determining the need for referrals to or consultation with another healthcare provider; (ix) equipment and supplies used in treating each patient; (x) ordering, purchasing, stocking, and monitoring any pharmaceutical or other medical items and supplies that require a permit, licensure, registration, certification or identification number to order; (xi) fees charged by the fees charged, collected, or due in connection with services provided by Medical Entity; and (xii) any and all other matters included within the definition of "medicine," "nursing," "the practice of medicine "and "the practice of nursing" under the Medical Regulations.

(b) Licensed Medical Providers. Medical Entity will employ, lease or contract with Licensed Medical Providers working in the Practice. Medical Entity will have full authority and control over the supervision and professional direction of all Licensed Medical Providers personnel employed, leased or contracted by Medical Entity, and all professional and employment-related decisions related to such Licensed Medical Providers, including selection, hiring, compensation, promotion, demotion and termination. Medical Entity shall be responsible for the actions of the Licensed Medical Providers and shall cause them to comply with Medical Entity's obligations under this Agreement.

(c) Licenses, Permits and Annual Reports. As the owner, operator, and conductor of the Practice, Medical Entity is and will be responsible for ensuring that (i) each of the Licensed Medical Providers providing services on behalf of Medical Entity holds an unrestricted license to practice medicine or practice nursing, as applicable, in the State, (ii) Medical Entity prepares and files with the appropriate governmental authority all applicable annual reports and similar documentation, and (iii) Medical Entity has such licenses, permits and authorizations as are necessary or appropriate to operate the Practice under applicable laws. Medical Entity is and will be responsible for ensuring that all continuing education requirements are met by the Licensed Medical Providers.

(d) Notice of Certain Events. Medical Entity will give prompt written notice to Manager of any of the events described in Section VII(e) and any disciplinary, malpractice, enforcement, revocation or other actions, proceedings, inquiries, subpoenas, civil investigative demands or investigations initiated against Medical Entity or any Licensed Medical Providers, as well as the underlying facts and circumstances. In addition, if (during the term hereof or thereafter) Medical Entity receives notice of, or a request to disclose books, documents or records for, an audit, investigation or other review by any governmental or non-governmental healthcare payment program with respect to this Agreement or any billing, reimbursement, payment, coding or provision of goods or services that occurred during the term of this Agreement, Medical Entity will promptly notify Manager of the nature and scope thereof and will make available to Manager, upon request, all such books, documents or records.

(e) Patient Records. Medical Entity is and will be responsible for creating and causing its Licensed Medical Providers to create patient records with respect to professional medical services and treatment provided to patients in the Practice, in a form and manner as required by the Medical Regulation or other applicable law and that is sufficiently documented so as to obtain payment for such services from patients, insurance payors, governmental plans, and other third parties having responsibility for payment. The patient records will be maintained in accordance with applicable law, and the parties acknowledge and agree that such patient records shall be and remain the property of Medical Entity and under the control of Medical Entity and/or Licensed Medical Providers if required by applicable law. If Manager stores any such patient records on behalf of Medical Entity pursuant to this Agreement (in physical or electronic format), such patient records will remain subject to the control of Medical Entity and its Licensed Medical Providers as required by applicable law and Manager will provide Medical Entity with access to such patient records during regular business hours promptly upon reasonable request. For purposes of complying with HIPAA (as defined in Section IX(b)) and other applicable laws, Manager and Medical Entity shall sign a Business Associate Agreement (a form of which is attached hereto as Attachment 3). Manger and Medical Entity agree that Manager shall have the right to create, receive, maintain, and transmit deidentified information and data. Manager shall make available to Medical Entity an electronic medical record system.

(f) Insurance. Medical Entity shall obtain and maintain appropriate policies of comprehensive general liability insurance, workers compensation insurance and professional medical liability insurance covering all activities of Medical Entity directly or indirectly relating to Medical Entity in such amounts as are agreed by Medical Entity and Manager. If permitted by the insurance company providing the coverage required hereunder, Medical Entity shall cause Manager and Glosshouz USA LLC, to be named as additional insureds on the policies specified above, and provide certificates of insurance evidencing same to Manager and Glosshouz USA LLC and said certificates shall provide, if agreed by the insurance carrier, that prior to any cancellation or change in the underlying insurances during the policy period, the insurance carrier shall first give thirty (30) calendar days written notice to Manager and Glosshouz USA LLC.

(g) Internal Management of Medical Entity. Except for the payment of fees as set forth in this Agreement, Medical Entity is and will be responsible for its qualification to conduct business in all jurisdictions where such qualification may be necessary, and for maintaining itself in good standing in each such jurisdiction. In addition, Medical Entity is and will be responsible for its internal management and control.

V. Non-Solicitation, Unfair Competition, and Outside Activities.

(a) No Other Professional Activities. Medical Entity shall, and shall cause Licensed Medical Providers to, devote their best efforts to fulfill their obligations hereunder. Medical Entity shall not, and shall cause the Licensed Medical Providers not to, engage in any other professional activity, whether or not such business activity is pursued for gain, profit, or other pecuniary advantage, which would interfere with the performance of Medical Entity's duties hereunder, without the prior written consent of Manager, which consent shall not be unreasonably withheld. Medical Entity shall ensure that each of its Licensed Medical Providers shall not provide medical services other than on behalf of Medical Entity unless such activity is disclosed in writing to and is expressly authorized in writing by Manager. In the event that any of Medical Entity's Licensed Medical Providers shall violate any provision of this Section V(a), the Medical Entity shall immediately notify Manager of such activity and the Medical Entity shall immediately take all necessary and appropriate corrective action to cease such activity.

(b) In Term Covenant Against Unfair Competition. Medical Entity and each Owner Medical Provider each agree that they will not during the term of this Agreement:

(i) own, maintain, operate, engage in, franchise or license, be employed by, advise, make loans to, or have any controlling or non-controlling interest as a partner, owner, officer, executive, managerial employee, director, sales person, or consultant for - whether of record, beneficially, or otherwise - in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); or

(ii) become a franchisee or licensee of any Competitive Business; or

(iii) perform any other act injurious or prejudicial to the goodwill associated with the Franchisor Intellectual Property; or

(iv) solicit, divert or attempt to solicit or divert any patient or client that has done business with or has been a patient or client of the Practice at any time during the term of this Agreement, to any Competitive Business; or

(v) use any supplier relationship established through its association with Manager for any purpose other than to purchase supplies, products, equipment, merchandise, or services for use or retail sale in the Practice.

(c) Post-Term Covenant Against Unfair Competition. Upon termination or expiration of this Agreement, for any reason, or upon the date that an Owner Medical Provider the entirety of its interest in the Practice to another person or party (together the "**Termination Date**"), the Medical Entity and the an Owner Medical Providers agree that, for two (2) years beginning on the later to occur of (i) the Termination Date or (ii) the date on which all persons restricted by this subsection begin to comply with this subsection or (iii) if legal proceedings are necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction or arbitrator enforcing the Agreement, the Medical Entity and the Owner Medical Providers, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited

liability company, or other entity, will not do any of the following in the Restrictive Territory (defined below):

(i) own, maintain, operate, engage in, franchise or license, advise, make loans to, be employed by, or have any controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, manager, managerial employee, consultant, or sales person for any Competitive Business; provided, however that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph;

(ii) engage in any Competitive Business as an officer, director, operator, manager, employee, consultant, or independent contractor in any capacity in which such person would be in a position to use or disclose proprietary information of the Franchisor Intellectual Property;

(iii) solicit, divert, or attempt to solicit or divert to any Competitive Business any patient to which the Medical Entity or Manager sold any product or for which the Practice or Manager performed any service at any time within the one (1) year period prior to the Termination Date or any prospective patient or client that the Practice or Manager called on at any time or had any communications within the one (1) year period prior to the Termination Date; or

(iv) solicit, divert, or attempt to solicit or divert to any Competitive Business any business that served as a supplier to the Medical Entity or Manager within the one (1) year period prior to the Termination Date.

(d) Definitions. For purposes of this Article V, the following definitions shall apply:

(i) The term "**Competitive Business**" means any business, practice, or commercial activity, other than a Glosshouz spa center under a franchise agreement with Glosshouz USA LLC, that:

i. provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application services; massage therapy services; medical aesthetic injectable treatments like neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services; or

ii. provides management services for a business or practice providing one or more of the services set forth in (i) above, or

iii. provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or

iv. any business granting franchises or licenses to others to operate the type of business specified in (i) to (iii).

(ii) The term "Restrictive Territory" means the following:

i. an area which combined includes any area which is within twenty (20) miles any Glosshouz business, including the Office; or

ii. Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area which is within ten (10) miles any Glosshouz business, including the Office; or

iii. Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area which is within ten (10) miles of the Office; or

iv. Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area which is within five (5) miles of the Office; or

v. Only in the event the foregoing is determined by a court of law to be too broad, the Office.

(e) The parties agree that the foregoing covenants contained in this Article V contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the Manager's goodwill or other business interest and the interest of other Glosshouz franchisees, and the provisions do not prevent Medical Entity or the Owner Medical Provider(s) from earning a living.

(f) Medical Entity agrees to cause its Licensed Medical Providers who are primarily responsible for supervising or overseeing the Specialty Services being provided at the Office to enter into similar covenants if requested by Manager.

VI. Representations, Warranties and Covenants

(a) Representations by Medical Entity and Owner Medical Providers. Medical Entity and each Owner Medical Provider each represents and warrants to Manager as follows:

(i) Organization and Qualification. Medical Entity is and during the term of this Agreement shall be organized and validly existing as a professional medical entity and in good standing under the laws of the State and has and will have the power and authority to own, operate and use its assets and engage in the practice of medicine in the State. All of the shares of capital stock and other equity and ownership interests of Medical Entity are and during the term of this Agreement will be held beneficially and of record by the Owner Medical Providers, who are qualified to own the ownership interests of Medical Entity in the State.

(ii) Authority. Medical Entity has the power and authority to sign, deliver and perform this Agreement and each of the Related Agreements, each of which has been authorized by all necessary corporate action on the part of Medical Entity. This Agreement and each of the Related Agreements has been signed and delivered by Medical Entity

and is a valid and binding obligation of Medical Entity, enforceable against it in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and general legal principles governing the availability of equitable remedies.

(iii) No Conflicts, Defaults or Violations. Neither the execution or delivery of this Agreement or any of the Related Agreements nor the performance by Medical Entity of its obligations hereunder or thereunder will (1) breach, conflict with, or constitute a default under Medical Entity's governing or organizational documents, or any material contract, lease, note or other agreement to which Medical Entity is a party, (2) result in the creation or imposition of liens in favor of any third person or entity, or (3) violate any of the Medical Regulation or other applicable law or order.

(iv) No Pending Actions. There is no action, suit, proceeding, investigation or litigation outstanding, pending or, to the best of Medical Entity's knowledge, threatened, affecting Medical Entity other than routine patient collection matters and professional liability cases adequately covered by insurance.

(v) Good Standing. Medical Entity represents and warrants that each Licensed Medical Provider employed or contracted by Medical Entity is as of the date hereof, and shall at all times during the term hereof be and remain: duly licensed to practice medicine or practice nursing within the State and every other state in which the Licensed Medical Provider practices medicine or practices nursing, all without limitation, restriction or condition whatsoever.

(vi) Insurance. Medical Entity represents and warrants that each Licensed Medical Provider employed contracted by Medical Entity is as of the date here, and shall at all times during the term hereof be and remain covered by policies that are in compliance with the insurance requirements set forth in Section IV(f) hereof.

(b) Contracting Licensed Medical Providers. Medical Entity represents and warrants that it and each Licensed Medical Providers member contracted by it to provide medical services to patients shall (i) comply with all applicable governmental laws, regulations, ordinances, and directives and (ii) perform his or her work and functions at all times in strict accordance with currently approved methods and practices in the appropriate field; (iii) not have been excluded, debarred, or suspended in any way from participation in the Medicare or Medicaid programs, or from participation in the provision of Specialty Services to any commercial payor or its patients.

(c) Representations, Warranties and Covenants of Manager. Manager represents, warrants and covenants with Medical Entity and Owner Medical Providers as follows:

(i) Organization and Qualification. Manager is and during the term of this Agreement shall be organized and validly existing and in good standing under the laws of the State and has and will have the power and authority to own, operate and use its assets and engage in the operation of its business.

(ii) Authority. Manager has the power and authority to sign, deliver and perform this Agreement and each of the Related Agreements, each of which has been authorized by all necessary corporate action on the part of Manager. This Agreement and each of the Related Agreements has been signed and delivered by Manager and is a valid

and binding obligation of Manager, enforceable against it in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and general legal principles governing the availability of equitable remedies.

(iii) No Conflicts, Defaults or Violations. Neither the execution or delivery of this Agreement or any of the Related Agreements nor the performance by Manager of its obligations hereunder or thereunder will (i) breach, conflict with, or constitute a default under Manager's governing or organizational documents, or any material contract, lease, note or other agreement to which Manager is a party, (ii) result in the creation or imposition of liens in favor of any third person or entity, or (iii) violate any applicable law or order.

(iv) No Pending Actions. There is no action, suit, proceeding, investigation or litigation outstanding, pending or, to the best of Manager's knowledge, threatened, affecting Manager.

VII. Term and Termination

(a) Term. The initial term of this Agreement will be for a period of ten (10) years, commencing as of the Effective Date, unless earlier terminated, and will automatically renew for a first renewal term of five (5) years if neither party has notified the other party in writing at least six (6) months prior to the expiration of the then-current term of its intention not to renew. After the first renewal term, this Agreement will automatically renew for a second renewal term of five (5) years if neither party has notified the other party in writing at least six (6) months prior to the expiration of the then-current term of its intention not to renew. The initial term and the renewal terms of this Agreement are referred to as the "**Term**." The provisions of Section V(c), Article VIII, and Articles IX and X and any provisions which expressly extend beyond the termination or expiration of this Agreement, shall survive any termination or expiration of this Agreement.

(b) Termination by Either Party Upon Material Breach by Other Party.

(i) Either party ("**Terminating Party**") may terminate this Agreement if the other party ("**Breaching Party**") materially breaches this Agreement or materially defaults in the performance of the Breaching Party's obligations under this Agreement, and the Breaching Party fails to cure such material breach or default within thirty (30) days (or ten (10) days with respect to the payment of money) after the date on which the Terminating Party gives the Breaching Party written notice specifying in reasonable detail the nature, facts and extent of such breach or default (which written notice must be given within ninety (90) days following the date on which the Terminating Party becomes aware of such breach or default); provided, however, that, if such breach or default (other than a breach or default with respect to the payment of money) is not reasonably capable of being cured within such 30-day period due to the inherent nature of the breach or default (without regard to the Breaching Party's financial position, resources or capabilities), and the Breaching Party commences such cure within the 30-day period and acts diligently to cure such breach or default, then the Breaching Party shall have such additional period of time as may be reasonably necessary to effect and complete such cure, and the Terminating Party may not terminate this Agreement pursuant to this subsection (b) with respect to such breach or default during such period or if such breach or default is cured during such period.

(ii) If the parties disagree as to the existence of a breach or default which gives rise to termination as provided in this Section or whether such breach or default has been cured, then the parties will resolve the disagreement in accordance with Article X, and this Agreement will not be terminated pursuant to this Section with respect to such breach or default or alleged breach or default during the period of such dispute resolution, and the parties shall continue to perform under this Agreement during such period.

(c) Termination by Medical Entity. This Agreement may be terminated by Medical Entity only for failure of Manager to reasonably cure a material breach of this Agreement or upon the mutual agreement of Medical Entity and Manager.

(d) Termination upon Medical Entity Bankruptcy. Manager may terminate this Agreement immediately upon notice to Medical Entity if Medical Entity applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or answer seeking reorganization or arrangement with creditors, or if any order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor or otherwise adjudicating such party bankrupt or approving a petition seeking reorganization of such party or appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets and such order, judgment or decree continues unstayed and in effect for 60 calendar days after its entry. Termination under this Section will be effective automatically and immediately upon the giving of written notice of termination by Manager.

(e) Termination by Manager for Cause. Manager may terminate this Agreement at any time upon written notice to Medical Entity if any of the following shall occur:

(i) The license of the any Owner Medical Provider to practice medicine or practice nursing in the state, as applicable, in the State is revoked, terminated, materially limited or suspended, or the license of any Owner Medical Provider to practice medicine or practice nursing in any other state is revoked, terminated, materially limited or suspended, and such action precludes any Owner Medical Provider from being able to perform the administrative services;

(ii) Medical Entity or any Owner Medical Provider materially breaches or fails to perform any material obligation required under this Agreement or any other agreement entered into by or among Medical Entity, Owner Medical Providers, and/or Manager in connection with this Agreement (collectively, the "**Related Agreements**"), and fails to cure such breach or failure within the cure period (if any) provided for therein;

(iii) Any of the Medical Entity, Licensed Medical Providers, or Owner Medical Providers is indicted for, convicted of or pleads guilty or no contest to any felony or other crime punishable by imprisonment or any crime of moral turpitude, dishonesty, theft or any other conduct that could reasonably be expected to impair the reputation of Manager;

(iv) Any of the Medical Entity, Licensed Medical Providers, or Owner Medical Providers has engaged in any act of embezzlement, theft, dishonesty or fraud upon Manager or any payor or patient;

(v) Any of the Medical Entity, Licensed Medical Providers, or any Owner Medical Providers is excluded, debarred or suspended from participation, or otherwise

becomes ineligible to participate, in any governmental or non-governmental health care program or plan;

(vi) Manager determines any of the Owner Medical Providers or Licensed Medical Providers has engaged in any form of drug or alcohol abuse, has violated any applicable employment-related laws (including those relating to discrimination or harassment), or otherwise engages in any conduct that is materially disruptive or injurious to the Practice;

(vii) Any of the Medical Entity, Licensed Medical Providers, or Owner Medical Providers is unable or fails to obtain, maintain, or otherwise qualify for professional liability insurance;

(viii) Any of the Medical Entity, Licensed Medical Providers, or Owner Medical Providers is unable to qualify for credentialing, or is notified of a termination or rejection of credentials, or otherwise fails to meet participation requirements, with any insurance provider or carrier;

(ix) Any of the Medical Entity's or Owner Medical Providers' unauthorized or unpermitted attempted assignment of this Agreement or any of the Related Agreements, or of any other delegation of its or his/her rights and/or obligations hereunder or thereunder;

(x) the Franchise Agreement between Manager and Glosshouz USA LLC terminates, transfers, does not renew, or expires; or

(xi) The Medical Entity is no longer permitted to operate under State law due to a change in the composition of the Owner Medical Providers.

(f) Assignment. Manager has entered into this Agreement and is willing to incur the expense and risks involved in providing Business Services to and making expenditures on behalf of Medical Entity in part because the Owner Medical Providers own the Medical Entity. Accordingly, the parties agree that:

(i) Any actual or attempted transaction or series of related transactions that, directly or indirectly, voluntarily or by operation of law that results or, if completed would result, in (i) the sale, assignment, transfer, pledge, gift, encumbrance or alienation of any interest in this Agreement; (ii) a change in ownership of a controlling interests of Medical Entity; (iii) the death or disability of an Owner Medical Provider; or (iv) the offer to sell or sale of a majority of assets of the Medical Entity will each be considered an assignment of this Agreement by Medical Entity.

(ii) No party shall directly or indirectly assign this Agreement except with the prior written approval of the other party(ies). Upon the proper assignment and assumption, the assigning party shall have no further obligation to the other party(ies).

(iii) If any Owner Medical Provider determines to sell, transfer, or assign a portion of his stock or other ownership interests in Medical Entity, or Medical Entity determines to issue any stock or other ownership interests in Medical Entity, then any proposed new owner must be accepted by Manager and must meet Manager's qualifications, including holding active license to practice medicine in the State without

restriction. If Manager does not accept the new owner, then the proposed sale, transfer, or assignment shall not occur.

(g) Effects of Termination. Upon any expiration or termination of this Agreement:

(i) All outstanding Service Fees and other amounts owing by Medical Entity to Manager earned through the date of expiration or termination shall immediately become due and payable to Manager by Medical Entity. The parties shall continue to perform any obligations accrued prior to the termination, including payment by Medical Entity of the Service Fees accrued or arising prior to the termination of this Agreement, and repayment of all outstanding loans and advances and related interest, premiums and penalties, and any obligations, promises or covenants set forth in this Agreement that are expressly made to extend beyond the term, including indemnification, which provisions shall survive the expiration or termination of this Agreement for any reason.

(ii) Termination will not affect any liability or obligation that has accrued to any party prior to such termination, and will not constitute an election of remedies by the terminating party nor a waiver by such party of any right, benefit, remedy or relief to which the terminating party may be entitled at law, in equity or under this Agreement.

(iii) In addition, the parties will cooperate with each other and carry out any provisions of this Agreement that are reasonably necessary to wind up the contractual relationship between the parties, including taking the following actions as of the date of the termination or expiration of this Agreement:

(1) Medical Entity will immediately discontinue the use of and will promptly return to Manager all Franchisor Intellectual Property and all other confidential or proprietary information, manuals and other materials of, associated with or respecting Manager or the Franchisor Intellectual Property, and will immediately cease to use all software provided or arranged for by Manager and return all copies of such software and all related documentation and computer programs and any copies thereof;

(2) Manager will immediately discontinue the use of and will promptly return to Medical Entity all Medical Entity Intellectual Property and any other confidential or proprietary information of Medical Entity that is in the possession of Manager;

(3) Both parties shall cooperate to ensure the appropriate billing and collections for goods and services rendered by Medical Entity prior to the termination, and any such collections will be billed, collected, deposited and disbursed by Manager as specified in Article III hereof;

(4) Medical Entity, Licensed Medical Providers, and the Owner Medical Provider(s) will immediately vacate, surrender and deliver each Office to Manager, together with all improvements, Equipment, furnishings and other assets and property therein provided or made available by Manager, in the same order and condition as when received, ordinary wear and tear excepted;

(5) Medical Entity shall reimburse, pay, indemnify and hold harmless Manager for all rent, operating costs or other amounts payable under each lease

agreement under which the Office premises are leased with respect to the remainder of the term thereof, and any breach or default of each such lease agreement and related damages and losses relating to or arising out of expiration or termination of this Agreement (including the failure to maintain an active business or operation in the leased premises);

(6) The parties will cooperate with each other in good faith with respect to necessary changes to advertisements and signage regarding the Practice;

(7) Subject to HIPAA and other applicable law, Manager will be provided access, at reasonable times and upon reasonable request, to the patient records of the Practice for a period not shorter than the applicable statute of limitations for any claim that may be asserted against Manager arising from its activities or operations of the Practice during the term hereof;

(8) Medical Entity, Licensed Medical Providers, Manager and the Owner Medical Provider(s) shall cooperate to ensure the continuation of appropriate health care to patients of the Practice; and

(9) The Medical Entity and Owner Medical Provider(s) shall continue comply with the covenants set forth in Articles V and IX.

(10) Manager shall be entitled to recover out of the Practice's bank account(s) or Manager's bank account(s) from Medical Entity all fees and any and all advances and other charges owed to Manager that had accrued but were unpaid as of the date of termination.

VIII. Indemnification.

(a) Liability for Obligations. Except for Service Fees payable by Medical Entity and debt, liabilities or obligations incurred by Manager on behalf of Medical Entity and except for the indemnification rights below, neither party shall be liable or responsible for any debt, liability, taxes or obligation of the other party unless such liability or responsibility is expressly assumed by the party sought to be charged therewith.

(b) Indemnification by Manager. Manager shall indemnify, defend and hold harmless Medical Entity and its shareholder(s), officers and directors from and against any and all loss, damage, claim, obligation, liability, cost and expense (including reasonable attorneys' fees), of any kind or character (each, a "**Loss**"), arising out of or in connection with (a) any intentional misconduct or grossly negligent act or omission of Manager; or (b) any breach of this Agreement by Manager.

(c) Indemnification by Medical Entity. Medical Entity shall indemnify, defend and hold harmless Manager and its owners, directors, officers, managers, employees, agents and affiliates from and against any Loss arising out of or in connection with (a) any intentional misconduct or negligent act or omission of Medical Entity; (b) the provision or performance of medical or nursing services or procedures by Medical Entity or its employees or independent contractors (including Licensed Medical Providers), or any other claims of third parties not relating directly to the provision by Manager of the Business Services contemplated in this Agreement; or (c) any breach of this Agreement by Medical Entity.

(d) Notice of Claim. Any party seeking to be indemnified hereunder (the "**Indemnified Party**") shall give prompt written notice to the party from whom indemnity is sought (the **"Indemnifying Party**") upon the Indemnified Party obtaining actual knowledge of the applicable Loss or threat of a Loss, specifying in reasonable detail the nature of the Loss (to the extent then known). The Indemnified Party shall provide to the Indemnifying Party as promptly as practicable thereafter all information and documentation reasonably requested by the Indemnifying Party to verify the claim asserted; however, any delay or failure in giving such notice or providing such information and documentation shall not relieve the Indemnifying Party of its obligations hereunder except to the extent it shall have been materially prejudiced by such delay or failure.

IX. Confidentiality; HIPAA Compliance; IP

(a) Confidential Information. The parties acknowledge that each party may have access to certain information and documentation of the other party that is confidential and constitutes valuable, special and unique property. Each party warrants and covenants to the other party that such party will not at any time (either during or subsequent to the term of this Agreement), disclose, use, copy or permit to be copied any confidential or proprietary information or trade secrets of such other party, except (i) with the other party's express prior written consent, (ii) as required by law, court order or legal process, (iii) as necessary to enforce the terms of this Agreement, (iv) subject to HIPAA or other applicable law, as necessary to comply with the terms of Manager's franchise agreement, (v) disclosure in confidence to such party's owners, directors, officers, employees, attorneys, accountants, advisors, affiliates and other representatives, or (vi) subject to HIPAA or other applicable law, by Manager in connection with providing Business Services under this Agreement, compiling data or information related to the Practice and other practices for which Manager or its affiliates provide services and providing such data and information to such practices, or any other bona fide business purpose, such as disclosure in confidence to Manager's or its affiliates' investors, lenders or third-party purchasers. Each party acknowledges that the other party does not have an adequate remedy at law for a breach of this Section IX(a) by such party, will suffer irreparable harm in the event of such breach and that, therefore, such other party shall be entitled to seek injunctive and other equitable relief for the enforcement of this Section without posting bond or proving actual damages. Medical Entity agrees to cause its Licensed Medical Providers who have access to Manager's confidential information to enter into similar covenants of confidentiality, if required by Manager.

(b) HIPAA Compliance. In connection with this Agreement and provision of the Business Services hereunder, the parties agree to comply with the Health Insurance Portability and Accountability Act of 1996 and any current and future regulations promulgated thereunder, including the federal privacy regulations, security regulations and standards for electronic transactions thereunder, all as amended from time to time (collectively, "**HIPAA**"), and any applicable state laws and regulations that govern the confidentiality, privacy or security of health care information. Simultaneously with Medical Entity signing and delivering this Agreement, each of the parties shall sign and deliver a business associate agreement in form and substance mutually acceptable to Medical Entity and Manager. The parties agree to enter into further agreements from time to time as necessary to comply with HIPAA. Additionally, Medical Entity agrees and acknowledges that certain information, including protected health information, may be transmitted by Manager to Glosshouz USA LLC in accordance with the terms of Manager's franchise agreement and the terms of a subcontractor business associate agreement.

(c) Intellectual Property.

(i) Franchisor Intellectual Property. Manager licenses from Glosshouz USA LLC certain intellectual property rights that are used in the operation of its business, including certain logos, trademarks, trade names, service marks, manuals, proprietary documentation, know-how, and other intellectual property licensed by Manager (collectively, the "**Franchisor Intellectual Property**"). Medical Entity acknowledges and agrees that all proprietary rights, ownership and goodwill in the Franchisor Intellectual Property will remain subject to Manager's license of same from Glosshouz USA LLC. Medical Entity covenants and agrees that it will not assert any ownership claim to any Franchisor Intellectual Property. If, by operation of law or otherwise, Medical Entity is or may be deemed to or appears to own any property rights in the Franchisor Intellectual Property, Medical Entity will, at Manager's or Glosshouz USA LLC 's request, sign any and all documents necessary to assign such rights to Glosshouz USA LLC and to confirm or otherwise establish Manager's or Glosshouz USA LLC's rights therein. Medical Entity will fully cooperate with Manager and Glosshouz USA LLC in protecting all rights in and to the Franchisor Intellectual Property. The parties hereby recognize and agree Manager has a confidentiality obligation regarding components of the Franchisor Intellectual Property. Medical Entity and Owner Medical Providers agree that to the extent that such confidential information is shared with them that they shall not publish, disclose, divulge or communicate such confidential information to any person without the authorization of Manager.

(ii) Medical Entity Intellectual Property. Medical Entity is the owner of certain intellectual property rights that are used in the operation of the Practice (collectively, the "**Medical Entity Intellectual Property**"). Manager acknowledges and agrees that all proprietary rights, ownership and goodwill in the Medical Entity Intellectual Property will inure and remain as the property of Medical Entity. Manager covenants and agrees that it will not assert any ownership claim to any Medical Entity Intellectual Property. If, by operation of law or otherwise, Manager is or may be deemed to or appears to own any property rights in the Medical Entity Intellectual Property, Manager will, at Medical Entity's request, sign any and all documents necessary to assign such rights to Medical Entity and to confirm or otherwise establish Medical Entity's rights therein. During the Term of this Agreement Medical Entity will not license any third party to use the Medical Entity Intellectual Property in any manner whatsoever without the prior approval of Manager. Manager will fully cooperate with Medical Entity in protecting all rights in and to the Medical Entity Intellectual Property.

(iii) Inventions, Concepts, and Ideas. All works, discoveries and developments, whether or not copyrightable, relating to the Manager's present, past or prospective activities, services and products ("**Inventions**") which are at any time conceived or reduced to practice by Medical Entity, Owner Medical Provider(s), and/or any of its Licensed Medical Providers, acting alone or in conjunction with others, in connection with the Manager's management of the Medical Entity or, during the course of Medical Entity's employment or engagement of Licensed Medical Providers (or, if based on or related to any Confidential Information, made by Medical Entity and/or any of the Licensed Medical Providers during or after such management by Manager or employment or engagement by Medical Entity) and all concepts and ideas known to Medical Entity, Owner Medical Provider(s) or any Licensed Medical Providers at any time during Manager's management of Medical Entity which relate to the Manager's present, past or prospective activities, services and products ("**Concepts and Ideas**") or any modifications thereof held by or

known to Medical Entity and/or any Owner Medical Provider(s) on the date of this Agreement or acquired by Medical Entity and/or any Licensed Medical Providers during the term of this Agreement shall be the property of Manager, free of any reserved or other rights of any kind on Medical Entity and/or any Licensed Medical Provider's part with respect thereto, and Medical Entity, Owner Medical Provider(s) and/or any such Licensed Medical Providers hereby assigns all rights therein to Manager. Medical Entity, Owner Medical Provider(s), and/or its Licensed Medical Providers shall promptly make full disclosure of any such Inventions, Concepts and Ideas or modifications thereof to Manager. Further, Medical Entity, Owner Medical Provider(s), and/or its Licensed Medical Providers shall, promptly execute formal applications for copyrights and also do all other acts and things (including executing and delivering instruments of further assurance or confirmation) deemed by Manager to be necessary or desirable at any time or times in order to effect the full assignment to the Manager of Medical Entity's, Owner Medical Provider(s)', and/ Licensed Medical Provider's rights and title to such Inventions, Concepts and Ideas or modifications, without payment therefor and without further compensation. In order to confirm Manager's rights, Medical Entity, Owner Medical Provider(s) and/or its Licensed Medical Providers will also assign to the Manager any and all copyrights and reproduction rights to any written material prepared by Medical Entity, Owner Medical Provider(s) and/or its Licensed Medical Providers in connection with the Manager's management of the Medical Entity and/or its Licensed Medical Providers employment or engagement by the Medical Entity. Medical Entity, Owner Medical Provider(s) and/or its Licensed Medical Providers further understand that the absence of a request by Manager for information, or for the making of an oath, or for the execution of any document, shall in no way be construed to constitute a waiver of the rights of Manager under this Agreement. This Agreement shall not be construed to limit in any way any "shop rights" or other common law or contractual rights of the Medical Entity, Owner Medical Provider(s) or the Manager in or to any Inventions, Concepts and Ideas or modifications which the Manager has or may have by virtue of the Manger's management activities hereunder or the Medical Entity's engagement of its Licensed Medical Providers.

X. Dispute Resolution

(a) Dispute Resolution.

(i) If any such disagreement, difference of opinion or Dispute (defined below) does arise, then the parties agree to promptly communicate with each other to discuss the disagreement, difference of opinion or Dispute and the parties' respective concerns and points of view. The parties will attempt, in good faith for a period of at least 60 days, to address the concerns and resolve the disagreement, difference of opinion or Dispute in an amicable manner. All such discussions or negotiations shall be treated as confidential and compromise and settlement negotiations for purposes of applicable rules of evidence.

(ii) For purposes of this Agreement, "Dispute" means any dispute, claim or controversy between the parties or among the parties and any Owner Medical Provider with respect to, that arises out of or that relates to this Agreement, any of the Attachments hereto, any of the Related Agreements or any of the arrangements provided for herein or therein (including any renewals, extensions or modifications thereof), whether arising in contract, tort or by statute and including any dispute, claim or controversy concerning the existence, validity, interpretation, enforceability, performance, breach or termination of this Agreement, the validity or enforceability of this Article X and all claims of arbitrability.

(iii) If (i) the Dispute is not resolved as a result of the resolution efforts undertaken in the 60-day period and the parties have not mutually agreed in writing to another course of action to resolve such Dispute, then within 30 days after the written demand of either party, or (ii) a party fails to engage in discussions, and the parties have not mutually agreed in writing to another course of action to resolve such Dispute, then within 30 days after the written demand of the other party, the Dispute shall be submitted to nonbinding mediation with a single mediator administered by the American Health Lawyers Association ("AHLA") or its successor under the AHLA Alternative Dispute Resolution Service rules of procedure for mediation in effect at the time the mediation commences, before resorting to arbitration. The mediator shall be selected and appointed in accordance with such AHLA rules and the terms of this Agreement. Each party will bear and pay equally the fees and expenses of AHLA and the mediator associated with the mediation, and each party will bear its own attorneys' fees, costs and other expenses in connection with the mediation.

(iv) If the Dispute is not resolved in the course of such mediation, then upon the written demand of either party, such Dispute shall be submitted to and finally resolved by binding arbitration administered by the AHLA or its successor in accordance with the AHLA Alternative Dispute Resolution Service rules of procedure for arbitration in effect at the time the arbitration commences and the terms of this Article X. The arbitration shall be conducted before one arbitrator unless the parties involved in the Dispute agree in writing to a different number of arbitrators within ten days after the written demand for arbitration is made. The arbitrator(s) shall be selected and appointed in accordance with such AHLA rules. The same person may not serve both as the mediator and the arbitrator.

(v) The arbitrator(s) will give effect to applicable statutes of limitation in determining any Dispute and may dismiss the arbitration on the basis that the Dispute is barred by such statutes of limitation. For purposes of the application of any statutes of limitation, the filing with the AHLA under applicable AHLA Alternative Dispute Resolution Service rules of procedure for arbitration of a demand for arbitration is the equivalent of the filing of a lawsuit. Any Dispute concerning this Article X or whether a Dispute is arbitrable shall be determined by the arbitrator(s).

(vi) The arbitrator(s) may award any appropriate remedy, including monetary damages, injunctive relief or other equitable relief; provided, that the arbitrator may not award punitive, exemplary, treble or other multiple damages. The award shall be in writing and shall be final and binding on the parties. The award may include interest, as determined by the arbitrator(s), from the date of any default, breach or other accrual of a Dispute until the arbitral award is paid in full. The arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(vii) Each party will bear and pay equally the fees and expenses of AHLA and the arbitrator(s) associated with the arbitration, and each party will bear its own attorneys' fees, costs and other expenses in connection with the arbitration.

(viii) Each of the parties hereto irrevocably and unconditionally consents to the exclusive jurisdiction of AHLA to resolve all Disputes subject to arbitration under this Agreement. Each party further irrevocably waives any objection to proceeding before AHLA based upon lack of personal jurisdiction or to the laying of venue and further irrevocably and unconditionally waives and agrees not to make a claim in any court that

arbitration before AHLA has been brought in an inconvenient forum. Each of the parties hereto hereby consents to service of process by registered mail at the address to which notices are to be given.

(ix) If the arbitrator(s) determines that the Agreement or any part thereof (whether the Agreement itself or together with the other relationships between or involving the parties or any Owner Medical Provider(s)) are illegal, invalid, unenforceable, void or voidable, then the arbitrator(s) shall determine and effect an equitable modification of the Agreement (including a new service arrangement or basis for compensation to Manager for Business Services provided pursuant to the Agreement) that complies with applicable law and that approximates as closely as possible the economic arrangements and position of the parties hereunder.

(x) The location of the mediation or arbitration, as applicable, shall be _____.

(b) Equitable Remedies. The procedures set forth in this Article X shall be the sole and exclusive procedure for the resolution of Disputes; provided, however, that either party may file an action in a court of law or equity to obtain an injunction or other equitable remedy without submitting such matter to mediation, arbitration or the other procedures set forth in this Article X. The filing of such a court action by a party is not intended to constitute a waiver of its right to require submittal of the Dispute to mediation or arbitration, and neither party shall attempt to enjoin the arbitration or arbitration proceedings or the enforcement of the arbitral award. The parties will continue to participate in good faith in the procedures set forth in this Article X during the pendency of any such court action.

(c) Waiver of Right to Trial by Jury. BY AGREEING TO BINDING ARBITRATION PURSUANT TO THIS ARTICLE X, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE. THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS ARTICLE X IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY OR CLASS ACTION.

(d) Confidentiality of Dispute Resolution Proceedings. All mediations and arbitrations hereunder are confidential and may not be disclosed by the parties, their employees, officers, directors, counsel, consultants and expert witnesses, except (a) to the extent necessary to enforce any arbitration award or to enforce other rights of a party, (b) as required by applicable law, court order or legal process, (c) disclosure in confidence to a party's owners, directors, officers, employees, attorneys, accountants, advisors, affiliates and other representatives or (d) for a bona fide business purpose, such as disclosure in confidence to a party's or its affiliates' investors, lenders or third-party purchasers; provided, however, that, breach of this confidentiality provision shall not void any arbitral award.

(e) Enforceability. Each of the parties agrees that it or he shall not make, assert, maintain or initiate, nor cause to be made, asserted, maintained or initiated, any claim, charge, demand, action, arbitration or proceeding of any type, the basis of which is, in whole or in part, that any of this Agreement, the Related Agreements or any portion thereof, or the relationships created thereby, is illegal, or that the Service Fee or other amount payable by Medical Entity to Manager under this Agreement is unreasonable, does not represent fair market value for the Business Services and other items provided by Manager, or constitutes unjust enrichment. If any party or Owner Medical Provider takes any action which is inconsistent with the preceding sentence, then such party or Owner Medical Provider shall pay all costs and expenses (including

attorneys' fees) incurred by the other parties in defending such claim, which payment shall be made promptly to such other party upon its request.

XI. General Provisions

(a) No Warranties; Limitation of Liability. Medical Entity and the Owner Medical Provider(s) each acknowledges that Manager has not made and will not make any express or implied warranties or representations that the services provided by Manager will result in any particular amount or level of revenue or profits to Medical Entity. ALL WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT THERETO ARE HEREBY WAIVED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MANAGER'S LIABILITY TO THE MEDICAL ENTITY FOR DAMAGES OR ALLEGED DAMAGES, WHETHER IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY, IS LIMITED TO AND WILL NOT EXCEED THE TOTAL AMOUNT OF SERVICE FEES ACTUALLY PAID UNDER THIS AGREEMENT TO MANAGER DURING THE 12-MONTH PERIOD IMMEDIATELY PRIOR TO THE ACT OR OMISSION GIVING RISE TO THE LIABILITY AND IN NO EVENT SHALL MANAGER HAVE ANY LIABILITY TO THE MEDICAL ENTITY, ANY OWNER MEDICAL PROVIDER(S) FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFITS), WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

(b) Independent Contractor. The parties hereto acknowledge and agree that the relationship created between Manager and Medical Entity is strictly that of independent contractors. Nothing contained herein shall be construed as creating a partnership or joint venture relationship between the parties. Each party hereto shall be responsible for all compensation, salaries, taxes, withholdings, contributions, benefits, and workers' compensation insurance with respect to all personnel employed or contracted by said party. Manager shall indemnify, defend and hold harmless Medical Entity and its members, officers, agents, contractors, representatives and employees from and against any and all liability, loss, damages, claims, causes of action, and expenses associated therewith (including, without limitation, attorneys' fees) caused or asserted to have been caused, directly or indirectly, by or as a result of same. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

(c) No Third-Party Beneficiaries. The parties intend that the benefits of this Agreement shall inure only to Manager and Medical Entity and not to any third person, except as expressly so stated herein. Notwithstanding anything contained herein, or any conduct or course of conduct by any party hereto, before or after signing this Agreement, this Agreement shall not be construed as creating any right, claim or cause of action against either Manager or Medical Entity by any other person or entity.

(d) Entire Agreement. This Agreement, together with all attachments and schedules hereto including the recitals to this Agreement which the parties incorporate by this reference, and all documents referred to in this Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof, supersedes all other and prior agreements on the same subject, whether written or oral, and contains all of the covenants and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by the other party(ies), or by anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

(e) Use of Third Parties. Manager may use third party venders and companies to provide many of the Business Services to be performed under this Agreement. Manager shall be fully responsible for the performance of all Business Services regardless of whether such are performed directly by Manager and its employees and personnel or through the use of other third parties. In the event of any permitted assignment, the terms and provisions of this Agreement shall be binding on the successors, heirs, and authorized assignees of the parties.

(f) Counterparts. This Agreement, and any amendments thereto, may be signed in counterparts, each of which shall constitute an original document, but which together shall constitute one and the same instrument.

(g) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) Notices. Any notices required or permitted to be given hereunder by either party to the other shall be in writing and shall be deemed delivered upon personal delivery or delivery by electronic facsimile; twenty-four (24) hours following deposit with a courier for overnight delivery; or seventy-two (72) hours following deposit in the U.S. Mail, registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing:

If to Medical Entity:

_____

_____

_____

Attention:_____

If to Manager:

_____

_____

_____

Attention:_____

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State without reference to the conflicts of laws principles thereof.

(j) Amendments. Any amendments to this Agreement or the Attachments hereto shall be in writing and signed on behalf of each party by any duly authorized officer thereof, and this Agreement and the Attachments hereto may not be modified or terminated orally.

(k) Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions will nevertheless continue in full force and effect, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

(l) Attachments. All exhibits attached to this Agreement are incorporated herein by this reference and all references herein to "Agreement" shall mean this Agreement together with all such attachments.

(m) Further Assurances. The parties shall take such actions and sign and deliver such further documentation as may reasonably be required in order to give effect to the transactions contemplated by this Agreement and the intentions of the parties hereto.

(n) Rights Cumulative. The various rights and remedies herein granted to Manager or Medical Entity shall be cumulative and in addition to any other rights Manager or Medical Entity, respectively, may be entitled to under law. The exercise of, or failure to exercise, one or more rights or remedies shall not impair the right of Manager or Medical Entity to exercise any other right or remedy, at law or equity.

WITNESS WHEREOF, Medical Entity, Owner Medical Providers, and Manager have signed this Agreement or caused this Agreement to be signed by their duly authorized representatives, all as of the day and year first above written.

MEDICAL ENTITY:

By: _____

Name:

_____

Title:

_____

Manager:

By: _____

Name:

_____

Title:

_____

Owner Medical Providers:

By: _____

Name:

_____

By: _____

Name: _____

Attachment 1
BUSINESS SERVICES

Manager will provide, arrange for or make available to Medical Entity under this Agreement the following Business Services with respect to the business aspects of the Practice at the Office that do not include the clinical practice of medicine or nursing:

(a) Manager shall provide general business management, administration and supervision for the business operations of Medical Entity, which shall include secretarial and other office personnel support services, administrative record keeping, and other similar administrative services required in the day-to-day operation of Medical Entity;

(b) Bookkeeping and financial reporting services with respect to the Practice and related operating activities of Medical Entity;

(c) Periodic provision of financial data and reports to accounting or tax professionals, as designated by Medical Entity from time to time;

(d) Management information services, including systems for patient scheduling, accounting and bookkeeping, necessary for the operation of the Practice;

(e) Billing and collection services for Specialty Services;

(f) Administering cash disbursements with respect to the Practice, including payment of accounts payable (to the extent Medical Entity provides or makes available funds therefor);

(g) Advice and assistance in recruiting Licensed Medical Providers and provide human resource management support, subject to Section IV (b) of the Agreement;

(h) Advice and assistance in, and arranging for or making available, the recruitment, hiring, leasing or contracting, training, promotion, supervision and termination front desk and sales staff and other administrative, clerical, business or other non-medical staff and non-Licensed Medical Providers necessary for operation of the Practice and provide human resource management support;

(i) Payroll and payroll accounting services;

(j) Lease and make available to the Medical Entity the office space necessary for operation of the Practice and the leasing, development, build-out, improvements, repairs and up-keep thereof;

(k) Providing or arranging for telephone, Internet, utilities and janitorial services necessary for operation of the Practice;

(l) Providing equipment necessary for the operation of the Practice and other business equipment, furniture, fixtures, supplies, and technology; and the repair, up-keep and replacement thereof; provided that Medical Entity shall have complete authority, custody, control and use of all medical equipment, materials and supplies and the control and maintenance thereof during the term of the Agreement;

(m) Advertising and marketing services; provided that all advertising and marketing of services by Medical Entity will be done in accordance with all applicable governmental laws, rules, regulations, ordinances, and directives, including rules and regulations of the State medical or nursing board;

(n) Assistance in the maintenance of, storage, and organization of files and records, subject to Medical Entity's ownership and control of patient records with respect to the Practice;

(o) Advice and assistance in marketing, business development, and financial planning, analysis and budgeting;

(p) Making available potential efficiencies and economies of scale through Manager's purchase of, or entry into contracts, agreements or arrangements for, marketing, advertising and other goods and services in bulk or for the benefit of Medical Entity and other practices for which Manager provides business services;

(q) Identifying supplier options, negotiating supply contracts, and management of supply relationships; supervise and conduct the ordering of equipment, furniture, fixtures, supplies, technology and other services;

(r) Manage and support inbound and outbound sales processes;

(s) Assist in patient retention and follow up communications;

(t) Assist Medical Entity in planning for goals, growth, and enhancement of the Practice. Arrange for or rendering business and financial management consultation and advice reasonably requested by Medical Entity.

(u) Upon the request of Medical Entity, Manager shall provide or arrange for the provision of additional services, beyond those described herein. Any additional services provided by Manager are subject to Manager's capacity and availability to provide the services so requested. Should Manager provide such additional services, Medical Entity agrees to pay Manager for such services at its then current rates as a supplemental payment to the Service Fees described herein.

Notwithstanding the delegation of management and administrative functions to Manager pursuant to this Agreement, Medical Entity and its Owner Medical Providers shall retain and exercise ultimate control and authority over the direction, policies, management and operation of Medical Entity at all times. All professional medical services provided to patients shall be the ultimate responsibility of Medical Entity's Licensed Medical Providers. Medical Entity shall use its best efforts to cause its contracting Licensed Medical Providers to cooperate with Manager in the implementation of the protocols, programs, policies, and procedures developed for Medical Entity by Manager. Manager is hereby expressly authorized by Medical Entity to perform all services required of Manager pursuant to the terms of this Agreement in the manner Manager deems reasonable and appropriate to meet the day-to-day requirements of Medical Entity. To the extent required or desirable to enable Manager to perform such services, Medical Entity hereby appoints Manager for the term hereof as its true and lawful agent.

Attachment 2

SERVICE FEES

In consideration of the Business Services Manager provides herein, Medical Entity shall pay Manager a weekly Service Fee equal to _____ for the Business Services provided by Manager in the preceding week.

In the event that in any week the Medical Entity's Gross Revenue is insufficient to pay fully the weekly Services Fee, the unpaid amount of the Services Fee shall accrue each week, and the Medical Entity shall be obligated to pay such amount until fully paid. The parties agree that the Services Fee represents the fair market value of the items and services provided under this Agreement. Further, the parties acknowledge that the Services Fee is not based upon, or in no way takes into account, the volume or value of referrals to the Practice or is intended to constitute remuneration for referrals, or the influencing of such referrals, to the Practice.

The expiration or earlier termination of this Agreement shall not impair or limit Manager's right to Service Fees earned hereunder prior to such expiration or earlier termination.

Attachment 3
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into as of _____ ("Effective Date") by and between _____ ("Business Associate") and _____ ("Covered Entity").

Each of Covered Entity and Business Associate may be referenced in this Agreement as a "Party" and collectively as the "Parties."

The Parties, intending to be legally bound, hereby agree as follows:

I. Definitions.

a. Except as otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the meanings set forth in HIPAA.

b. "Breach" shall mean the acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the HIPAA Privacy Rule that compromises the security or privacy of the Protected Health Information as defined, and subject to the exceptions set forth, in 45 CFR § 164.402.

c. "Electronic Protected Health Information" shall mean Protected Health Information that is transmitted or maintained in Electronic Media.

d. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended and supplemented by the HITECH Act and its implementing regulations, as each is amended from time to time.

e. "HIPAA Breach Notification Rule" shall mean the federal breach notification regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Part 164 (Subpart D).

f. "HIPAA Privacy Rule" shall mean the federal privacy regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Parts 160 and 164 (Subparts A & E).

g. "HIPAA Security Rule" shall mean the federal security regulations, as amended from time to time, issued under HIPAA and set forth in 45 C.F.R. Parts 160 and 164 (Subparts A & C).

h. "HITECH Act" shall mean Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, 42 U.S.C. §§ 17921-17954, and all its implementing regulations, when and as each is effective and compliance is required.

i. "Protected Health Information or PHI" shall mean Protected Health Information, as defined in 45 CFR § 160.103, and is limited to the Protected Health Information received, maintained, created or transmitted on behalf of, Covered Entity by Business Associate in performance of the Underlying Services.

j. “Underlying Services” shall mean, to the extent and only to the extent they involve the creation, maintenance, use, disclosure or transmission of Protected Health Information, the services performed by Business Associate for Covered Entity pursuant to the Underlying Services Agreement.

k. “Underlying Services Agreement” shall mean the written agreement(s) (other than this Agreement) by and between the parties as amended as set forth in the attached schedule by and between the Parties pursuant to which Business Associate access to, receives, maintains, creates or transmits PHI for or on behalf of Covered Entity in connection with the provision of the services described in that agreement(s) by Business Associate to Covered Entity or in performance of Business Associate’s obligations under such agreement(s).

II. Permitted and Required Uses and Disclosures of Protected Health Information by Business Associate.

a. Business Associate may use or disclose Protected Health Information solely (1) as necessary to provide the Underlying Services to Covered Entity and in compliance with each applicable requirement of 45 CFR §164.504(e), (2) as Required by Law or (3) as expressly otherwise authorized under this Agreement. Business Associate shall not use or disclose Protected Health Information for any other purpose or in any other manner.

b. Business Associate may, if necessary, use or disclose Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate; provided, that (1) any disclosure is Required by Law or (2) Business Associate obtains reasonable advance written assurances from the person or party to whom the Protected Health Information is disclosed that (Y) the Protected Health Information will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person or party, and (Z) the person or party immediately notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

III. Obligations of Business Associate.

a. Business Associate shall use appropriate safeguards, and, comply, where applicable, with the HIPAA Security Rule with respect to Electronic Protected Health Information, to prevent use or disclosure of the information other than as provided for by this Agreement.

b. Business Associate shall mitigate any harmful effect of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

c. Business Associate shall immediately report to Covered Entity: (i) any use or disclosure of Protected Health Information not provided for by this Agreement of which it becomes aware in accordance with 45 CFR §164.504(e)(2)(ii)(C); and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 CFR § 164.314(a)(2)(i)(C).

d. Business Associate shall notify the Covered Entity within ten (10) days after Business Associate’s discovery of any incident that involves an unauthorized acquisition, access, use, or disclosure of Protected Health Information; even if Business Associate believes

the incident will not rise to the level of a Breach. Business Associate agrees that such notification will meet the requirements of the HIPAA Breach Notification Rule set forth in 45 CFR § 164.410. Business Associate shall provide to the Covered Entity the names and contact information of all individuals whose Protected Health Information was or is believed to have been involved, all other information reasonably requested by the Covered Entity to enable the Covered Entity to perform and document a risk assessment in accordance with the HIPAA Breach Notification Rule with respect to the incident to determine whether a Breach occurred, and all other information reasonably necessary to provide notice to Individuals, the Department of Health and Human Services and/or the media in accordance with the HIPAA Breach Notification Rule. In the event of an incident that is required to be reported under this Section III(d), Covered Entity shall elect in its sole discretion whether Covered Entity, Business Associate or a third party shall be responsible for conducting an investigation of that incident and providing any required notices as set forth in this Section III(d).

e. In accordance with 45 CFR 164.502(e)(1)(ii) and 45 CFR 164.308(b)(2), Business Associate shall ensure that any subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate, agree to the same restrictions and conditions, in writing, that apply through this Agreement to Business Associate with respect to such Protected Health Information, including but not limited to the extent that subcontractors create, receive, maintain, or transmit Electronic Protected Health Information on behalf of the Business Associate, it shall require the subcontractors to comply with the HIPAA Security Rule.

f. To the extent Business Associate is to carry out Covered Entity's obligations under the HIPAA Privacy Rule, Business Associate shall comply with the requirements of the HIPAA Privacy Rule that apply to Covered Entity in the performance of such obligations.

g. Business Associate shall provide access to Covered Entity, no later than fifteen (15) days after receipt of a request from Covered Entity, to Protected Health Information in a Designated Record Set, or, if requested by Covered Entity, to an Individual, all in accordance with the requirements under 45 CFR § 164.524, including, providing or sending a copy to a designated third party and providing or sending a copy in electronic format, to the extent that the Protected Health Information in Business Associate's possession constitutes a Designated Record Set.

h. Business Associate shall make available and make any amendment(s) to Protected Health Information in a Designated Record Set within fifteen (15) days after receipt of a request from Covered Entity or an Individual, all in accordance with the requirements of 45 CFR § 164.526.

i. Business Associate shall document disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528 and, as of the date compliance is required by final regulations, 42 U.S.C. § 17935(c).

j. Business Associate shall make available to Covered Entity, within fifteen (15) after receipt of a request, information collected in accordance with Section III(i) of this Agreement to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information, or make that information available directly to

an Individual, all in accordance with 45 CFR § 164.528 and, as of the date compliance is required by final regulations, 42 U.S.C. § 17935(c).

k. Business Associate shall notify Covered Entity in writing within three (3) days after Business Associate's receipt directly from an Individual of any request for access to or amendment of Protected Health Information, or an accounting of disclosures, as contemplated in Sections III(g), III(h), III(i) and III(j) of this Agreement.

l. Business Associate agrees to make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity or to the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.

m. Business Associate shall request, use and/or disclose only the minimum amount of Protected Health Information necessary to accomplish the purpose of the request, use or disclosure; provided, that Business Associate shall comply with 45 CFR §§ 164.502(b) and 164.514(d).

n. Business Associate shall not directly or indirectly receive remuneration in exchange for any Protected Health Information as prohibited by 45 CFR § 164.502(a)(5)(ii).

o. Pursuant to the authorizations obtained by the Covered Entity and in accordance with the terms of 45 CFR §§ 164.508(a)(3), Business Associate may make or cause to be made any marketing communication about a product or service as defined in 45 CFR §§ 164.501.

p. Business Associate shall take all necessary steps, at the request of Covered Entity, to comply with requests by Individuals not to send Protected Health Information to a Health Plan in accordance with 45 CFR § 164.522(a).

q. Business Associate shall take reasonable steps to ensure that its employees' actions or omissions do not cause Business Associate to breach the terms of this Agreement or violate provisions of HIPAA that apply to Business Associate.

r. Notwithstanding anything to the contrary, Business Associate may deidentify any Protected Health Information in accordance with the standard in 45 CFR § 164.514(a). Once data is properly de-identified, Business Associate may use the deidentified information for any lawful purpose and is not required to destroy such information upon termination of this Agreement.

IV. Term and Termination.

a. The term of this Agreement shall commence as of the Effective Date and shall terminate concurrently with the Underlying Services Agreement unless earlier terminated, by mutual written agreement of the Parties, or in accordance with this Section IV.

b. Notwithstanding anything in this Agreement to the contrary, if Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of this Agreement then Covered Entity shall provide written notice of the breach

or violation to Business Associate that specifies the nature of the breach or violation. Business Associate must cure the breach or end the violation on or before thirty (30) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to Covered Entity within the specified timeframe, or in the event the breach is reasonably incapable of cure, then Covered Entity may, terminate this Agreement.

c. Within thirty (30) days after termination or expiration of this Agreement, Business Associate will return or destroy, if feasible, all Protected Health Information received from or created or received by Business Associate, including all Protected Health Information in possession of Business Associate's agents or subcontractors, on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information. To the extent return or destruction of the Protected Health Information is not feasible, Business Associate shall notify Covered Entity in writing of the reasons return or destruction is not feasible and, if Covered Entity agrees, may retain the Protected Health Information subject to this Section. Under any circumstances, Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to Business Associate's use and/or disclosure of any Protected Health Information retained after the expiration or termination of this Agreement, and shall limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

V. Miscellaneous.

a. The Parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Section and Section IV(c) of this Agreement shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement, and/or the business relationship of the Parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

b. This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement shall be governed by the laws of the State of Colorado. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion. The Parties agree that, in the event that any documentation of the arrangement pursuant to which Business Associate provides Underlying Services to Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will control. The provisions of this Agreement are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information. This Agreement, together with the Underlying Services Agreement, constitutes the entire agreement of the Parties relating to Business Associate's use or disclosure of Protected Health Information.

c. The terms of this Agreement to the extent they are unclear, shall be construed to allow for compliance by Covered Entity with HIPAA and the HITECH Act. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event Covered Entity believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of HIPAA, Covered Entity shall notify Business Associate in writing. For a period of up to thirty (30) days, the Parties shall address in good faith such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, after such thirty-day period, the Agreement fails to comply with the requirements of HIPAA, then Covered Entity has the right to terminate upon written notice to the Business Associate.

d. Business Associate understands and agrees that it will not assign, delegate, or subcontract any of its rights or obligations under this Agreement to individuals or entities residing outside the United States.

e. This Agreement may be executed in counterparts, each of which will constitute an original and all of which will be one and same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Covered Entity:	Business Associate:
_____	_____
By: _____	By: _____
Name:_____	Name: _____
Title: _____	Title: _____

EXHIBIT F
WAIVER OF MANAGEMENT AGREEMENT

AMENDMENT TO GLOSSHOUZ USA LLC
FRANCHISE AGREEMENT

THIS AMENDMENT ("Amendment") is made and entered into on _____ by and between Glosshouz USA LLC, a Delaware limited liability company ("Franchisor" or "we" or "us"), and _____, a _____ ("Franchisee" or "you").

RECITALS

A. We and you are parties to an Glosshouz USA LLC Franchise Agreement dated as of the same date as this Amendment ("Franchise Agreement"), relating to the development of a Glosshouz spa center ("Spa Center"). The Spa Center will be located and operated in the State of _____ ("State").

B. We and you wish to amend the terms of the Franchise Agreement as described below.

C. All capitalized terms not defined in this Amendment will have the meaning set forth in the Franchise Agreement.

NOW THEREFORE, we and you, in consideration of the undertakings and commitments of each party to the other party set forth herein and in the Franchise Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, mutually agree as follows:

1. Franchisee's Representations and Warranties.

(a) You understand and agree that you are solely responsible for operating the Spa Center in full compliance with all laws. Applicable laws include the Medical Regulations, as defined in the Franchise Agreement.

(b) You represent and warrant to us that (i) you have conducted independent research regarding the Medical Regulations that are applicable to spa, medical spas, and medical services generally, and the Spa Center, including retaining the services of qualified professional advisers as necessary; (ii) you have verified that under the Medical Regulations applicable to the Spa Center, you are permitted to manage, own, and operate the Spa Center, including hiring and overseeing any Licensed Medical Providers and providing medical services to clients at the Spa Center.

(c) You have requested that, based on your representations and warranties to us as to the Medical Regulations applicable to the Spa Center, we waive the requirements of the Franchise Agreement that you (i) enter into a Management Agreement with a Medical Entity to provide all medical services at the Spa Center; and (ii) refrain from engaging in activities that might constitute the practice of medicine, practice of nursing or hiring and supervising Licensed Medical Providers, subject to all applicable Medical Regulations.

(d) You acknowledge and agree that we are entering into this Amendment in reliance upon your representations and warranties. You understand and agree that your obligations to operate in compliance with Medical Regulations will continue throughout the term of the Franchise Agreement, and if there are any changes in Medical Regulations that would render your operation of the Spa Center in violation of any Medical Regulation, you will immediately advise us of such change and of the corrective actions you propose to take in order to come into compliance with Medical Regulations, including (if applicable) entering into a form of Management Agreement with a Medical Entity that we accept.

(e) You acknowledge and agree that by requesting our permission to allow you to perform all of the activities and obligations of a Medical Entity under a Management Agreement (rather than enter into our form of Management Agreement with a Medical Entity of your choice that would operate the Spa Center), you will incur all of Spa Center operations, including those costs that would otherwise be borne by the Medical Entity (such as obtaining all necessary licensing and certification for practicing medicine or nursing and compensation of Licensed Medical Providers).

2. Agreement. Based on your representations and warranties to us above, you and we agree as follows.

(a) At your request, we hereby agree to we waive the requirements of the Franchise Agreement that you (i) enter into a Management Agreement with a Medical Entity to provide all medical services at the Spa Center; and (ii) refrain from engaging in activities that might constitute the practice of medicine, practice of nursing or hiring and supervising Licensed Medical Providers, subject to all applicable Medical Regulations.

(b) Instead of entering into the Management Agreement with a separate Medical Entity, you agree to be solely responsible for operating the Spa Center and directly providing, or arranging for and supervising the provision of, medical services to the clients of the Spa Center. These responsibilities include the following:

(i) You will employ, lease or contract with Licensed Medical Providers working in the Spa Center. You will have full authority and control over the supervision and professional direction of all Licensed Medical Providers and all professional and employment-related decisions related to such Licensed Medical Providers, including selection, hiring, compensation, promotion, demotion and termination.

(ii) You are and will be responsible for ensuring that (i) each of the Licensed Medical Providers providing services holds an unrestricted license to practice medicine or practice nursing, as applicable, in the State, (ii) prepare and file with the appropriate governmental authority all applicable annual reports and similar documentation, and (iii) the Spa Center has such licenses, permits and authorizations as are necessary or appropriate to operate the Spa Center under applicable laws. You are and will be responsible for ensuring that all continuing education requirements are met by the Licensed Medical Providers.

(iii) You are and will be responsible for creating and causing the Licensed Medical Providers to create patient records with respect to professional medical services and treatment provided to patients in the Spa Center, in a form and manner as required by the Medical Regulation or other applicable law and that is sufficiently documented so

as to obtain payment for such services from approved payors. The patient records will be maintained and stored in accordance with applicable law.

(iv) You shall obtain and maintain professional medical liability insurance coverage specified in the Franchise Agreement, as it may be updated from time to time in the Brand Standards Manual. If permitted by the insurance company, you will cause us to be named as additional insureds.

(v) You agree to operate the Spa Center in full compliance with all laws, including Medical Regulations. You agree that if any Licensed Medical Provider fails to meet the requirements of the Medical Regulations or fails to obtain and maintain any required licenses or certifications, you shall be in default of the Franchise Agreement.

(c) Any reference in the Franchise Agreement to an obligation of, or requirement applicable to, the Medical Entity will be your or, as applicable your Licensed Medical Providers' obligations. Any reference in the Franchise Agreement to the operations of the "Spa Center" will include your activities in both managing the business operations of and providing medical services at the Spa Center. The term "Spa Center" and the term "Franchised Business" will be synonymous in the Franchise Agreement

(d) Except as otherwise amended above, the Franchise Agreement is otherwise in full force and effect.

(e) To comply with law, the parties shall enter into the form of Business Associate Agreement attached hereto as Exhibit A.

3. Miscellaneous. In the event of any inconsistency between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum will supersede and control. In all other respects, the terms of the Franchise Agreement are ratified and confirmed. Any capitalized but undefined terms shall have the meaning given to them in the Franchise Agreement. The provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado. The proper venue for any dispute under this Addendum shall be the venue designated in the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed, and delivered this Amendment in duplicate on the day and year first above written.

Glosshouz USA LLC	[FRANCHISEE]
By: _____	By: _____
_____	_____
Print Name and Title	Print Name and Title
_____	_____
Date	Date

EXHIBIT A to WAIVER OF MANAGEMENT AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

[See Attachment 3 to the Management Agreement]

EXHIBIT G
State Addenda

If your franchise is located in California, the following will apply:

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.

1. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

2. No person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

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

4. Item 17 Additional Paragraphs:

   A. California Business and Professional Code Sections §§ 20000 through 20043 provide rights to the franchisee concerning the termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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

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

   D. The franchise agreement requires litigation to occur in Colorado with the costs being borne by each party, unless the disputed provision in the franchise agreement provides for payment by the losing party of the prevailing party's attorneys' fees and costs of litigation. This provision may not be enforceable under California law.

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

5. 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.

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

7. Item 6 is revised to include the following: “The highest interest rate permitted by law in California is 10%.”

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

Glosshouz USA LLC and the undersigned franchisee have entered into a GLOSSHOUZ franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to the Franchise Agreement:

> No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of _____.

Glosshouz USA LLC

_____
FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT H
TABLE OF CONTENTS
FOR
BRAND STANDARDS MANUAL

Table of Contents

Preface for Manual—15 Pages

The Importance of Confidentiality

Legal Disclaimer

Franchise Model

The Glosshouz Operations Manual

Glosshouz Manual Organization
Purpose of this Manual
Keeping the Glosshouz Operations Manual Current
Submitting Suggestions to the Home Office
Requesting a Variance

A. INTRODUCTION—11 Pages

Welcome Letter –A-1

Glosshouz Purpose, Promise, Passion—A-3

History of Glosshouz—A-6

Visits from the Home Office—A-8

B. PRE-OPENING PROCEDURES—51 Pages

Introduction—B-1

Pre-Opening Timeline—B-2

Establishment of Business Identity—B-5

Developing Your Glosshouz Spa—B-7

Required Signage—B-17

Using Approved/Designated Vendors—B-20

Technology Requirements—B-22

List of Equipment—B-24

Initial Inventory and Supplies—B-26

Utilities and Service*s*—B-28

Licenses, Certifications, and Permits—B-30

Setting Up Bank Accounts—B-33

Required Insurance Policies—B-34

Meeting Your Tax Obligations—B-38

Glosshouz Systems Setup—B-42

Franchisee Initial and Ongoing Training—B-47

Grand Opening and Pre-Sales Strategy —B-48

C. GLOSSHOUZ IDENTITY, QUALITY AND COMPLIANCE—20 Pages

Glosshouz Identity—C-1

Glosshouz Brand and Marks—C-3

Quality Assurance—C-5

Compliance--C-9

What We Offer—C-12

BFF Savings Program Memberships—C-14

Competitive Analysis and Pricing Strategy—C-17

D. MANAGEMENT PROCEDURES—30 Pages

Overview—D-1

General Manager Responsibilities—D-2

Business Planning—D-14

Managing Your Team—D-16

Operational Goals and KPIs—D-19

Financial Reporting and Financial Primer—D-22

Franchise Reporting—D-28

E. HUMAN RESOURCES—59 Pages

Introduction—E-1

Employment Law and Regulations—E-2

Onboarding and Developing Team Members—E-19

Establishing Personnel Policies—E-47

Team Member Ongoing Education and Advancement—E-56

F. GLOSSHOUZ OPERATIONS 64 Pages

Introduction—F-1

Hours of Operation—F-2

Daily Procedures—F-3

Weekly and Monthly Procedures—F-6

Glosshouz Client Advisor Services—F-7

Food and Beverage Procedures—F-20

Transacting Sales—F-32

BFF Savings Program and Membership Sales—F-36

Retail Sales—F-40

Scheduling and Managing Spa Day Packages—F-43

Party Procedures—F-46

Onsite/Travel Services--F-61

G. SERVICE STANDARDS—53 Pages

Introduction—G-1

Glosshouz Service Descriptions—G-2

Intake Forms—G-22

Station Set Up Standards—G-25

Treatment Room Setup Standards—G-27

Using the Dispensary/Back Bar—G-29

Using the Service Protocols—G-31

Turning the Treatment Room/Station Between Clients—G-32

Cleaning and Sanitation Guidelines—G-34

Health, Safety and Security—G-40

Equipment Maintenance—G-49

H. MARKETING AND PROMOTION 26 Pages

Introduction—H-1

Local Advertising Requirement—H-2

Developing Your Local Marketing Plan—H-4

Local Marketing Strategies—H-8

Guidelines for Using Glosshouz's Marks—H-21

Using the Glosshouz Brand Guide—H-23

Obtaining Advertising Approval—H-25

EXHIBIT I
FINANCIAL STATEMENTS

GLOSSHOUZ USA LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2023

GLOSSHOUZ USA, LLC
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Balance Sheets	3
Statements of Operations and Shareholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statement	6 - 7

MUHAMMAD ZUBAIRY, CPA PC
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Glosshouz USA LLC

Opinion

We have audited the financial statements of Glosshouz USA LLC, which comprises the balance sheets as of December 31, 2023, and the related statement of operations, and changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Glosshouz USA LLC as of December 31, 2023, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Glosshouz USA LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Glosshouz USA LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Glosshouz USA LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Glosshouz USA LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Muhammad Zubairy, CPA PC
Westbury, NY
March 20, 2024

GLOSSHOUZ USA LLC
BALANCE SHEET

	YEARS ENDED DECEMBER 31	
	2023	2022
ASSETS		
Cash	$ 215,950	$ 250,030
Total Assets	$ 215,950	$ 250,030
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accrued Expenses	$ 2,434	$ —
Members' Equity	213,516	250,030
Total Liabilities and Members' Equity	$ 215,950	$ 250,030

See notes to financial statements

GLOSSHOUZ USA LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY

	YEARS ENDED DECEMBER 31	
	2023	2022
Revenues	$ 4,408	$ 30
Operating Expenses	193,542	—
Net Income (Loss)	(189,134)	30
Members' Equity (Deficit) - Beginning	250,030	—
Members' Contributions (Distributions)	152,620	250,000
Members' Equity (Deficit)- Ending	$ 213,516	$ 250,030

See notes to financial statements

GLOSSHOUZ USA LLC
STATEMENT OF CASH FLOWS

	YEARS ENDED DECEMBER 31	
	2023	2022
Cash Flows from Operating Activities		
Net (loss)	$ (189,134)	$ 30
Adjustments to reconcile net income to net cash provided by operating activities:		
Accrued expenses	2,434	—
	(186,700)	30
Cash Flow from Investing Activities		
Members' Contributions (Distributions)	152,620	250,000
Net (Decrease) in Cash	(34,080)	250,030
Cash - Beginning of Year	250,030	—
Cash - End of Year	$ 215,950	$ 250,030

See notes to financial statements

Exhibit I-7

GLOSSHOUZ USA LLC
NOTES TO FINANCIAL STATEMENTS

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1. THE COMPANY- Glosshouz USA LLC is a Delaware limited liability company that was formed in September 30, 2022 to to offer for sale use of the marks for the "Glosshouz" brand and the business system ("System") relating to the construction, management, operation, and administration of full-service spas operating in innovative settings and featuring convenient amenities. These Glosshouz spas are referred to as "Spa Centers". A Spa Center offers a range of aesthetic and wellness services along with a value-add loyalty program called the BFF Savings Program."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statement has been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a spa center business using the name and mark of "Glosshouz" for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as an limited liability company for income tax purposes. Income for the Company passes through directly to the shareholders' and is reported on the shareholders' individual income tax returns. Therefore, no provision or liability for federal or state income tax has been included in the financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through March 20, 2024, the date the financial statements were available to be issued.

GLOSSHOUZ USA LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2022

GLOSSHOUZ USA, LLC
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Balance Sheets	3
Statements of Operations and Shareholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statement	6 - 7

MONIS J. SIDDIQUI, CPA P.C.

Certified Public Accountant
917.309.5670

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Glosshouz USA LLC

Opinion

We have audited the financial statements of Glosshouz USA LLC, which comprises the balance sheets as of December 31, 2022, and the related statement of operations, and changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Glosshouz USA LLC as of December 31, 2022, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Glosshouz USA LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Glosshouz USA LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Glosshouz USA LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Glosshouz USA LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Monis Siddiqui, CPA P.C.

Monis Siddiqui, CPA
January 21, 2023

GLOSSHOUZ USA LLC
BALANCE SHEET

ASSETS

	DECEMBER 31 2022
Cash	$ 250,030
Total Assets	$ 250,030

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities	$ —
Shareholders' Equity	250,030
Total Liabilities and Shareholders' Equity	$ 250,030

See notes to financial statements

GLOSSHOUZ USA LLC
STATEMENTS OF OPERATIONS AND SHAREHOLDERS' EQUITY

	YEARS ENDING DECEMBER 31 2022
Revenues	$ 30
Operating Expenses	-
Net (Loss)	30
Shareholders' Equity (Deficit) - Beginning	-
Shareholders' Contributions	250,000
Shareholders' Equity - Ending	$ 250,030

See notes to financial statements

GLOSSHOUZ USA LLC
STATEMENT OF CASH FLOWS

	YEARS ENDING DECEMBER 31 2022
Cash Flows from Operating Activities	
Net (loss)	**$ 30**
Cash Flow from Investing Activities	
Shareholders' contributions	**250,000**
Net (Decrease) in Cash	**250,030**
Cash - Beginning of Year	**-**
Cash - End of Year	**$ 250,030**

See notes to financial statements

GLOSSHOUZ USA LLC
NOTES TO FINANCIAL STATEMENTS

---

1. THE COMPANY- Glosshouz USA LLC is a Delaware limited liability company that was formed in September 30, 2022 to to offer for sale use of the marks for the "Glosshouz" brand and the business system ("System") relating to the construction, management, operation, and administration of full-service spas operating in innovative settings and featuring convenient amenities. These Glosshouz spas are referred to as "Spa Centers". A Spa Center offers a range of aesthetic and wellness services along with a value-add loyalty program called the BFF Savings Program."

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Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a spa center business using the name and mark of "Glosshouz" for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as an limited liability company for income tax purposes. Income for the Company passes through directly to the shareholders' and is reported on the shareholders' individual income tax returns. Therefore, no provision or liability for federal or state income tax has been included in the financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through January 27, 2023, the date the financial statements were available to be issued.

EXHIBIT J
SBA ADDENDUM

SOP 50-10 5(j) Appendix 9

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 franchise 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 franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[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).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise 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 franchise system must meet all SBA eligibility requirements

EXHIBIT K
GENERAL RELEASE

[SAMPLE OF GENERAL RELEASE APPLICABLE UPON TRANSFER OR RENEWAL. NOT FOR EXECUTION WITH THE FRANCHISE AGREEMENT]

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant to fully and mutually release the other as follows:

1. The Franchisee, its owners, and guarantors (on behalf of themselves and their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns (collectively, the "Franchisee Parties") do hereby release and forever discharge Franchisor; Franchisor's predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, the "Franchisor Parties") from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, including, without limitation: (a) arising out of or related to the Franchisor Parties' obligations under the franchise agreement or (b) otherwise arising from or related to the Franchisee Parties' relationship, from the beginning of time to the date of Franchisee's signature below, with any of the Franchisor Parties.

2. Franchisee, on its own behalf and on behalf of the other Franchisee Parties, further covenant not to sue any of the Franchisor Parties on any of the claims released by the preceding paragraph and represent that Franchisee has not assigned any such claims released by the preceding paragraph to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to the Franchisor Parties.

3. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

4. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

5. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

6. The parties hereby covenant and agree that each shall not make, at any time or place, any disparaging remarks, verbally or in writing, concerning any of the parties' actions or perceived omissions, regarding any matter connected with this Release Agreement or otherwise take any action that would disparage or cast doubt upon the business acumen or judgment of any other party. Each party understands and acknowledges that each other party's business and reputation are of special, unique, and extraordinary character, which gives them a particular value, the loss of which cannot reasonably be compensated in damages in an action at law. Accordingly, each party further agrees that in addition to any other rights or remedies that any other party may possess at law, any aggrieved party shall be entitled to injunctive and other equitable relief in order to prevent or remedy a breach of the provisions of this Agreement by any other party hereto.

7. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of Colorado.

9. This Release may be executed in two copies, each of which shall be deemed an original.

IF THE FRANCHISED BUSINESS FRANCHISEE OPERATES UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF FRANCHISEE IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE FRANCHISEE PARTIES. FRANCHISEE RECOGNIZES THAT FRANCHISEE OR THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH FRANCHISEE, HE, SHE, OR IT IS

TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR."

FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT FRANCHISEE HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT FRANCHISEE UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Franchised Business is located in Maryland or if Franchisee is a resident of Maryland, the following shall apply: Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All releases given by the Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

[FRANCHISEE]

_____

By: _____
Name: _____
Title: _____

Glosshouz USA LLC

By: _____
Name: _____
Title: _____

EXHIBIT L

Multi-Unit Development Agreement

TABLE OF CONTENTS

		PAGE
RECITALS		1
1.	GRANT OF DEVELOPMENT RIGHTS	1
2.	TERRITORY PROTECTION/ RESERVATION OF RIGHTS	1
3.	MULTI-UNIT DEVELOPER'S OBLIGATIONS	2
4.	FEES	4
5.	LOCATION OF SPA CENTERS	4
6.	ASSIGNABILITY, TRANSFER, AND SUBFRANCHISING	4
7.	COVENANTS AGAINST UNFAIR COMPETITION	5
8.	CONFIDENTIALITY	8
9.	TERMINATION	8
10.	CORPORATE OR PARTNERSHIP MULTI-UNIT DEVELOPER	10
11.	DISPUTE RESOLUTION	10
12.	GENERAL CONDITIONS AND PROVISIONS	10
13.	SUBMISSION OF AGREEMENT AND ACKNOWLEDGMENT	13

Exhibit A – Development Schedule
Exhibit B – Development Area and Development Fee
Exhibit C – Ownership Information
Exhibit D – Owner's Guaranty and Assumption of Developer's Obligations

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Agreement") is made and entered as of _____ ("Effective Date") by and between Glosshouz USA LLC ("Franchisor") and _____ ("Multi-Unit Developer") and any of its shareholders, members, or partners (each, an "Owner"), with reference to the following facts:

RECITALS

A. Franchisor has expended time, money, and effort to develop a unique system for operating full-service spas featuring luxurious amenities in a sophisticated setting. (The methods of operation are referred to herein as the "System"; the chain of current and future Glosshouz spa centers are referred to herein as the "Chain.") Franchisor and/or its affiliates own certain proprietary and other property rights and interests in and to the "Glosshouz" name and such other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs (collectively "Marks") used in connection with the System and Chain.

B. Franchisor desires to expand and develop the Chain and seeks sophisticated and efficient franchisees that will develop one or more Glosshouz franchised spas at specific locations which will operate in designated territories (each a "Spa Center").

C. Multi-Unit Developer desires to open and operate a certain number of Spa Centers and Franchisor desires to grant to Multi-Unit Developer the right to open and operate a certain number of Spa Centers in the Development Area (as defined below).

The parties therefore agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1 Development Area. Franchisor hereby grants to Multi-Unit Developer, and Multi-Unit Developer hereby undertakes the obligation, pursuant to the terms and conditions of this Agreement, to enter into Franchise Agreements for the number of Spa Centers identified in the development schedule set forth in Exhibit A ("Development Schedule") and to develop, own, and operate, under each such Franchise Agreement, a Spa Center to be located in the area described in Exhibit B ("Development Area").

1.2 Term. Unless sooner terminated pursuant to the provisions of Section 9, the term of this Agreement shall expire upon the earlier of (a) the Termination Date listed on Section 2 of Exhibit A, or (b) completion of the obligations of the Development Schedule. Multi-Unit Developer shall have no right to renew this Agreement.

2. TERRITORIAL PROTECTION/RESERVATION OF RIGHTS

2.1 Development Area Protection. During the term, Franchisor agrees that neither Franchisor nor its affiliates will own or operate, or grant a franchise for the operation of, a brick and mortar spa operating under the Mark and System in the Development Area, provided that Multi-Unit Developer: (a) timely meets the obligations set forth in the Development Schedule; and (b) is otherwise in material compliance with the terms and provisions of this Agreement and all of its Franchise Agreements with Franchisor.

2.2 Franchisor's Reservation of Rights. Notwithstanding anything in this Agreement to the contrary, Franchisor reserves all rights not expressly granted to Multi-Unit Developer in this Agreement, including, but not limited to, the rights to:

(a) use the Marks and System in connection with establishing and operating Glosshouz businesses at any location outside the Development Area;

(b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or products) or services anywhere in the world (including within the Development Area), whether or not Multi-Unit Developer also offers them, through channels of distribution other a brick and mortar spa that operates using the Marks and the System, including, for example, other kinds of retail locations, catalogs, mail order, or the Internet, e-commerce, or other electronic means;

(c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Development Area);

(d) use the Marks in connection with soliciting or directing advertising or promotional materials to clients anywhere in the world (including within the Development Area); and

(e) whether through Franchisor, its affiliates, or third parties, through any channel of distribution, use the Marks or other marks to offer, sell, and provide goods and services other than those Franchisee is authorized to offer and sell under the then-current System (including within the Development Area).

2.3 Multi-Unit Developer Acknowledgements. The essence of Franchisor's reservation of rights in this Article 2 is that Franchisor and its affiliates may, and may authorize others to, engage in many business activities, and these business activities may compete with the Spa Center. Franchisor does not warrant or represent that no other Spa Center will solicit or make any sales within the Development Area, and Multi-Unit Developer hereby expressly acknowledges and agrees that such solicitations or sales could potentially occur within the Development Area. Multi-Unit Developer recognizes and acknowledges that (i) it will compete with other spa centers which are now, or which may in the future be, located near or adjacent to the Development Area, and (ii) that such spa may be owned by Franchisor or its affiliates.

3. MULTI-UNIT DEVELOPER'S OBLIGATIONS

3.1 Development Obligation. Multi-Unit Developer agrees to develop and begin operating the number of Spa Centers in the Development Area as set forth in the Development Schedule, within the time periods specified therein.

3.2 Franchise Agreements. The parties acknowledge that the operation of each Spa Center shall be governed by the then-current franchise agreement signed by Franchisor and Multi-Unit Developer (each, a "Franchise Agreement"). At or before the signing of this Agreement, Multi-Unit Developer must sign and deliver to Franchisor at least one Franchise Agreement for the first (and as applicable, subsequent) Spa Center(s) to be opened by Multi-Unit Developer. Multi-Unit Developer must comply with the terms and conditions of the Franchise Agreement for each Spa Center developed pursuant to this Agreement as a part of Multi-Unit Developer's obligations hereunder and Multi-Unit Developer's failure to execute and comply with such Franchise Agreements shall be a breach of this Agreement. The Franchise Agreement for any

subsequent Spa Center shall be executed in accordance with the Development Schedule, after Franchisor's written approval of a location and territory for the Spa Center to be operated thereunder. Each Franchise Agreement to be executed by Multi-Unit Developer for each Spa Center to be developed hereunder shall be the then-current form of the Franchise Agreement being offered to new Glosshouz franchisees. Multi-Unit Developer acknowledges that Franchisor has the right to charge then-current published rates for royalties, advertising fees, and any other fees charged under a Franchise Agreement.

3.3 Development Schedule.

(a) Multi-Unit Developer acknowledges and agrees that: (i) time is of the essence, and therefore, (ii) it will exercise its development rights strictly in accordance with Section 3.1 and the Development Schedule set forth on Attachment A. The Development Schedule on Attachment A designates the number of Spa Centers that must be developed within each of the designated development periods ("Development Periods").

(b) Multi-Unit Developer shall open each Spa Center in accordance with the terms of the Franchise Agreement and shall execute the Franchise Agreements in accordance with the Development Schedule set forth on Exhibit A, unless, subject to Franchisor's approval, Multi-Unit Developer obtains an extension of the Development Period from Franchisor to sign a particular Franchise Agreement. Each extension shall be for an additional 90-day period commencing upon the expiration of the applicable Development Period, including any previous extensions thereof ("Extension Date"). No more than two (2) extensions of any Development Period will be permitted. No extension of any Development Period shall affect the duration of any other Development Period or any of Multi-Unit Developer's other development obligations. If an extension is requested in the final Development Period, the term of this Agreement shall be extended to the Extension Date, and thereafter Multi-Unit Developer shall have no further rights under this Agreement. The second extension may be conditioned upon payment of an extension fee ("Extension Fee") of Two Thousand Dollars ($2,000).

(c) Failure by Multi-Unit Developer to adhere to the Development Schedule (including any extensions approved by Franchisor) shall result in a loss of the territorial rights granted in Section 2.1 of this Agreement. Failure by Multi-Unit Developer to adhere to the Development Schedule on two (2) or more occasions shall constitute a material event of default under this Agreement and shall result in automatic termination.

(d) Should Multi-Unit Developer be unable to adhere to the Development Schedule, whether in the timing of the development of the Spa Centers, the number of Spa Centers opened, or otherwise, solely as the result of force majeure, including, but not limited to strikes, war, material shortages, fires, floods, earthquakes, terrorism, pandemics, and other acts of God, or by force of law (including, but not limited to any legal disability of Franchisor to deliver a Franchise Disclosure Document to Multi-Unit Developer), which result in the inability of Multi-Unit Developer to construct or operate a Spa Center in the Development Area, and which Multi-Unit Developer could not by the exercise of due diligence have avoided, the Development Schedule shall be adjusted by the amount of time during which such force majeure shall exist.

4. FEES

4.1 Development Fee. In consideration of the grant of the rights granted to Multi-Unit Developer in this Agreement, Multi-Unit Developer shall pay Franchisor, upon its execution of this Agreement, a development fee in the amount set forth in Exhibit B. The Development Fee is fully earned and non-refundable upon Multi-Unit Developer of this Agreement in consideration of the administrative and other expenses Franchisor incurs and for the development opportunities lost or deferred as a result of Franchisor's granting the development rights under this Agreement to Multi-Unit Developer.

4.2 Initial Franchise Fee Credit. Franchisor will apply the Development Fee as a credit against the initial franchise fees payable under each Franchise Agreement executed pursuant to this Agreement, and the remaining amount of the initial franchise fees due upon execution of each Franchise Agreement is set forth in Exhibit B.

5. LOCATION OF SPA CENTERS

Multi-Unit Developer shall comply with the terms of site selection for each Spa Center that are found in its respective Franchise Agreement. Although Franchisor may voluntarily (without obligation) assist Multi-Unit Developer in locating an acceptable site for a Spa Center, neither Franchisor's said assistance, if any, nor its acceptance of any proposed site, whether initially proposed by Multi-Unit Developer or by Franchisor, shall be construed to insure or guarantee the profitable or successful operation of the Spa Center at that site by Multi-Unit Developer, and Franchisor hereby expressly disclaims any responsibility therefor. Multi-Unit Developer acknowledges its sole responsibility for finding each site for the Spa Centers it develops pursuant to this Agreement.

6. ASSIGNABILITY, TRANSFER, AND SUBFRANCHISING

6.1 Franchisor's Right to Transfer. Franchisor shall have the right to transfer or assign this Agreement, and assign or delegate all or any part of Franchisor's rights or obligations under this Agreement, to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of the assignment. Franchisor shall execute such documents of attornment or other documents as Franchisor may request.

6.2 No Right to Assignment or Transfer for Multi-Unit Developer. Multi-Unit Developer's rights under this Agreement are personal and Multi-Unit Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Multi-Unit Developer shall pay a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee applicable to the number of Spa Centers Multi-Unit Developer agreed to develop, multiplied by number of Spa Centers left in the Development Schedule that have not yet been opened for business. This transfer fee is due at the time Multi-Unit Developer requests Franchisor's review of the proposed transfer.

6.3 No Subfranchising by Multi-Unit Developer. Multi-Unit Developer shall not offer, sell, or negotiate the sale of Glosshouz franchises to any third party, either in Multi-Unit Developer's own name or in the name and on behalf of Franchisor, or otherwise subfranchise, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Multi-Unit Developer the right to do so.

7. COVENANTS AGAINST UNFAIR COMPETITION

7.1 In-Term Competition. During the term of this Agreement, neither Multi-Unit Developer, its affiliate, nor any shareholder, member, partner, officer, director, or member of Multi-Unit Developer or its affiliates, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity, shall:

(a) Own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for, any Competitive Business;

(b) Solicit, divert or attempt to solicit or divert any business or client to any Competitive Business;

(c) Perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) solicit, divert or attempt to solicit or divert any client that has done business with or has been a client of a Spa Center at any time during the term of this Agreement, to any Competitive Business; or

(e) Use any supplier relationship established through Multi-Unit Developer's association with Franchisor for any purpose other than to purchase supplies, products, equipment, merchandise, or services for use in the Spa Centers.

7.2 Post-Term Competition. Multi-Unit Developer agrees that for a period of two (2) years after the termination or expiration of this Agreement ("Restrictive Period"), regardless of the reason for such termination or expiration, Multi-Unit Developer and any Owner shall not, within the Restrictive Territory (as defined below) engage in any of the following:

(1) own, maintain, operate, engage in, franchise or license, advise, make loans to, or have any controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) for any Competitive Business (as defined in Section 7); provided, however that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 7.2.

(2) engage in any Competitive Business as an operator, employee, consultant, salesperson, managerial employee, or independent contractor in any capacity in which such person would be in a position to use or disclose Confidential Information.

(3) solicit, divert, or attempt to solicit or divert to any Competitive Business any client to which a Spa Center sold any product or for which a Spa Center performed any service at any time within the one (1) year period prior to the termination, expiration, or non-renewal of this Agreement or any prospective client that a Spa Center called on at any time or had any communications within the one (1) year period prior to the termination, expiration, or non-renewal of this Agreement.

(4) solicit, divert, or attempt to solicit or divert, any supplier that has done business with the Spa Center within one (1) year prior to the termination, expiration, or non-renewal of this Agreement to provide supplies, products, equipment, merchandise, or

services to a Competitive Business or to not provide supplies, products, equipment, merchandise, or services to Glosshouz businesses.

7.3 Definition of Competitive Business. For purposes of this Section 7, the term "Competitive Business" shall mean any business or commercial activity, other than a Glosshouz business that Multi-Unit Developer is authorized by Franchisor to operate, that:

(i) provides brow and eyelash services; facial treatments including using lasers; hair removal services; hair salon services; nail salon services; makeup application services; massage therapy services; medical aesthetic injectable treatments like neurotoxins, dermal fillers, and other injectable treatments; cosmetic skincare treatments including dermaplaning, microdermabrasion, microneedling, and chemical peels; permanent cosmetics; broadband light treatments; laser treatments for face and body; radio frequency microneedling; services for threads on face or body; and body contouring services; or

(ii) provides management services for a business or practice providing one or more of the services set forth in (i) above, or

(iii) provides any other product or service or management services that are similar to the services and products authorized to be offered, sold, or provided under the Marks and the System, or

(iv) any business granting franchises or licenses to others to operate the type of business specified in (i) to (iii).

7.4 Definition of Confidential Information. "Confidential Information" includes (without limitation) the following information not generally known to the public or within the spa, cosmetic, medspa, and esthetic industries: (a) training and operations materials and manuals, including the Manual; (b) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating the Spa Center and providing spa, cosmetic, medspa, and esthetic services to clients; (c) marketing and advertising programs for the Spa Center; (d) employee recruitment, training, retention programs; (e) knowledge of specifications for and suppliers of Business Assets, and other products; (f) any Technology which is proprietary to Franchisor or the System; (g) spa, cosmetic, medspa, and esthetic services know-how; (h) trade secrets; (i) formulas for products and any recipes for food products; (j) client lists, contact information, records, and identification; (k) passwords, usernames, and other credentials used to access the Manual; (l) knowledge of the operating results and financial performance of Spa Centers (subject to compliance with law and other requirements); (m) site selection and territorial criteria; and (n) any information Franchisor designates secret or confidential.

7.5 Definition of Restrictive Territory. For purposes of Section 7, the term "Restrictive Territory" means the following:

(a) An area which combined includes (i) the Development Area, and (ii) the territories or development areas in which Franchisor, its affiliates, or Franchisor's other franchisees operate any spa center as of the date of termination or expiration of this Agreement; or

(b) only in the event the foregoing is determined by a court of law to be too broad, an area which is within a 20-mile radius of:

(i) Multi-Unit Developer's Spa Centers at the time of termination or expiration of this Agreement, or

(ii) The location of any other spa center owned by Franchisor, its affiliates, or Franchisor's other franchisees at the time of termination or expiration of this Agreement; or

(c) only in the event the foregoing is determined by a court of law to be too broad, an area which is within a 10-mile radius of:

(i) Multi-Unit Developer's Spa Centers at the time of termination or expiration of this Agreement, or

(ii) The location of any other spa center owned by Franchisor, its affiliates, or Franchisor's other franchisees at the time of termination or expiration of this Agreement; or

(d) only in the event the foregoing is determined by a court of law to be too broad, an area which is within a 5-mile radius of Multi-Unit Developer's Spa Centers at the time of termination or expiration of this Agreement.

7.6 Multi-Unit Developer's Acknowledgment. The foregoing in-term and post-termination covenants against unfair competition with respect to similar Competitive Businesses shall apply regardless of how or why the Agreement terminates or expires. The parties agree that the foregoing covenants contained in this Section 7 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Multi-Unit Developer or its Owners from earning a living. Multi-Unit Developer agrees that the scope of activities prohibited in this Section 7, and the length of the term and geographical restrictions in this Section 7, are necessary to protect Franchisor's legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Multi-Unit Developer's and the Owners' full, uninhibited, and faithful observance of each of the covenants in this Section 7 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 7 will not impair Multi-Unit Developer's or its Owners' ability to obtain employment commensurate with Multi-Unit Developer's its Owners' abilities or on terms fully acceptable to Multi-Unit Developer or otherwise to obtain income required for the comfortable support of Multi-Unit Developer and its Owners and their families, and the satisfaction of the needs of all of Multi-Unit Developer and its Owners' creditors. Multi-Unit Developer's and its Owners' special knowledge of the spa centers (and anyone acquiring this knowledge through Multi-Unit Developer or its Owners) is such as it would cause Franchisor serious injury and loss if Multi-Unit Developer or its Owners (or anyone acquiring this knowledge through Multi-Unit Developer or its Owners) were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or its franchisees. The covenants in this Section 7 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Multi-Unit Developer or any of its Owners may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Multi-Unit Developer or its Owners. In the event of any violation of the provisions of this Section 7, the

Restrictive Period shall be extended by a period of time equal to the period of the violation. Multi-Unit Developer and Franchisor agree that the running of the applicable post-termination Restrictive Period shall be tolled during any period of such violation.

8. CONFIDENTIALITY

8.1 Duty of Confidentiality. Multi-Unit Developer understands and agrees that Franchisor has disclosed or will hereafter disclose to Multi-Unit Developer certain Confidential Information or proprietary information and trade secrets. Except as necessary in connection with the performance of obligations under this Agreement and any Franchise Agreement executed with Franchisor, Multi-Unit Developer shall not, during the term of this Agreement or at any time after the expiration or termination of this Agreement, regardless of the cause of termination or expiration use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, Confidential Information, knowledge or know-how concerning the products, services, advertising, marketing, designs, or methods of operation of the Spa Centers or the System.

8.2 Franchisor's Ownership Rights. All ideas, concepts, techniques, or materials concerning the Spa Centers, whether or not protectable intellectual property and whether created by or for Multi-Unit Developer or its Owners or employees, must be promptly disclosed to Franchisor and will be deemed the exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation will be due to Multi-Unit Developer or its Owners or employees therefor. Franchisor may incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Multi-Unit Developer hereby assigns ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor reasonably requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. As Franchisor may reasonably request, Multi-Unit Developer shall, at Franchisor's expense, take all actions reasonably necessary to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Multi-Unit Developer or not.

9. TERMINATION

9.1 Automatic Termination. This Agreement, and all rights granted herein, shall automatically and without notice terminate if Multi-Unit Developer becomes insolvent or makes a general assignment for the benefit of creditors; if Multi-Unit Developer files a petition in bankruptcy or such a petition is filed against and consented to by Multi-Unit Developer; if Multi-Unit Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Multi-Unit Developer or other custodian for Multi-Unit Developer's business or assets is filed and consented to by Multi-Unit Developer; if a receiver or other custodian (permanent or temporary) of Multi-Unit Developer's business or assets or any part thereof is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Multi-Unit Developer; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against Multi-Unit Developer's business or assets; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Multi-Unit Developer and not dismissed within thirty (30) days; or if the real or personal property of any of Multi-Unit Developer's Spa Center shall be sold after levy thereupon by any sheriff, marshal or constable. This Agreement, and all rights granted herein, shall automatically and without notice terminate upon

Multi-Unit Developer's second failure to adhere to the Development Schedule (including any extensions approved by Franchisor).

9.2 Termination Upon Notice After Opportunity to Cure. To the extent that each default listed in this Section 9.2 is curable, Franchisor will give Multi-Unit Developer written notice of such default and an opportunity to cure such default within fifteen (15) days of Multi-Unit Developer's receipt of such notice. Franchisor will have the right to terminate this Agreement immediately upon notice to Multi-Unit Developer if Multi-Unit Developer fails to cure any default to Franchisor's satisfaction and provide proof of such cure within the fifteen (15)-day period or if the default is not curable. If applicable law requires a longer cure period, such period shall apply to Franchisor's notice of default. Defaults which may be susceptible of cure hereunder include, but are not limited to, the following:

(a) Multi-Unit Developer fails to comply with all federal, state, and local laws, rules, and regulations with respect to its Spa Centers; or

(b) Multi-Unit Developer attempts to sell, assign, transfer, or encumber in whole or in part any or all rights and obligations under this Agreement, in violation of the terms of this Agreement; or

(c) Multi-Unit Developer is in breach of any of the Franchise Agreements between Franchisor and Multi-Unit Developer.

9.3 Franchisor's Rights Upon Multi-Unit Developer's Default. Except as otherwise provided in Sections 9.1 and 9.2, upon any default by Multi-Unit Developer including Multi-Unit Developer's failure to comply with the Development Schedule, or if Multi-Unit Developer fails to timely cure any default under Section 9.2, Franchisor will have the right, in its sole discretion, to:

(a) Terminate this Agreement and all rights granted hereunder without affording Multi-Unit Developer any opportunity to cure the default, effective immediately upon receipt by Multi-Unit Developer of written notice;

(b) Terminate the territorial protection granted under Section 2.1, and Franchisor will have the right to establish and operate, and license others to establish and operate, spa centers within the Development Area;

(c) Terminate the initial franchise fee credit provided under Section 4.2 hereof;

(d) Reduce the number of Spa Centers which Multi-Unit Developer has the right to develop pursuant to the Development Schedule;

(e) Reduce the size of the Development Area;

(f) Withhold evaluation or acceptance of site proposal packages and refuse to accept the opening of any Spa Centers to be developed hereunder; and

(g) Accelerate the Development Schedule.

9.4 Effect of Termination or Expiration. Upon expiration of the term, or upon the prior termination of this Agreement, Multi-Unit Developer shall have no further right to establish, construct, equip, own, open or operate additional Spa Center which are not, at the time of such termination or expiration the subject of a then-existing Franchise Agreement between Multi-Unit

Developer, or its affiliate, and Franchisor which is in full force and effect, and Franchisor may itself construct, equip, open, own or operate, or license others to construct, equip, open, own or operate Spa Center in the Development Area, except as may be otherwise be prohibited under the terms of a Franchise Agreement between Multi-Unit Developer, or its affiliate, and Franchisor which is in full force and effect.

9.5 Survival of Obligations. In the event of termination of this Agreement for any reason, or following expiration of the term, Multi-Unit Developer shall remain subject to the provisions of Articles 7 and 8 of this Agreement regarding non-compete and confidentiality covenants, and any other covenants contained in this Agreement which, by their terms, require performance by Multi-Unit Developer after the expiration or termination of this Agreement.

9.6 Cross-Default. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto unless the basis for such default is also a basis for a default under the terms of the Franchise Agreement. Default under this Agreement shall constitute a default under any other development agreement between Multi-Unit Developer and Franchisor.

9.7 No Exclusive Right or Remedy. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

10. CORPORATE OR PARTNERSHIP MULTI-UNIT DEVELOPER.

The ownership of Multi-Unit Developer, if Multi-Unit Developer is a business organization (a "Business Entity"), is set forth on Exhibit C along with an address where Multi-Unit Developer's financial records and corporate records, as applicable, are maintained. Multi-Unit Developer shall notify Franchisor in writing within ten (10) days of any change in the information set forth in Exhibit C. Multi-Unit Developer promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Multi-Unit Developer. If Multi-Unit Developer is a Business Entity, each of the Owners of Multi-Unit Developer shall, by executing this Agreement, fully, unconditionally and irrevocably guarantee the performance by Multi-Unit Developer of all of its obligations hereunder. In addition, Multi-Unit Developer shall upon Franchisor's request cause all of its current and future Owners to execute Franchisor's standard form of guarantee.

11. DISPUTE RESOLUTION

Any disputes relating to this Agreement shall be resolved using the dispute resolution procedures set forth in Multi-Unit Developer's first Franchise Agreement with Franchisor. The terms of Multi-Unit Developer's first Franchise Agreement with Franchisor shall establish the choice of law, venue, waivers, costs and attorneys' fees, injunctive relief, and limitations on damages.

12. GENERAL CONDITIONS AND PROVISIONS

12.1 Relationship of Multi-Unit Developer to Franchisor. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Multi-Unit Developer the relationship of franchisor and franchisee. It is further agreed that Multi-Unit Developer has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Multi-Unit Developer is the employer, employee, agent, partner, or co-venturer of or with the other, each being independent. Multi-Unit Developer agrees that it will not hold itself out as the agent, employee, partner, or co-venturer of

Franchisor. All employees hired by or working for Multi-Unit Developer shall be the employees of Multi-Unit Developer and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

12.2 Indemnification. Multi-Unit Developer shall indemnify and hold harmless Franchisor and its affiliated companies and their respective officers, directors, members, managers, agents, and representatives ("Indemnified Parties") from all fines, suits, proceedings, claims, demands or actions of any kind or nature, including reasonable attorneys' fees, from anyone whomsoever, directly or indirectly arising or growing out of, or otherwise connected with, Multi-Unit Developer actions or failure to act, under this Agreement, or the operation of Multi-Unit Developer's Spa Centers developed under this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against Franchisor or its affiliate. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

12.3 Waiver and Delay. No waiver by Franchisor of any breach or series of breaches or defaults in performance by Multi-Unit Developer, and no failure, refusal or neglect of Franchisor to exercise any right, power or operation given to it hereunder or under any Franchise Agreement between Franchisor and Multi-Unit Developer, whether entered into before, after or contemporaneously with the execution hereof or to insist upon strict compliance with or performance of Multi-Unit Developer's obligations under this Agreement or any Franchise Agreement between Franchisor and Multi-Unit Developer, whether entered into before, after or contemporaneously with the execution hereof, shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

12.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of all the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Multi-Unit Developer and his or their respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained herein.

12.5 Joint and Several Liability. If Multi-Unit Developer consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to Franchisor are joint and several.

12.6 Governing Law. This Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed under the laws of the State of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Colorado, which laws shall prevail in the event of any conflict of law.

12.7 Entire Agreement. This Agreement, the documents incorporated herein by reference and the attachments hereto, comprise the entire agreement between the parties and all prior understands or agreements concerning the subject matter hereof are canceled and superseded by this Agreement, except that nothing in this Agreement or any related agreement

is intended to disclaim any representations made in the Franchise Disclosure Document. Multi-Unit Developer represents that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Multi-Unit Development Agreement that are not contained herein. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement or any FDD for prospective franchisees required by applicable law, and Multi-Unit Developer agrees that it has executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instruments signed by all of the parties hereto.

12.8 Titles for Convenience. Section and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

12.9 Gender. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any section or paragraph hereof may require.

12.10 Severability. In the event that any part, section, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provisions shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

12.11 Counterparts. This Agreement may be executed electronically and/or in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. One or more counterparts can be delivered by facsimile, .pdf file, or other electronic transmission.

12.12 Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii) by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for Franchisor, addressed to
Glosshouz USA LLC
Attn: Loni Le Van-Etter
8171 S. Chester St., Centennial, CO 80112

With a copy (which shall not constitute notice) to:
Manning, Fulton & Skinner, P.A.
Attn: Ritchie W. Taylor
3605 Glenwood Avenue, Suite 500
Raleigh, NC 27612

If intended for Multi-Unit Developer, addressed to

Multi-Unit Developer's address for notice is set forth on Exhibit C

or, to such other address as may have been designated by notice to the other party. Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of

delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, Franchisor may provide the notice described in this section by email or other electronic system to (a) the email address set forth on the Exhibit C, (b) the email address Franchisor has approved or provided for Multi-Unit Developer to use with the Spa Centers, or (c) another electronic account that Franchisor has approved or provided for Multi-Unit Developer to use with the Spa Centers. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless Franchisor receives notice of rejected delivery by the email account or other electronic account.

13. SUBMISSION OF AGREEMENT AND ACKNOWLEDGEMENT

13.1 Submission of Agreement. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisor and Multi-Unit Developer. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN OFFICER OF FRANCHISOR.

13.2 Acknowledgment. MULTI-UNIT DEVELOPER ACKNOWLEDGES THAT IT SHALL HAVE SOLE AND COMPLETE RESPONSIBILITY FOR THE CHOICE OF LOCATIONS AT WHICH THE SPA CENTER WILL BE OPERATED; THAT FRANCHISOR HAS NOT GIVEN ANY REPRESENTATION, PROMISE, OR GUARANTEE OF MULTI-UNIT DEVELOPER'S SUCCESS AT THE LOCATION, EVEN BY FRANCHISOR'S ACCEPTANCE OF THE SITES THAT ARE PART OF THE DEVELOPMENT AREA OR THAT WILL BECOME THE LOCATIONS AT WHICH THE SPA CENTER WILL BE OPERATED; AND THAT MULTI-UNIT DEVELOPER SHALL BE SOLELY RESPONSIBLE FOR ITS OWN SUCCESS AT THE FRANCHISED BUSINESSES LOCATIONS. MULTI-UNIT DEVELOPER, AND ITS OWNERS AND PARTNERS, AS APPLICABLE, JOINTLY AND SEVERALLY ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT AND ALL OTHER RELATED DOCUMENTS TO BE EXECUTED CONCURRENTLY OR IN CONJUNCTION WITH THE EXECUTION HEREOF, THAT THEY HAVE OBTAINED THE ADVICE OF COUNSEL IN CONNECTION WITH ENTERING INTO THIS AGREEMENT, THAT THEY UNDERSTAND THE NATURE OF THIS AGREEMENT, AND THAT THEY INTEND TO COMPLY AND BE BOUND THEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

FRANCHISOR: Glosshouz USA LLC

By _____
Name _____
Its _____

FOR OHIO RESIDENTS AND MULTI-UNIT DEVELOPERS WITH DEVELOPMENT AREAS AND/OR ACCEPTED LOCATIONS IN OHIO: You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

MULTI-UNIT DEVELOPER: _____

By _____
Name _____
Its _____

FOR OHIO RESIDENTS AND MULTI-UNIT DEVELOPERS WITH DEVELOPMENT AREAS AND/OR ACCEPTED LOCATIONS IN OHIO

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Glosshouz USA LLC, 8171 S. Chester St., Centennial, CO 80112, 720-439-3600 not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

FOR OHIO RESIDENTS AND MULTI-UNIT DEVELOPERS WITH DEVELOPMENT AREAS AND/OR ACCEPTED LOCATIONS IN OHIO

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Glosshouz USA LLC, 8171 S. Chester St., Centennial, CO 80112, 720-439-3600 not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

EXHIBIT A

DEVELOPMENT SCHEDULE

1. Number of Spa Centers to be developed under this Agreement (including the initial Spa Center): _____

2. This Agreement shall terminate the earlier of the date the Development Schedule is complete or _____ ("Termination Date").

3. During the term, Multi-Unit Developer shall be obligated to open Spa Centers in the Development Area in accordance with the following Development Schedule:

Number of Spa Centers	Development Period	Franchise Agreement Execution Deadline	Cumulative Number to be in Operation

EXHIBIT B
DEVELOPMENT AREA

DEVELOPMENT FEE

Multi-Unit Developer's Development Fee shall be $_____ for the right to open ____ Spa Centers.

INITIAL FRANCHISE FEES

Multi-Unit Developer shall be obligated to pay an initial franchise fee for each Spa Center developed within the Development Area in accordance with the following Schedule:

	Initial Franchise Fee Due after Crediting the Development Fee
2-3 Spa Centers	$20,000
4-9 Spa Centers	$17,500
10-19 Spa Centers	$15,000
20+ Spa Centers	Not applicable; the entire Initial Franchise Fee due at Signing of this Multi-Unit Development Agreement

***The full initial franchise fee of $45,000 is due upon execution of the Multi-Unit Development Agreement and Franchise Agreement for the first Spa Center.

EXHIBIT C

OWNERSHIP INFORMATION

1. If Multi-Unit Developer is a Business Entity (corporation, limited liability company, or limited partnership), there is set forth below the name and address of each shareholder, member, or partner of Multi-Unit Developer:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE

2. The address where Multi-Unit Developer's financial records, and corporate, franchise, or partnership records, as applicable, are maintained is:

_____
_____
_____
_____

3. If Multi-Unit Developer is a Business Entity (corporation, limited liability company, or partnership), there is set forth below the names, and addresses and titles of Multi-Unit Developer's principal officers, members, or partners who will be devoting their full time to the Spa Center or Multi-Unit Developer:

NAME	ADDRESS

4. Multi-Unit Developer's Address for Notice:

Name: _____

Address: _____

Phone: _____

EXHIBIT D

OWNER'S GUARANTY AND ASSUMPTION OF MULTI-UNIT DEVELOPER'S OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("GUARANTY") IS GIVEN AS OF _____, by _____ _____ _____ (the "Guarantor" or collectively the "Guarantors").

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement of even date (the "Agreement") by Glosshouz USA LLC (the "Franchisor"), and _____ (the "Multi-Unit Developer"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Multi-Unit Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he or she may have to require that an action be brought against Multi-Unit Developer or any other person as a condition of liability. Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Multi-Unit Developer fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Multi-Unit Developer or any other person; (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Multi-Unit Developer or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement; and (5) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement.

Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Multi-Unit Developer and the other owners of Multi-Unit Developer.

(b) Guarantor shall render any payment or performance required under the Agreement upon demand if Multi-Unit Developer fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Multi-Unit Developer or any assignee or successor of Multi-Unit Developer or by any abandonment of the Agreement by a trustee of Multi-Unit Developer. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Multi-Unit Developer or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against Guarantor and Multi-Unit Developer jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Multi-Unit Developer. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

Guarantor agrees to be personally bound by the arbitration obligations under Section 11 of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in Section 11 of the Agreement in accordance with its terms. All terms not defined herein shall have the definition set forth in the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S):

Signature: _____
Print Name: _____
Date: _____
Owner /Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Owner /Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Owner /Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Owner /Spouse: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not registered
Illinois	Not registered
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT M
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Glosshouz USA 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to you to receive this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document 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 Glosshouz USA 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 to the appropriate state agency listed on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐ ☐ ☐ ☐

Loni Le Van-Etter
8171 S. Chester St.,
Centennial, CO 80112
720-439-3600

Issuance Date: April 1, 2024

Glosshouz USA LLC authorizes the state agencies identified on Exhibit A as its registered agent authorized to receive service of process. Its registered agent in Delaware is Harvard Business Services, Inc. located at 16192 Coastal Hwy, Lewes, Delaware 19958.

I have received a disclosure document dated April 1, 2024 that included the following Exhibits: Exhibit A: Federal and State Regulatory Authorities; Exhibit B: Current Franchisees; Exhibit C: Former Franchisees; Exhibit D: Franchise Agreement (with Attachments); Exhibit E: Management Agreement (with Attachments); Exhibit F: Waiver of Management Agreement (with Attachments); Exhibit G: State Addenda; Exhibit H: Table of Contents for Brand Standards Manual; Exhibit I: Financial Statements; Exhibit J: SBA Addendum; Exhibit K: General Release; Exhibit L: Multi-Unit Development Agreement (with Attachments); Exhibit M: Receipt

_____ _____
Date Prospective Franchisee Signature

You may return one copy of this receipt by signing, dating, and sending it to Glosshouz USA LLC, Franchise Administration, at 8171 S. Chester St., Centennial, CO 80112 or by sending it via email to franchise@glosshouz.com.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Glosshouz USA 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to you to receive this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document 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 Glosshouz USA 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 to the appropriate state agency listed on Exhibit A.

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☐ ☐ ☐ ☐

Loni Le Van-Etter
8171 S. Chester St.,
Centennial, CO 80112
720-439-3600

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_____ _____

Date Prospective Franchisee Signature

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